

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

Third Quarter Results
Period ended
30 September 2023

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>3 Months</u>	<u>3 Months</u>	<u>9 Months</u>	<u>9 Months</u>
		<u>Ended</u>	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>
		<u>30 Sep 2023</u>	<u>30 Sep 2022</u>	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue		65,586	62,162	183,339	187,060
Other income		1,234	1,855	6,134	4,401
Changes in inventories of finished goods and work-in-progress		(798)	1,200	(2,083)	(283)
Raw materials used		(39,737)	(35,703)	(114,562)	(107,022)
Employee benefits		(12,979)	(14,645)	(37,168)	(42,169)
Depreciation and amortisation		(3,261)	(2,966)	(9,111)	(8,832)
Other operating expenses		(5,741)	(6,309)	(18,165)	(21,071)
Finance costs		(1,447)	(1,252)	(4,326)	(3,551)
Profit before tax		2,857	4,342	4,058	8,533
Tax expenses	B6	(652)	(646)	(1,776)	(2,190)
Profit for the period		2,205	3,696	2,282	6,343
Other Comprehensive Income:					
Exchange differences on translating foreign operations		127	711	1,058	1,303
Share of other comprehensive income of associate		-	-	-	-
Total Comprehensive Income for the period		2,332	4,407	3,340	7,646
Profit after tax attributable to:					
Owners of the Company		2,144	3,867	2,579	6,813
Non-Controlling Interest		61	(171)	(297)	(470)
		2,205	3,696	2,282	6,343
Total Comprehensive Income attributable to:					
Owners of the Company		2,271	4,881	3,637	8,116
Non-Controlling Interest		61	(474)	(297)	(470)
		2,332	4,407	3,340	7,646
Earnings per share (Sen)					
Basic	B14	1.87	3.52	2.31	6.19
Diluted	B14	1.87	3.52	2.31	6.19

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	Notes	<u>Unaudited</u> As at 30 Sep 2023 RM'000	<u>Audited</u> As at 31 Dec 2022 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		120,810	120,388
Right-of-use assets		12,790	12,966
Goodwill		42,827	31,195
		<u>176,427</u>	<u>164,549</u>
Current Assets			
Inventories		37,774	38,438
Trade receivables		42,291	44,927
Other receivables, deposits and prepayments		5,765	4,642
Current tax assets		2,264	1,649
Fixed deposits with licensed banks		6,092	9,604
Cash and bank balances		18,056	11,448
		<u>112,242</u>	<u>110,708</u>
Total Assets		<u>288,669</u>	<u>275,257</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		75,932	61,855
Treasury shares		(159)	(159)
Reserves		65,581	61,978
Total Equity Attributable to Owners of the Company		<u>141,354</u>	<u>123,674</u>
Non-controlling interests		8,107	4,946
		<u>149,461</u>	<u>128,620</u>
Non-Current Liabilities			
Long-term borrowings	B10	46,368	49,181
Deferred taxation		2,555	2,374
		<u>48,923</u>	<u>51,555</u>
Current Liabilities			
Trade payables		19,267	25,672
Other payables and accruals		21,390	16,229
Tax payables		33	581
Short-term borrowings	B10	37,363	38,837
Bank overdrafts		12,232	13,763
		<u>90,285</u>	<u>95,082</u>
Total Liabilities		<u>139,208</u>	<u>146,637</u>
Total Equity and Liabilities		<u>288,669</u>	<u>275,257</u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		1.16	1.12

