

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTERS</u>	
	Current Quarter	Preceding Year Corresponding Quarter 31	Current Year to Date	Preceding Year Corresponding Quarter 31
	31 March 2011	March 2010	31 March 2011	March 2010
	RM'000	RM'000	RM'000	RM'000
Revenue	20,702	22,943	20,702	22,943
Other income	6	20	220	20
Changes in inventories of finished goods and work-in-progress	(189)	183	(189)	183
Raw materials used	(11,789)	(10,197)	(11,789)	(10,197)
Staff costs	(4,458)	(3,691)	(4,458)	(3,691)
Depreciation of Property, Plant and Equipment	(1,417)	(1,389)	(1,417)	(1,389)
Other operating expenses	(4,101)	(7,403)	(4,315)	(7,403)
Finance costs	(129)	(128)	(129)	(128)
(Loss)/Profit Before Tax	(1,375)	338	(1,375)	338
Tax expense	-	(137)	-	(137)
(Loss)/Profit After Tax	(1,375)	201	(1,375)	201
Other Comprehensive Income				
Exchange differences on translating foreign operations	719	261	719	261
Total Comprehensive (Expense)/Income for the year	(656)	462	(656)	462
(Loss)/Profit After Tax Attributable to:				
Owners of the Company	(1,385)	229	(1,385)	229
Minority Interests	10	(28)	10	(28)
	(1,375)	201	(1,375)	201
Total Comprehensive (Expense)/Income Attributable to:				
Owners of the Company	(666)	490	(666)	490
Minority Interest	10	(28)	10	(28)
	(656)	462	(656)	462
(Loss)/Profit Per Share (Sen)				
Basic (Note B12)	(1.79)	0.26	(1.79)	0.26
Diluted (Note B12)	(1.79)	0.26	(1.79)	0.26

The condensed consolidated statement of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AT 31 MARCH 2011**

	<u>Unaudited</u> As of 31 March 2011 RM '000	<u>Audited</u> As at 31 December 2010 RM '000
ASSETS		
Non-Current Asset		
Property, plant and equipment	<u>34,297</u>	<u>34,391</u>
Current Assets		
Inventories	8,693	8,646
Trade receivables	7,106	10,392
Other receivables, deposits and prepayments	1,394	1,696
Tax recoverable	-	714
Fixed deposits	1,875	1,875
Cash and bank balances	<u>6,555</u>	<u>6,430</u>
	<u>25,623</u>	<u>29,753</u>
Total Assets	<u><u>59,920</u></u>	<u><u>64,144</u></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	(6,497)	(5,122)
Foreign exchange translation reserve	<u>528</u>	<u>(191)</u>
Total Equity Attributable to Owners of the Company	37,781	38,437
Minority interest	26	16
Total Equity	37,807	38,453
Non-Current Liabilities		
Bank borrowings	<u>1,642</u>	<u>2,019</u>
Deferred taxation	<u>1,887</u>	<u>1,887</u>
	<u>3,529</u>	<u>3,906</u>
Current Liabilities		
Trade payables	2,888	11,635
Other payables and accruals	7,728	2,562
Income tax payable	77	-
Bank borrowings	7,891	7,588
Bank overdraft	-	-
	<u>18,584</u>	<u>21,785</u>
Total Liabilities	<u>22,113</u>	<u>25,691</u>
Total Equity and Liabilities	<u><u>59,920</u></u>	<u><u>64,144</u></u>
Net Assets Per Ordinary Shares Attributable to Owners of the Company(RM)	<u><u>0.49</u></u>	<u><u>0.50</u></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 2010 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	Current Year to Date	Preceding Year Corresponding Period
	31 March 2011 RM'000	31 March 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(1,375)	338
Adjustment for:-		
Non-cash items	1,417	2,298
Non-operating items	139	92
Operating profit before working capital changes	181	2,728
Net changes in current assets	3,541	(7,228)
Net changes in current liabilities	(3,581)	1,006
CASH FROM OPERATIONS	141	(3,494)
Interest paid	(129)	(105)
Tax refund	1,056	-
Tax paid	(265)	(26)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	803	(3,625)
NET CASH FROM INVESTING ACTIVITIES		
Interest received	-	13
Proceed from disposal of property, plant and equipment	-	162
Purchase of property, plant and equipment	(1,323)	(380)
NET CASH USED IN INVESTING ACTIVITIES	(1,323)	(205)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of other short-term bank borrowings	826	-
Drawdown of hire purchase	-	338
Repayment of other short-term bank borrowings	-	(163)
Repayment of hire purchase	(833)	(739)
Repayment of term loan	(67)	(66)
NET CASH USED IN FINANCING ACTIVITIES	(74)	(630)
NET DECREASE IN AND CASH EQUIVALENTS EFFECT OF CHANGES IN EXCHANGE RATES	(594)	(4,460)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8,305	9,436
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,430	4,632

The condensed consolidated statement of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011 (continued)**

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

	RM'000	RM'000
Fixed deposits**	1,875	2,002
Cash and bank balances	6,555	3,123
Bank overdraft	-	(493)
	<u>8,430</u>	<u>4,632</u>

** included in fixed deposits are RM1.0 million (2010: 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 2010 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 CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 DECEMBER 2011

	Attributable to Equity Holders of the Parent					Total RM'000	Minority interest RM'000	Total RM'000
	Non-Distributable Share capital	Share premium	Treasury share	Foreign Exchange translation reserve	Distributable Accumulated losses			
	RM'00	RM'000	RM'000	RM'000	RM'000			
As at 1 January 2011	40,000	5,593	(1,843)	(191)	(5,122)	38,437	16	38,453
Share issued to Minority interest	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	719	(1,375)	(656)	10	(646)
As at 31 March 2011	<u>40,000</u>	<u>5,593</u>	<u>(1,843)</u>	<u>528</u>	<u>(6,497)</u>	<u>37,781</u>	<u>26</u>	<u>37,807</u>
As at 1 January 2010	40,000	5,593	(1,843)	250	(5,246)	38,754	-	38,754
Exchange translation differences	-	-	-	-	-	-	100	100
Total comprehensive income for the year	-	-	-	261	229	490	(28)	462
As at 31 March 2010	<u>40,000</u>	<u>5,593</u>	<u>(1,843)</u>	<u>511</u>	<u>(5,017)</u>	<u>39,244</u>	<u>72</u>	<u>39,316</u>

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

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

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 2011 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 2010.

