

## Ge-Shen Corporation Bhd

**Kenneth Leong**  
[kennethleong@msec.com.my](mailto:kennethleong@msec.com.my)  
(603) 2201 2100

### Floor space expansion to capture rising demand

- Equipped with 4 factories in Malaysia and Vietnam and 1 sales office in Singapore, comprising 203 injection moulding machines and 78 metal fabrication machines in 2Q21.
- Relatively large-scale expansion of additional 100,000 clean room and control rooms at Johor and Penang has boosted the manufacturing capacity in Johor and Penang by approximately 20.0% and 10.0% respectively.
- Sales growth to be underpin by sustainable demand, coupled with the upliftment of 60% workforce restrictions recently. Technically, price has formed a short-term resistance breakout above RM1.67, targeting the next resistances at RM1.77-1.85 with long term target set at RM2.00.

#### GESHEN daily: Resistance breakout



M+ Wiz

### Trading Catalyst

- Ge-Shen Corporation Bhd (GESHEN) is principally involved in the manufacturing of plastic moulded products and components and fabrication of moulds and tools. As of 2Q21, GESHEN has 4 factories in Malaysia and Vietnam and 1 sales office in Singapore, equipped with 203 injection moulding machines and 78 metal fabrication machines.
- Moving forward, the relatively large-scale expansion of additional 100,000 clean room and control rooms at Johor and Penang has boosted the manufacturing capacity in Johor and Penang by approximately 20.0% and 10.0% respectively. The move is to capture the rising demand, particularly from the medical and food related business segment.
- With the upliftment of 60% workforce restrictions recently, we expect sales to remain upbeat over the foreseeable future, premised to the sustainable demand.

#### GE-SHEN CORPORATION BHD

|                              |          |
|------------------------------|----------|
| Last Price (RM)              | 1.68     |
| 5 Day Change (%)             | 5.7      |
| 1 Day Range Percentile (%)   | 100.0    |
| 5 Day Range Percentile (%)   | 100.0    |
| 52Week Range Percentile (%)  | 92.1     |
| Volatility 30D               | 77.6     |
| EMA9, EMA20, EMA60 Trend     | Uptrend  |
| Price vs. EMA20 (%)          | 6.6      |
| DMI DI+                      | 29.0     |
| DMI DI-                      | 13.9     |
| ADX                          | 37.9     |
| Price Skew                   | DOWN     |
| RSI 14D                      | 68.3     |
| RSI OB/OS                    | Positive |
| Price vs. Bollinger Band (%) | 80.5     |

#### Bloomberg

#### Financial snapshot

| FYE Dec           | FY19  | FY20  | FY21* |
|-------------------|-------|-------|-------|
| Revenue (RM m)    | 159.0 | 195.8 | 258.5 |
| Net profit (RM m) | -8.7  | 2.1   | 12.9  |
| Shares (m)        | 110.0 | 110.0 | 110.0 |
| EPS (sen)         | -7.9  | 1.9   | 11.8  |
| DPS (sen)         | -     | -     | -     |
| P/E (x)           | -     | 86.7  | 14.3  |
| DY (%)            | -     | -     | -     |

#### Bloomberg

FY21\* based on trailing-12-months data

Meanwhile, GESHEN is also looking into the installation of solar panels onto the rooftops of all factory sites.

## Technical Outlook

- Technically, after several months long of pullback, price has once again formed the uptrend formation since July 2021. With the recent pullback towards the daily EMA60 level, price has recovered to stay above the daily EMA9 level in recent weeks. Price has formed a short-term resistance breakout above RM1.67, targeting the next resistances at RM1.77-1.85 with long term target set at RM2.00. Support is pegged at RM1.55 and cut loss is located at RM1.54.

---

## Glossary

---

|                              |  |
|------------------------------|--|
| Last Price (RM)              | Last closing price   |
| 5 Day Change (%)             | Percent change in price over the last five days. The formula is:<br>[(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.  |
| 1 Day Range Percentile (%)   | Calculates the percentile value within the 1-day range   |
| 5 Day Range Percentile (%)   | Calculates the percentile value within the 5-day range   |
| 52 Week Range Percentile (%) | Calculates the percentile value within the 52-week range   |
| Volatility 30D               | A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. |
| EMA9, EMA20, EMA60 Trend     | If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.  |
| Price vs. EMA20 (%)          | Position of the price away from the EMA20 level  |
| DMI DI+                      | Positive directional movement.   |
| DMI DI-                      | Negative directional movement.   |
| ADX                          | ADX is a moving average of the directional movement index.   |
| Price Skew                   | If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up.<br>If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.   |
| RSI 14D                      | RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.<br>If RSI 14 days is greater or equal to 70, it will be stated Overbought.  |
| RSI OB/OS                    | If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive.<br>If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative.<br>If the RSI 14 days is lower or equal to 30, it will be stated Oversold.   |
| Price vs. Bollinger Band (%) | Position of the price compare to the Bollinger band in percentage  |

---