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	9 Months Ended 30 Sep 2023 RM'000	9 Months Ended 30 Sep 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,058	8,533
Adjustments for:		
Depreciation of property, plant and equipment	8,681	6,998
Depreciation of right-of-use asset	430	1,834
Interest expense on lease liabilities	25	493
Other receivables written off	22	-
Other interest expense	4,301	3,058
Gain on foreign exchange - unrealised	(2,750)	(1,420)
(Loss) / Gain on disposal of property, plant and equipment	10	(31)
Gain on disposal of right-of-use asset	-	(78)
Loss on foreign exchange - unrealised	623	69
Interest income	(268)	(96)
Inventories written down	831	1,037
Operating profit before working capital changes	15,963	20,397
Net changes in inventories	4,872	7,256
Net changes in trade and other receivables	9,811	6,901
Net changes in trade and other payables	(11,313)	(10,194)
CASH FLOWS FROM OPERATIONS	19,333	24,360
Tax paid	(3,063)	(1,262)
Tax refunded	332	32
NET CASH FROM OPERATING ACTIVITIES	16,602	23,130
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	268	96
Proceeds from disposal of property, plant and equipment	51	31
Proceeds from disposal of right-of-use asset	-	78
Purchase of property, plant and equipment	(1,813)	(3,711)
Purchase of right-of-use asset	-	(10)
Acquisition of a subsidiary, net of cash and bank balances acquired	(13,854)	-
Subscription of shares in a subsidiary	-	(37)
NET CASH FOR INVESTING ACTIVITIES	(15,348)	(3,553)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 - CONTINUED**

	9 Months Ended 30 Sep 2023 RM'000	9 Months Ended 30 Sep 2022 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(4,326)	(3,551)
Proceeds from Private Placement	13,530	-
Net repayment of term loan	(2,228)	(1,500)
Net drawdown/ (repayments) of multi currency trade loan	4,182	(865)
Net (repayment) of invoice financing	(2,869)	(583)
Decrease/ (Increase) in pledged of fixed deposits with licensed banks	3,512	(2,563)
Drawdown of bankers' acceptance	25,319	31,327
Repayment of bankers' acceptance	(29,658)	(34,021)
Net drawdown/ (repayment) of revolving credits	321	(1,094)
Net (repayment) of hire purchase obligations	(2,432)	-
Proceeds from exercise of employees' share options	512	-
Repayment of lease liabilities	(173)	(3,403)
Repurchase of treasury shares	-	(34)
NET CASH FOR FINANCING ACTIVITIES	5,690	(16,287)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,944	3,290
Effect of changes in exchange rates	1,195	12
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	(2,315)	(3,667)
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	5,824	(365)

Cash and cash equivalents included in the cash flows statement comprise of the followings:

	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Fixed deposits with licensed banks	6,092	6,904
Cash and bank balances	18,056	12,792
Less: Bank overdrafts	(12,232)	(13,157)
Less: Fixed Deposits pledged to licensed banks	(6,092)	(6,904)
	5,824	(365)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	← Non-Distributable			Distributable →				
	Share Capital	Treasury Shares	Employee Share Option Reserve	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	61,855	(159)	2,545	2,593	56,840	123,674	4,946	128,620
Profit after tax for the financial period	-	-	-	-	2,579	2,579	(297)	2,282
Other comprehensive income for the financial period								
- Foreign currency translation differences	-	-	-	1,058	-	1,058	-	1,058
Total comprehensive income for the financial period	-	-	-	1,058	2,579	3,637	(297)	3,340
Contributions by and distributions to owners of the Company:								
- Private Placement	13,530	-	-	-	-	13,530	-	13,530
- Employees' share options exercised	547	-	(34)	-	-	513	-	513
- Acquisition of subsidiary	-	-	-	-	-	-	3,458	3,458
As at 30 September 2023	75,932	(159)	2,511	3,651	59,419	141,354	8,107	149,461

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 - CONTINUED**

	← Non-Distributable				Distributable →			
	Share Capital	Treasury Shares	Employee Share Option Reserve	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	61,855	-	2,450	2,006	46,680	112,991	5,512	118,503
Profit after tax for the financial period	-	-	-	-	2,946	2,946	(299)	2,647
Other comprehensive income for the financial period								
- Foreign currency translation differences	-	-	-	592	-	592	-	592
- Share of an associate's other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	592	2,946	3,538	(299)	3,239
Contributions by and distributions to owners of the Company:								
- Subscription of subsidiary	-	-	-	-	63	63	-	63
As at 30 September 2022	61,855	-	2,450	2,598	49,689	116,592	5,213	121,805

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and accompanying explanatory notes attached to the interim financial statements.

