

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTERS</u>	
	Current Quarter 30 June 2011 RM'000	Preceding Year Corresponding Quarter 30 June 2010 RM'000	Current Year to Date 30 June 2011 RM'000	Preceding Year Corresponding Quarter 30 June 2010 RM'000
Revenue	21,880	20,080	42,582	43,023
Other income	110	91	116	111
Changes in inventories of finished goods and work-in-progress	323	955	134	1,138
Raw materials used	(8,891)	(11,686)	(20,680)	(21,882)
Staff costs	(2,421)	(2,533)	(6,879)	(6,224)
Depreciation of Property, Plant and Equipment	(1,425)	(1,465)	(2,842)	(2,854)
Other operating expenses	(7,878)	(5,485)	(11,979)	(12,889)
Finance costs	(153)	(144)	(282)	(272)
Profit/(Loss) Before Tax	1,545	(187)	170	151
Tax expense	(48)	(85)	(48)	(222)
Profit/(Loss) After Tax	1,497	(272)	122	(71)
Other Comprehensive Income				
Exchange differences on translating foreign operations	(862)	(16)	(143)	363
Total Comprehensive Income/(Expense) for the year	635	(288)	(21)	292
Profit/(Loss) After Tax Attributable to:				
Owners of the Company	1,467	(256)	82	(27)
Minority Interests	30	(16)	40	(44)
	1,497	(272)	122	(71)
Total Comprehensive Income/(Expense) Attributable to:				
Owners of the Company	605	(272)	(61)	336
Minority Interest	30	(16)	40	(44)
	635	(288)	(21)	292
Profit/(Loss) Per Share (Sen)				
Basic (Note B12)	1.95	(0.35)	0.16	(0.09)
Diluted (Note B12)	1.95	(0.35)	0.16	(0.09)

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 30 JUNE 2011**

	<u>Unaudited</u> As at 30 June 2011 RM '000	<u>Audited</u> As at 31 December 2010 RM '000
ASSETS		
Non-Current Asset		
Property, plant and equipment	<u>33,530</u>	<u>34,391</u>
Current Assets		
Inventories	8,229	8,646
Trade receivables	10,900	10,392
Other receivables, deposits and prepayments	3,081	1,696
Tax recoverable	74	714
Fixed deposits	1,897	1,875
Cash and bank balances	<u>6,366</u>	<u>6,430</u>
	<u>30,547</u>	<u>29,753</u>
Total Assets	<u><u>64,077</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	(5,040)	(5,122)
Foreign exchange translation reserve	<u>(334)</u>	<u>(191)</u>
Total Equity Attributable to Owners of the Company	38,376	38,437
Minority interest	<u>66</u>	<u>16</u>
Total Equity	38,442	38,453
Non-Current Liabilities		
Bank borrowings	<u>2,028</u>	<u>2,019</u>
Deferred taxation	<u>1,887</u>	<u>1,887</u>
	<u>3,915</u>	<u>3,906</u>
Current Liabilities		
Trade payables	11,450	11,635
Other payables and accruals	2,474	2,562
Bank borrowings	7,796	7,588
Bank overdraft	-	-
	<u>21,720</u>	<u>21,785</u>
Total Liabilities	<u>25,635</u>	<u>25,691</u>
Total Equity and Liabilities	<u><u>64,077</u></u>	<u><u>64,144</u></u>
Net Assets Per Ordinary Shares Attributable to Owners of the Company(RM)	<u><u>0.50</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 SECOND QUARTER ENDED 30 JUNE 2011**

	Current Year to Date	Preceding Year Corresponding Period
	30 June 2011 RM'000	30 June 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	170	150
Adjustment for:-		
Non-cash items	2,918	3,833
Non-operating items	257	222
Operating profit before working capital changes	<u>3,345</u>	<u>4,205</u>
Net changes in current assets	(1,476)	(2,694)
Net changes in current liabilities	(273)	2,003
CASH FROM OPERATIONS	<u>1,596</u>	<u>3,514</u>
Interest paid	(282)	(244)
Tax refund	1,056	-
Tax paid	(464)	(65)
NET CASH FROM OPERATING ACTIVITIES	<u>1,906</u>	<u>3,205</u>
NET CASH FROM INVESTING ACTIVITIES		
Interest received	25	22
Proceed from disposal of property, plant and equipment	143	1
Purchase of property, plant and equipment	(1,820)	(2,824)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,652)</u>	<u>(2,801)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of other short-term bank borrowings	803	473
Drawdown of hire purchase	1,000	227
Repayment of other short-term bank borrowings	-	-
Repayment of hire purchase	(1,450)	(1,178)
Repayment of term loan	(135)	(131)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>218</u>	<u>(609)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	472	(205)
EFFECT OF CHANGES IN EXCHANGE RATES	(514)	(65)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>8,305</u>	<u>9,432</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>8,263</u>	<u>9,162</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 BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (continued)**

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

	RM'000	RM'000
Fixed deposits**	1,897	2,009
Cash and bank balances	6,366	7,608
Bank overdraft	-	(455)
	<u>8,263</u>	<u>9,162</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

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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011

