

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Quarter 31 Mar 2010 RM'000	Preceding Year Corresponding Quarter 31 Mar 2009 RM'000 (Restated)	Current Year to Date 31 Mar 2010 RM'000	Preceding Year Corresponding Period 31 Mar 2009 RM'000 (Restated)
Revenue	22,943	16,078	22,943	16,078
Other income	20	15	20	15
Change in inventories for finished goods and work-in-progress	183	(771)	183	(771)
Raw materials used	(10,197)	(4,400)	(10,197)	(4,400)
Staff costs	(3,691)	(2,752)	(3,691)	(2,752)
Depreciation	(1,389)	(1,514)	(1,389)	(1,514)
Other operating expenses	(7,403)	(6,188)	(7,403)	(6,188)
Finance costs	(128)	(137)	(128)	(137)
Profit before tax	338	331	338	331
Tax (expense)/income	(137)	131	(137)	131
Profit after tax	201	462	201	462
Other Comprehensive Income				
Exchange differences on translating foreign operations	261	(112)	261	(112)
Total Comprehensive Income for the year	462	350	462	350
Profit attributable to:				
Equity Holders of The Parent	229	462	229	462
Minority Interest	(28)	-	(28)	-
	201	462	201	462
Total comprehensive income attributable to:				
Equity Holders of The Parent	490	350	490	350
Minority Interest	(28)	-	(28)	-
	462	350	462	350
Profit per share (sen)				
Basic (Note B12)	0.26	0.60	0.26	0.60
Diluted (Note B12)	0.26	0.60	0.26	0.60

The condensed consolidated statement of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2010

	<u>Unaudited</u> As of 31 Mar 2010 RM '000	<u>Audited</u> As of 31 Dec 2009 RM '000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	<u>35,636</u>	<u>37,111</u>
CURRENT ASSETS		
Inventories	7,574	7,251
Trade receivables	15,610	8,850
Other receivables, deposits and prepayments	2,183	1,939
Tax recoverable	1,011	1,171
Fixed deposits	2,002	3,490
Cash and bank balances	<u>3,123</u>	<u>6,400</u>
	<u>31,503</u>	<u>29,101</u>
TOTAL ASSETS	<u>67,139</u>	<u>66,212</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Share premium	5,593	5,593
Treasury shares	(1,843)	(1,843)
Accumulated losses	(5,017)	(5,246)
Minority interest	72	-
Exchange translation reserve	511	250
Equity Attributable to Equity Holders of the Parent	<u>39,316</u>	<u>38,754</u>
NON-CURRENT LIABILITIES		
Bank borrowings	<u>2,799</u>	<u>3,339</u>
Deferred taxation	<u>2,189</u>	<u>2,238</u>
	<u>4,988</u>	<u>5,577</u>
CURRENT LIABILITIES		
Trade payables	11,828	10,598
Other payables and accruals	3,192	3,416
Bank borrowings	7,322	7,413
Bank overdraft	493	454
	<u>22,835</u>	<u>21,881</u>
TOTAL LIABILITIES	<u>27,823</u>	<u>27,458</u>
TOTAL EQUITY AND LIABILITIES	<u>67,139</u>	<u>66,212</u>
Net Assets Per Ordinary Shares Attributable to Equity Holders of the Parent (RM)	<u>0.51</u>	<u>0.50</u>

The condensed consolidated statement of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	Current Year to Date 31 Mar 2010 RM'000	Preceding Year Corresponding Period 31 Mar 2009 RM'000 (Restated)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before tax	338	331
Adjustment for:-		
Non-cash items	2,298	1,514
Non-operating items	92	678
	<hr/>	<hr/>
Operating profit before working capital changes	2,728	2,523
Net changes in current assets	(7,228)	2,375
Net changes in current liabilities	1,006	(4,795)
	<hr/>	<hr/>
CASH (FOR)/FROM OPERATIONS	(3,494)	103
Interest paid	(105)	(126)
Tax paid	(26)	(456)
	<hr/>	<hr/>
NET CASH FOR OPERATING ACTIVITIES	(3,625)	(479)
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES		
Interest received	13	-
Proceed from disposal of property, plant and equipment	162	-
Purchase of property, plant and equipment	(380)	(2,734)
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(205)	(2,734)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of other short-term bank borrowings	-	2,109
Drawdown of hire purchase	338	-
Repayment of other short-term bank borrowings	(163)	-
Repayment of hire purchase	(739)	(577)
Repayment of term loan	(66)	(46)
	<hr/>	<hr/>
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(630)	1,486
	<hr/>	<hr/>
NET CASH DECREASE IN AND CASH EQUIVALENTS	(4,460)	(1,727)
EFFECT OF CHANGES IN EXCHANGE RATES	(344)	(111)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,436	6,065
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,632	4,227

The condensed consolidated statement of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010 (continued)

* Cash and cash equivalents included in the cash flow statements comprise of the following:

	RM'000	RM'000
Fixed deposits**	2,002	1,951
Cash and bank balances	3,123	2,768
Bank overdraft	(493)	(492)
	<u>4,632</u>	<u>4,227</u>

** included in fixed deposits are RM1.0 million (2009: RM1.0 million) which have been pledged to licensed banks for banking facilities made available to the Group.