Significant accounting policies

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 2010.

A2. Seasonality or Cyclicity 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.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**A7. Segmental Reporting****(a) By Business Segment**

Business segmental information has been presented as follows.

(b) By Geographical Segment

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2011				
Revenue				
- Sales to external customer	19,397	2,374	-	21,771
- Inter-segment sales	1,069	-	(1,069)	-
Total revenue	20,466	2,374	(1,069)	21,771
Segment results	(1,555)	17	291	(1,247)
Finance cost				(128)
Loss before tax				(1,375)

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

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

A7. Segmental Reporting (Continued)**(c) By Industry Segment**

	Injection Moulding RM'000	Cosmetics and Skin Care RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2011				
Revenue				
- Sales to external customer	19,785	917	-	21,771
- Inter-segment sales	1,069	-	(1,069)	-
Total revenue	<u>20,854</u>	<u>917</u>	<u>(1,069)</u>	<u>21,771</u>
Segment results	<u>(1,432)</u>	<u>106</u>	<u>291</u>	<u>(1,247)</u>
Finance cost				<u>(128)</u>
Loss before tax				<u><u>(1,375)</u></u>
	Injection Moulding RM'000	Cosmetics and Skin Care RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2010				
Revenue				
- Sales to external customer	22,943	-	-	22,943
- Inter-segment sales	-	-	-	-
Total revenue	<u>22,943</u>	<u>-</u>	<u>-</u>	<u>22,943</u>
Segment results	<u>466</u>	<u>-</u>	<u>-</u>	<u>466</u>
Finance cost				<u>(128)</u>
Loss before tax				<u><u>338</u></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.

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.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1. Review of Group's Results for the Quarter Ended 31 March 2011**

The financial results of the Malaysian operations were adversely affected by the consequences arising from the strengthening of the local currency and the events happening worldwide.

For the current quarter under review, the Group recorded a revenue of RM22.072 Million and Loss Before Tax at RM1,375,000 as compared to revenue of RM21.523 Million and Profit Before Tax at RM338,000 for the corresponding quarter in previous financial year due mainly to lower margins and much higher operating expenses.

B2. Variation of Results Against Preceding Quarter

The Group reported a Loss Before Tax of RM1,375,000 as compared to the preceding quarter of Loss Before Tax of RM3,907,000.

B3. Prospects of the Group

The performance of the operations in Vietnam and the beauty product segment showed improvement though their positive contributions to the Group's financial results is not expected to be significant in the near future.

The Group is cautiously optimistic with its future financial performance, barring any undue unfavourable impact that could materialise from the continuing events happening worldwide.

B4. Profit Forecast

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

B5. Tax Income/(Expense)

Tax income/(expense) comprise the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Income tax	-	(238)	-	(238)
Deferred tax	-	101	-	101
	-	(137)	-	(137)
In respect of prior year income tax:-				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
Tax (expense) / income	-	(137)	-	(137)

GE-SHEN CORPORATION BERHAD

Company No. 633814-X

(Incorporated in Malaysia)

B5. Tax Income/(Expense) (Continued)

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

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

B8. Purchase and Disposal of Quoted and Marketable Securities

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

B9. Borrowings

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

	31 March 2011 RM'000	31 December 2010 RM'000
Short Term Borrowings		
Bankers' Acceptance	5,548	4,722
Term Loans	230	280
Hire Purchase Payable	<u>2,113</u>	<u>2,586</u>
	<u>7,891</u>	<u>7,588</u>
Long Term Borrowings		
Term Loans	595	613
Hire Purchase Payable	<u>1,047</u>	<u>1,406</u>
	<u>1,642</u>	<u>2,019</u>
	<u><u>9,533</u></u>	<u><u>9,607</u></u>

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

B10. Retained Earnings

Realised/unrealised profits/(losses) of GE-SHEN CORPORATION BERHAD and its subsidiaries

	31 March 2010 RM'000	31 December 2010 RM'000
Total realised profits of GE-SHEN CORPORATION BERHAD and its subsidiaries	1,538	2,699
Total unrealised loss of GE-SHEN CORPORATION BERHAD and its subsidiaries (Less)	-	(1,113)
Consolidation adjustments	(8,034)	(7,811)
Group Retained Earnings as per Consolidated Statement of Financial Position	(6,496)	(6,225)

B11. Off Balance Sheet Financial Instruments

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 proceedings pending or threatened against the Group as the date of this report.

B13. Dividend

There were no dividends declared or proposed by the company for the quarter ended 31 March 2011.

B13. Profit Per Share (PPS)**Basic profit per share**

	Individual quarter ended		Cumulative quarter ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
Profit / (Loss) for the period (RM'000)	(1,375)	201	(1,375)	201
Weighted average number of shares in issue ('000)#	76,908	76,908	76,908	76,908
Basic PPS (sen)	(1.79)	0.26	(1.79)	0.26

Note:

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

GE-SHEN CORPORATION BERHAD
Company No. 633814-X
(Incorporated in Malaysia)

B13. Profit Per Share (PPS) - 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 2010 was not subject to any qualification.