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PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134

A1. Basis of Preparation

Statement of compliance

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

Significant accounting policies

- (a) The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the financial statements of the Group for the financial year ended 31 December 2022.
- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

MFRSs and Interpretations	Effective for financial periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

A2. Seasonality or Cyclicity Factors

The Group's operations experience certain seasonality or cyclicity that is common in the industry of which the Group operates in.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the quarter, there were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

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PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**A4. Change in Estimates**

There were no significant changes in estimates that have a material effect on the results for the quarter.

A5. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

Save for the following, there were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review other than the issuance of 103,750 new ordinary shares under the Company's Employees Share Option Scheme and 11,000,000 new ordinary shares under Private Placement.

A6. Dividend Paid

There was no dividend paid during the quarter under review.

A7. Segmental Reporting

The Group is organised into the two main geographical segments and operating in manufacturing of plastic moulded products, metal stamping products and components. The segmental information has been presented as follows:-

(a) By Geographical Segment**Current Quarter**

	Malaysia & Singapore	Vietnam	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 30 September 2023				
Revenue				
- sales to external parties	58,877	6,709	-	65,586
- inter-segment sales	2,217	-	(2,217)	-
Total revenue	61,094	6,709	(2,217)	65,586
Segment results	4,619	(251)	(63)	4,304
Finance costs				(1,447)
Profit before taxation				2,857

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PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**A7. Segmental Reporting - continued****(a) By Geographical Segment - continued**

Preceding Year Corresponding Quarter	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 September 2022				
Revenue				
- sales to external parties	53,201	8,961	-	62,162
- inter-segment sales	30	-	(30)	-
Total revenue	53,231	8,961	(30)	62,162
Segment results	4,595	1,068	(69)	5,594
Finance costs				(1,252)
Profit before taxation				4,342

(b) By Industry Segment

Industrial segmental information is not applicable.

A8. Material Events Subsequent to the End of the Quarter Under Review

There was no material event subsequent to the end of the quarter that require disclosure or adjustments to the unaudited interim financial statements.

A9. Changes in the Composition of the Group

There are no material changes in the composition of the Group for the current financial period ended 30 September 2023 other than acquisition of 3,333,600 ordinary shares in Kibaru Manufacturing Sdn Bhd ("KMSB"), representing 60% equity interest in KMSB .

A10. Changes in Contingent Liabilities or Contingent Assets

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter.

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PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**A11. Capital Commitments**

The amount of capital commitments not provided for in the interim financial statements are as follows:

	<u>Unaudited</u> 30 Sep 2023 RM'000	<u>Audited</u> 31 Dec 2022 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	12,500	893

A12. Related Party Transactions

Significant transactions between the Company and related parties are as follows:

	Individual Quarter ended		Cumulative Quarter ended	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Transaction with related parties:				
Purchase of components	246	436	647	801
Rental of premises	38	38	114	76

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PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1. Review of Group's Results for the Quarter Ended 30 September 2023**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 Months Ended 30 Sep 2023 RM'000	3 Months Ended 30 Sep 2022 RM'000	Change %	9 Months Ended 30 Sep 2023 RM'000	9 Months Ended 30 Sep 2022 RM'000	Changes %
Revenue	65,586	62,162	5.5	183,339	187,060	(2.0)
Operating Profit	4,304	5,594	(23.1)	8,384	12,084	(30.6)
Profit Before Interest and Tax	4,304	5,594	(23.1)	8,384	12,084	(30.6)
Profit Before Tax	2,857	4,342	(34.2)	4,058	8,533	(52.4)
Profit After Tax	2,205	3,696	(40.3)	2,282	6,343	(64.0)
Profit Attributable to Owners of the Company	2,144	3,867	(44.6)	2,579	6,813	(62.1)
EBITDAF	7,682	8,796	(12.7)	15,963	20,400	(21.8)