The condensed consolidated statement of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 MARCH 2010

	← Non-Distributable →		← Attributable to Equity Holders of the Parent →				
	Share capital RM'00	Share premium RM'000	Treasury share RM'000	Exchange translation reserve RM'000	Distributable Retained profits/ losses) RM'000	Minority interest RM'000	Total RM'000
As at 1 January 2010	40,000	5,593	(1,843)	250	(5,246)	-	38,754
Minority interest	-	-	-	-	-	100	100
Total comprehensive income for the year	-	-	-	261	229	(28)	462
As at 31 March 2010	40,000	5,593	(1,843)	511	(5,017)	72	39,316
As at 1 January 2009	40,000	5,593	(1,843)	20	2,640	-	46,410
Total comprehensive income for the year	-	-	-	(112)	462	-	350
Balance at 31 March 2009	40,000	5,593	(1,843)	92	3,102	-	46,760

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and accompanying explanatory notes attached to the interim financial statements)

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
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A. EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134

A1. Basis of Preparation

Statement of compliance

The unaudited condensed interim financial statements for the first quarter ended 31 March 2010 have been prepared in accordance with Financial Reporting Standard ("FRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009.

Significant accounting policies

Except as described below, the accounting policies and methods of computation adopted in these interim financial statements of the Company and its subsidiaries ("The Group") are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2009.

(a) Change in accounting policy

(i) FRS 139, *Financial Instruments: Recognition and Measurement*

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments and the new accounting policies are as follows:

I) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event and embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

II) Financial Instrument categories and subsequent measurement

The Group categorises financial instruments as follows:

Financial assets

(a) *Financial assets at fair value through profit or loss*

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
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Significant accounting policies (continued)

(a) Change in accounting policy (continued)

(i) FRS 139, *Financial Instruments: Recognition and Measurement* (continued)

ii) Financial Instrument categories and subsequent measurement (continued)

Financial assets

(a) *Financial assets at fair value through profit or loss* (continued)

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) *Held-to-maturity investments*

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group has the positive intention and ability to hold to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) *Available-for-sale financial assets*

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
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Significant accounting policies (continued)

(a) Change in accounting policy (continued)

(i) FRS 139, *Financial Instruments: Recognition and Measurement* (continued)

II) Financial Instrument categories and subsequent measurement (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair values through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

III) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the assets within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an assets to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

IV) Hedge accounting

Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the end of the reporting period is recognised in profit or loss. The gain or loss on the hedged item, except for hedge item categorised as available-for-sale, attributable to the hedged risk is adjusted to the carrying amount of the hedged item and recognised in profit or loss. For a hedge item categorised as available-for-sale, the fair value gain or loss attributable to the hedge risk is recognised in profit or loss.

GE-SHEN CORPORATION BERHAD

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Significant accounting policies (continued)

(a) Change in accounting policy (continued)

(i) FRS 139, *Financial Instruments: Recognition and Measurement (continued)*

IV) Hedge accounting (continued)

Fair value hedge (continued)

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related reclassified from equity into profit or loss.

Hedge of a net investment

A hedge of a net investment is a hedge in the interest of the net assets of a foreign operation. In a net investment hedge, the portion of the gain or loss on the hedging instrument that is determined to be effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. The cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss on disposal of the foreign operation.

GE-SHEN CORPORATION BERHAD

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Significant accounting policies (continued)

(a) Change in accounting policy (continued)

(i) FRS 139, *Financial Instruments: Recognition and Measurement* (continued)

V) *Derecognition*

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the assets. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

Investments in equity securities

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries and associates were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries and associates are now categorised and measured as fair value through profit or loss, or as available-for-sale as detailed above.

Prior to the adoption of FRS 139, current investments were carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments. With the adoption of FRS 139, current investments are now categorised and measured as fair value through profit or loss as detailed above.

Investments in debt securities

Prior to the adoption of FRS 139, current investments in non-current debts securities were stated amortised cost using the effective interest method less allowance for diminution in value which in other than temporary. With the adoption of FRS 139, investments in non-current debt securities are now categorised and measured at fair value through profit or loss, available-for-sale or at amortised cost as detailed above.

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss other than derivatives designated as hedging instrument which are accounted or ain accordance with the hedge accounting requirement as described in the hedge accounting policy as detailed above.

GE-SHEN CORPORATION BERHAD

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Significant accounting policies (continued)

(a) Change in accounting policy (continued)

(i) FRS 139, *Financial Instruments: Recognition and Measurement* (continued)

Staff loans

Prior to the adoption of FRS 139, staff loans were recorded at cost. With the adoption of FRS 139, staff loans are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Interest income is recognised in the profit of loss using the effective interest method.