	Attributable to Equity Holders of the Parent					Total RM'000	Minority interest RM'000	Total RM'000
	Non-Distributable Share capital RM'00	Share premium RM'000	Treasury share RM'000	Foreign Exchange translation reserve RM'000	Distributable Accumulated losses 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 expense for the year	-	-	-	(143)	82	(61)	50	(11)
As at 30 June 2011	<u>40,000</u>	<u>5,593</u>	<u>(1,843)</u>	<u>(334)</u>	<u>(5,040)</u>	<u>38,376</u>	<u>66</u>	<u>38,442</u>
As at 1 January 2010	40,000	5,593	(1,843)	252	(5,350)	38,652	-	38,652
Exchange translation differences	-	-	-	363	-	363	56	419
Total comprehensive income for the year	-	-	-	-	(27)	(27)	-	(27)
As at 31 June 2010	<u>40,000</u>	<u>5,593</u>	<u>(1,843)</u>	<u>615</u>	<u>(5,377)</u>	<u>38,988</u>	<u>56</u>	<u>39,044</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 30 June 2011				
Revenue				
- Sales to external customer	37,911	4,671	-	42,582
- Inter-segment sales	2,446	-	(2,446)	-
Total revenue	<u>40,357</u>	<u>4,671</u>	<u>(2,446)</u>	<u>42,582</u>
Segment results	<u>242</u>	<u>(106)</u>	<u>316</u>	<u>452</u>
Finance cost				<u>(282)</u>
Profit before tax				<u>170</u>

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 June 2010				
Revenue				
- Sales to external customer	40,074	2,949	-	43,023
- Inter-segment sales	2,621	-	(2,621)	-
Total revenue	<u>42,695</u>	<u>2,949</u>	<u>(2,621)</u>	<u>43,023</u>
Segment results	<u>1,750</u>	<u>(620)</u>	<u>(707)</u>	<u>423</u>
Finance cost				<u>(272)</u>
Profit before tax				<u>151</u>

GE-SHEN CORPORATION BERHAD

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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 30 June 2011				
Revenue				
- Sales to external customer	40,412	2,170	-	42,582
- Inter-segment sales	2,446	-	(2,446)	-
Total revenue	<u>42,858</u>	<u>2,170</u>	<u>(2,446)</u>	<u>42,582</u>
Segment results	<u>2,499</u>	<u>399</u>	<u>(2,446)</u>	<u>452</u>
Finance cost				<u>(282)</u>
Profit before tax				<u><u>170</u></u>
	Injection Moulding RM'000	Cosmetics and Skin Care RM'000	Elimination RM'000	Consolidated RM'000
As at 30 June 2010				
Revenue				
- Sales to external customer	42,790	233	-	43,023
- Inter-segment sales	2,621	-	(2,621)	-
Total revenue	<u>45,411</u>	<u>233</u>	<u>(2,621)</u>	<u>43,023</u>
Segment results	<u>1,490</u>	<u>(360)</u>	<u>(707)</u>	<u>423</u>
Finance cost				<u>(272)</u>
Profit before tax				<u><u>151</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

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1. Review of Group's Results for the Quarter Ended 30 June 2011**

The financial results of the Malaysian operations improved as a result of the consequences arising from the strengthening of the local currency and a growing confidence in the recovery of the economic worldwide.

For the current quarter under review, the Group recorded a revenue of RM21.880 Million and Profit Before Tax at RM1,545,000 as compared to revenue of RM20.080 Million and Loss Before Tax of RM187,000 for the corresponding quarter in previous financial year due mainly to better margins and lower operating expenses.

B2. Variation of Results Against Preceding Quarter

The Group reported a Profit Before Tax of RM1,545,000 as compared to the preceding quarter of Loss Before Tax of RM1,375,000.

B3. Prospects of the Group

The Group remains cautiously optimistic with its future financial performance.

B4. Profit Forecast

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

B5. Tax Income/(Expense)

Tax expense comprise the following:-

	Individual quarter ended		Cumulative quarter ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Income tax	(47)	(67)	(47)	(305)
Deferred tax	-	(167)	-	(66)
	<u>(47)</u>	<u>(234)</u>	<u>(47)</u>	<u>(371)</u>
In respect of prior year income tax:-				
Income tax	(1)	-	(1)	-
Deferred tax	-	149	-	149
Tax expense	<u>(48)</u>	<u>(85)</u>	<u>(48)</u>	<u>(222)</u>

GE-SHEN CORPORATION BERHAD

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(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:-

	30 June 2011 RM'000	31 December 2010 RM'000
Short Term Borrowings		
Bankers' Acceptance	5,525	4,722
Term Loans	286	280
Hire Purchase Payable	<u>1,985</u>	<u>2,586</u>
	<u>7,796</u>	<u>7,588</u>
Long Term Borrowings		
Term Loans	472	613
Hire Purchase Payable	<u>1,556</u>	<u>1,406</u>
	<u>2,028</u>	<u>2,019</u>
	<u><u>9,824</u></u>	<u><u>9,607</u></u>

GE-SHEN CORPORATION BERHAD

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B10. Realised/Unrealised Profits/(Losses)

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

	30 June 2011 RM'000	31 March 2011 RM'000
Total realised profits of GE-SHEN CORPORATION BERHAD and its subsidiaries	1,981	1,538
Total unrealised loss of GE-SHEN CORPORATION BERHAD and its subsidiaries (Less)	(1,113)	(1,113)
Consolidation adjustments	5,307	(6,921)
Group Retained Earnings as per Consolidated Statement of Financial Position	(4,439)	(6,496)

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 30 June 2011.

B14. Profit Per Share (PPS)**Basic profit per share**

	Individual quarter ended		Cumulative quarter ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Profit / (Loss) for the period (RM'000)	1,497	(272)	122	(71)
Weighted average number of shares in issue ('000)#	76,908	76,908	76,908	76,908
Basic PPS (sen)	1.95	(0.35)	0.16	(0.09)

Note:

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

GE-SHEN CORPORATION BERHAD
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B14. 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.

B15. Audit Report

The auditors' report of the company for the financial year ended 31 December 2010 was not subject to any qualification.