i. Quarter Ended 30 September 2023 compared to Quarter Ended 30 September 2022

Overall sales of Q3FY2023 is in line with Q3FY2022 while the positive contribution from newly acquired subsidiary, Kibaru Manufacturing Sdn Bhd has contributed to the revenue growth. Labour cost has reduced in the same corresponding quarter attributing to the right-sizing of headcounts. However, due to the different mix of products, overall operating profit has been reduced, coupled by general inflationary pressures that the Group faces. However, the profitability of 3QFY22 was also bolstered by realized forex gain, without which, the operating performance would have been the same despite the higher material cost arising from the different product mix.

ii. Six Months Ended 30 September 2023 compared to Six Months Ended 30 September 2022

The nine months revenue is lower by 2% due to the global economy slowdown and subsequent lower orders by certain customers. Due to the different mix of products, overall operating profit has also been reduced, coupled by general inflationary pressures that the Group faces. Nevertheless, the Group has managed to continue its profitability trajectory in the 3QFY23 despite having a challenging Q1FY23.

B2. Variation of Results Against Preceding Quarter

	INDIVIDUAL QUARTER		
	3 Months Ended 30 Sep 2023 RM'000	3 Months Ended 30 Jun 2023 RM'000	Changes %
Revenue	65,586	60,084	9.2
Operating Profit/(Loss)	4,304	4,455	(3.4)
Profit/(Loss) Before Interest and Tax	4,304	4,455	(3.4)
Profit/(Loss) Before Tax	2,857	3,047	(6.2)
Profit/(Loss) After Tax	2,205	2,145	2.8
Profit/(Loss) Attributable to Owners of the Company	2,144	2,190	(2.1)
EBITDAF	7,682	5,860	31.1

Overall revenue increased by 9.2% attributed to better operating environment compared to Q2FY23 and the consolidation of Kibaru Manufacturing Sdn Bhd effective 1 Sep 2023. However, unrealized forex loss has impacted the quarter's performance, resulting in lower operating profit. EBITDAF however has increased by 31.1%, as a result of effective cost management of the overall Group.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)**

B3. Prospects of the Group

As we enter 4Q of the year, our attention shifts towards the closing of FY 2023 and in preparation for 2024. In review, the performance in the 3Q of FY2023 has been quite challenging as compared to previous years.

This is similarly echoed and evident by the purchasing managers index (PMI) data which has been deteriorating since the start of 2023 and unemployment ticking up in Malaysia. This is generally the same in economies across the world. As China is facing a huge debt problem and recovering slower than expected, we might see even lower growth rates in 2024. Any further deterioration may further depress global economy. Meanwhile, it is a general consensus that inflation rates are expected to remain "higher for longer", mostly due to the increase in price in the services sector and the relatively tight labour markets.

Ge-Shen being in Malaysia and partly Vietnam is facing the consequential result of these giant economy's slowdown. However, the silver lining is that Malaysia's and Vietnam's economy is still benefiting from the shift to Southeast Asia, as it is still a very attractive investment and manufacturing destination. With this slowdown, we have taken the opportunity to right-size our headcounts and manage cost down in view of the global economy slowdown. It has given Management a chance to rethink earlier strategies, take big and drastic decisions and put in place several key initiatives to continue further our aspirations to be a Globally Recognized Engineering and Manufacturing Service Provider.

Barring a few customers which have been consistently contributing and growing on the top line, the global slowdown has somewhat reduce total sales per customer. However, we have been quite lucky to have won new projects from a diverse number of customers which came into mass production in 2023. Likewise, a few projects which took a long time for qualification will hopefully be on track for mass production in the 1H2024. We envisage that if the global economy recovers and all customers' demand and hence manufacturing requirements recover, we will be operating at a much higher operating capacity as previously awarded projects and new projects run in parallel. This is however a good problem which we will manage when we cross that bridge.