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivable and is measured as the difference between the asset's original effective interest rate.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance with the transitional provision of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial period were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

Consequently, the adoption of FRS 139 does not affect the basic and diluted earnings per ordinary share for prior periods. It is not practicable to estimate the impact arising from the adoption FRS 139 to the current period's basic and diluted earnings per ordinary share.

(ii) FRS101 (revised), *Presentation of Financial Statements*

The Group applies revised FRS 101 (revised) effective from 01 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

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A2. Seasonality or Cyclical Factors

The Group's interim operations were not significantly affected by any seasonal or cyclical factors.

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.

A4. Change in Estimates

There were no changes in estimates of amounts reported in prior interim period that have a material effect on the results for the quarter.

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

During the quarter, 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.

A6. Dividend Paid

There was no dividend paid during the quarter under review.

A7. Segmental Reporting

(a) By Business Segment

No business segmental information has been presented as the Group is operating principally in one industry segment.

(b) By Geographical Segment

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 31 Mar 2010				
Revenue				
- Sales to external customer	21,398	1,545	-	22,943
- Inter-segment sales	-	-	-	-
Total revenue	<u>21,938</u>	<u>1,545</u>	<u>-</u>	<u>22,943</u>
Segment results	<u>820</u>	<u>(354)</u>	<u>-</u>	<u>466</u>
Finance cost				<u>(128)</u>
Profit before tax				<u>338</u>

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A7. Segmental Reporting

(b) By Geographical Segment

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 31 Mar 2009				
Revenue				
- Sales to external customer	14,132	1,946	-	16,078
- Inter-segment sales	-	34	(34)	-
Total revenue	<u>14,132</u>	<u>1,980</u>	<u>(34)</u>	<u>16,078</u>
Segment results	<u>1,492</u>	<u>(936)</u>	<u>(88)</u>	468
Finance cost				<u>(137)</u>
Profit before tax				<u>331</u>

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 has not been reflected in the interim financial statements.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter except for the acquisition of a subsidiary as mentioned in Note B7.

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.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Group's Results for the Quarter Ended 31 Mar 2010

For the current quarter under review, the Group recorded a revenue of RM22.943 million and profit before tax at RM338,000 as compared to revenue of RM16.078 million and profit before tax at RM331,000 for the corresponding quarter in previous financial year.

B2. Variation of Results Against Preceding Quarter

The Group reported a profit before tax of RM338,000 as compared to the preceding quarter of profit before tax of RM331,000.

B3. Prospects of the Group

The Group envisage improving level of orders but is concern with rising costs. Measures are being instituted to mitigate any adverse impact from the increase in cost.

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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. Tax Expense/Income

Tax (expense)/income comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2010 RM'000	31 Mar 2009 RM'000	31 Mar 2010 RM'000	31 Mar 2009 RM'000
In respect of the current period:-				
Income tax	(238)	(93)	(238)	(93)
Deferred tax	101	127	101	127
	<u>(137)</u>	<u>34</u>	<u>(137)</u>	<u>34</u>
In respect of prior year income tax:-				
Income tax	-	-	-	-
Deferred tax	-	97	-	97
Tax (expense)/income	<u>(137)</u>	<u>131</u>	<u>(137)</u>	<u>131</u>

The effective tax rate for the current quarter is lower than its statutory tax rate mainly due to tax incentive enjoyed by its subsidiary.

For its Vietnam's subsidiary, the company is exempted from corporate income tax for 4 (four) years commencing from the first year the Vietnam entity having taxable income and shall be granted a 50% (fifty percent) reduction of corporate income tax for period of 7 (seven) subsequent years.

B6. Sale of Unquoted Investments and/or Properties

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

B7. Purchase of Unquoted Investments and/or Properties

On 12 January 2010, the Group has subscribed 90% of the equity interests of Ultraspa (M) Sdn. Bhd., for a cash consideration of RM900,000

B8. Purchase and disposal of quoted and marketable securities

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

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS - continued

B9. Borrowings

The Group's borrowings, all are repayable in Ringgit Malaysia and secured, as of the end of the quarter are as follows:-

	Total RM'000
Short Term Borrowings	
Bankers' Acceptance	4,085
Term Loans	273
Hire Purchase Payable	2,964
	<u>7,322</u>
Long Term Borrowings	
Term Loans	809
Hire Purchase Payable	1,990
	<u>2,799</u>
	<u>10,121</u>

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

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

B12. Dividend

There were no dividends declared or proposed by the company for the quarter ended 31 March 2010.

B13. Profit Per Share (PPS)

Basic profit per share

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
Profit for the period (RM'000)	201	462	201	462
Weighted average number of shares in issue ('000)#	76,908	76,908	76,908	76,908
Basic PPS (sen)	0.26	0.60	0.26	0.60

Note:

Upon deducting 3,092,000 treasury shares held by the company as at end of the quarter under review.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS - continued

B13. Profit Per Share (continued)

Diluted PPS

Diluted PPS is equal to the basic PPS as there were no potential ordinary shares outstanding in both the previous and current financial years.

B14. Audit Report

The auditors' report of the company for the financial year ended 31 December 2009 was not subject to any qualification.