On the same note, just as the Group is currently integrating the newly acquired rubber compression moulding manufacturer, Kibaru Manufacturing Sdn Bhd, the Board is on the lookout and considering more potential acquisition opportunities, in particular, contract manufacturers that have high tech assembly capabilities and those that are in the electronics manufacturing like PCBA / SMT capabilities. While the combined group is strong in mechanical components manufacturing, the Group continues focus on its transformation to be a more comprehensive one-stop stop solutions provider and be a box-build manufacturer. Nevertheless, we still anticipate that the full year sales for 2023 will still remain within close range of 2022.

Looking slightly ahead, while there are some analyst who expect that 2024 will be yet another challenging year, there are some who expect a buildup of momentum starting 4Q2023, led by improving global trade winds and gradual recovery in China. We are seeing mixed signals in customers forecast and indication for the next few months and the jury is still out on what it will be like. However, as economists are predicting that we are already passed peak interest rate, and inflation can be brought down without further rates hike, and with the award of new projects from close engagement and aggressive business development initiatives, Ge-Shen will continue to bolster our topline in coming months and years. Hence, barring any unforeseen circumstances and with the status quo not being altered while navigating a changing and dynamic environment, the Management envisages that with the continuance of our aggressive business development strategy and cost management, and we are cautiously optimistic that we will be able to weather through 2024 better than 2023.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B4. Profit Forecast**

The Group did not publish any profit forecast during the quarter.

B5. Explanation Note on Profit Forecast

Not Applicable.

B6. Tax Expense

Tax expense comprises of the followings:

	Individual Quarter ended		Cumulative Quarter ended	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	653	649	1,781	2,198
Deferred tax	(1)	(3)	(6)	(8)
Tax expenses	<u>652</u>	<u>646</u>	<u>1,776</u>	<u>2,190</u>

B7. Sale of Unquoted Investments, or Properties

There was no disposal of unquoted investments, or properties during the quarter.

B8. Purchase or Disposal of Quoted and Marketable Securities

There was no purchase or disposal of quoted and marketable securities during the quarter.

B9. Corporate Proposals

The following is the corporate proposal that have been announced by the Company which have not yet completed as at 14th November 2023, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report:

On 26th June 2023, Mercu Cahaya Sdn Bhd's proposed acquisition of a parcel of industrial land known as HS(M) 18597 Plot 1a Bandar Sungai Petani HS(M) 1/1976, Plot 1a, Bandar Sungai Petani, Daerah Kuala Muda, Kedah with a total area measuring approximately 8903.0841 square meters ("Lease Land 1"); and a parcel of industrial land known as HS(M) 1/1976, PT, Mukim Sungai Pasir, Daerah Kuala Muda, Kedah with a total area measuring approximately 10147.5015 square meters ("Lease Land 2"), for the consideration of RM12,500,000.00. The Proposed Acquisition is expected to be completed by the fourth quarter of 2023.

The following are the corporate proposals that have been announced by the Company and completed during the quarter under review:

(a) On 17th July 2023, the Company proposed that to undertake a Private Placement of up to 11,808,800 new shares in Ge-Shen ("Ge-Shen(s)' shares") representing up to approximately 10% of the total number of shares of the Company. The adviser submitted the proposed private placement to Bursa Securities ("Bursa") on 24th July 2023, and the approval was obtained from Bursa on 27th July 2023. The proposed Private Placemnet was successfully completed on 25 August 2023 at a price of RM1.23 per share for with total share capital of RM13,530,000.00 and has been used for the acquisition of Kibaru manufacturing Sdn Bhd.

(b) On 3rd August 2023, the Company proposed the acquisition of 3,333,600 ordinary shares in Kibaru Manufacturing Sdn Bhd ("KMSB"), representing 60% equity interest in KMSB with a total cash consideration of RM16,800,000.00. The Proposed Acquisition was completed on 15 September 2023.

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
 (CONTINUED)**

B10. Borrowings (Secured)

The Group's borrowings, all are repayable in Ringgit Malaysia, United States Dollar and Vietnamese Dong secured, as of the end of the quarter are as follows:

	<u>Unaudited</u> 30 Sep 2023 RM'000	<u>Audited</u> 31 Dec 2022 RM'000
Short term borrowings:		
Bankers' acceptance	9,418	12,574
Term loans	7,493	7,227
Revolving credits	7,943	7,623
Multi currency trade loan	8,614	4,432
Invoice Financing	395	3,264
	<u>33,863</u>	<u>35,120</u>
Long term borrowings:		
Term loans	44,016	45,078
	<u>44,016</u>	<u>45,078</u>
Lease liabilities:		
Current liabilities	3,500	3,717
Non-Current Liabilities	2,352	4,103
	<u>5,852</u>	<u>7,820</u>
	<u>83,731</u>	<u>88,018</u>

B11. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at the date of this report.

B12. Material Litigation

The directors do not have any knowledge of any material proceedings pending or threatened against the Group as the date of this report.

B13. Dividend Proposed

There was no dividend declared or proposed by the company for the current quarter ended 30 September 2023.

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
 (CONTINUED)**

B14. Earnings per share (Sen)

Basic earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>
Profit attributable to ordinary shareholders (RM'000)	2,144	603	2,579	6,813
	<u>2,144</u>	<u>603</u>	<u>2,579</u>	<u>6,813</u>
Weighted average number of shares in issue ('000)*	114,842	110,019	111,608	110,019
	<u>114,842</u>	<u>110,019</u>	<u>111,608</u>	<u>110,019</u>
Basic EPS (Sen)	<u>1.87</u>	<u>0.55</u>	<u>2.31</u>	<u>6.19</u>

Diluted earnings earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>
Profit attributable to ordinary shareholders (RM'000)	2,144	603	2,579	6,813
	<u>2,144</u>	<u>603</u>	<u>2,579</u>	<u>6,813</u>
Weighted average number of shares in issue ('000)*	114,842	110,019	111,608	110,019
	<u>114,842</u>	<u>110,019</u>	<u>111,608</u>	<u>110,019</u>
Diluted EPS (Sen)	<u>1.87</u>	<u>0.55</u>	<u>2.31</u>	<u>6.19</u>

* The potential conversion of ESOS are anti-dilutive as the exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of ESOS has been ignored in the calculation of dilutive EPS.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B15. Audit Report**

The auditors' report of the company for the financial year ended 31 December 2022 was not subject to any qualification.

B16. Notes to the Statement of Comprehensive Income

	Individual Quarter ended		Cumulative Quarter ended	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after crediting:				
Interest income	(97)	(51)	(268)	(96)
Gain on foreign exchange				
- realised	(405)	(1,152)	(2,070)	(1,957)
- unrealised	(422)	(94)	(2,127)	(1,417)
Gain on disposal of property, plant and equipment	-	(23)	-	(31)
Gain on disposal of right-of-use asset	-	-	-	(78)
and after charging:				
Depreciation and amortisation	3,261	2,966	9,111	8,832
Interest expenses	1,447	1,252	4,326	3,551
Loss on foreign exchange				
- realised	436	149	2,327	942
- unrealised	-	28	-	70
Gain on disposal of property, plant and equipment	-	-	-	-
-	36	-	10	-
Inventories written down	590	378	831	1,037

Save as disclosed in the above, there were no gain/(loss) on disposal of quoted/unquoted investments, exceptional items, and other items required to be disclosed under the additional disclosure requirement for public listed companies that are listed on Main or Ace Markets of the Bursa Malaysia Securities Berhad.

B17. Authorisation for issue

The interim unaudited financial report was duly reviewed by Audit and Risk Management Committee and approved by the Board of Directors on 14/11/2023.