

**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 2011**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year to Date</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>30 September 2011</b>	<b>30 September 2010</b>	<b>30 September 2011</b>	<b>30 September 2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	24,353	22,817	66,935	65,840
Other income	-	(39)	48	72
Changes in inventories of finished goods and work-in-progress	1,517	(119)	1,651	1,019
Raw materials used	(11,510)	(11,622)	(32,190)	(33,504)
Employee benefits	(3,888)	(3,399)	(10,767)	(9,623)
Depreciation of property, plant and equipment	(1,472)	(1,488)	(4,314)	(4,342)
Other operating expenses	(7,470)	(6,777)	(19,381)	(19,666)
Finance costs	(160)	(138)	(442)	(410)
<b>Profit/(Loss) Before Tax</b>	<b>1,370</b>	<b>(765)</b>	<b>1,540</b>	<b>(614)</b>
Tax expense	(771)	55	(819)	(167)
<b>Profit/(Loss) After Tax</b>	<b>599</b>	<b>(710)</b>	<b>721</b>	<b>(781)</b>
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	500	(12)	357	656
<b>Total Comprehensive Income/(Expense) for the period</b>	<b>1,099</b>	<b>(722)</b>	<b>1,078</b>	<b>(125)</b>
<b>Profit/(Loss) After Tax Attributable to:</b>				
Owners of the Company	663	(698)	745	(725)
Minority Interests	(64)	(12)	(24)	(56)
	<b>599</b>	<b>(710)</b>	<b>721</b>	<b>(781)</b>
<b>Total Comprehensive Income/(Expense) Attributable to:</b>				
Owners of the Company	1,163	(710)	1,102	(69)
Minority Interest	(64)	(12)	(24)	(56)
	<b>1,099</b>	<b>(722)</b>	<b>1,078</b>	<b>(125)</b>
<b>Profit/(Loss) per Share (Sen)</b>				
Basic (Note B14)	0.78	(0.92)	0.94	(1.02)
Diluted (Note B14)	0.78	(0.92)	0.94	(1.02)

The condensed consolidated statement of comprehensive income 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 FINANCIAL POSITION  
AT 30 SEPTEMBER 2011**

	<u>Unaudited</u> as at 30 September 2011 RM'000	<u>Audited</u> as at 31 December 2010 RM'000
<b>ASSETS</b>		
<b>Non-Current Asset</b>		
Property, plant and equipment	<u>33,397</u>	<u>34,391</u>
<b>Current Assets</b>		
Inventories	9,998	8,646
Trade receivables	12,310	10,392
Other receivables, deposits and prepayments	1,708	1,696
Tax recoverable	-	714
Fixed deposits	1,908	1,875
Amount owing by a shareholder	270	-
Cash and bank balances	<u>6,663</u>	<u>6,430</u>
	<u>32,857</u>	<u>29,753</u>
<b>Total Assets</b>	<u><u>66,254</u></u>	<u><u>64,144</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	40,000	40,000
Share premium	5,593	5,593
Treasury shares	(1,843)	(1,843)
Accumulated losses	(4,377)	(5,122)
Foreign exchange translation reserves	<u>166</u>	<u>(191)</u>
<b>Total Equity Attributable to Owners of the Company</b>	<u>39,539</u>	<u>38,437</u>
Minority interest	<u>(8)</u>	<u>16</u>
<b>Total Equity</b>	<u>39,531</u>	<u>38,453</u>
<b>Non-Current Liabilities</b>		
Bank borrowings	1,968	2,019
Deferred taxation	<u>1,887</u>	<u>1,887</u>
	<u>3,855</u>	<u>3,906</u>
<b>Current Liabilities</b>		
Trade payables	11,859	11,635
Other payables and accruals	3,060	2,562
Bank borrowings	7,280	7,588
Bank overdraft	471	-
Income tax payable	<u>198</u>	<u>-</u>
	<u>22,868</u>	<u>21,785</u>
<b>Total Liabilities</b>	<u>26,723</u>	<u>25,691</u>
<b>Total Equity and Liabilities</b>	<u><u>66,254</u></u>	<u><u>64,144</u></u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)	<u>0.51</u>	<u>0.50</u>

The condensed consolidated statement of financial position 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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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

	<b>Current Year to Date 30 September 2011 RM'000</b>	<b>Preceding Year Corresponding Period 30 September 2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	1,540	(614)
Adjustment for:-		
Non-cash items	4,398	5,995
Non-operating items	367	392
Operating profit before working capital changes	<u>6,305</u>	<u>5,773</u>
Net changes in current assets	(3,552)	(4,053)
Net changes in current liabilities	<u>722</u>	<u>2,764</u>
<b>CASH FROM OPERATIONS</b>	<b>3,475</b>	<b>4,484</b>
Interest paid	(404)	(361)
Tax refund	1,056	-
Tax paid	<u>(963)</u>	<u>(103)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>3,164</u></b>	<b><u>4,020</u></b>
<b>NET CASH FOR INVESTING ACTIVITIES</b>		
Interest received	37	31
Proceed from disposal of property, plant and equipment	7	1
Purchase of property, plant and equipment	<u>(3,399)</u>	<u>(3,834)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(3,355)</u></b>	<b><u>(3,802)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of other short-term bank borrowings	532	406
Drawdown of hire purchase	1,462	228
Repayment of hire purchase	(2,149)	(1,355)
Repayment of term loan	<u>(204)</u>	<u>(197)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b><u>(359)</u></b>	<b><u>(918)</u></b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(550)</b>	<b>(700)</b>
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>345</b>	<b>(155)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b><u>8,305</u></b>	<b><u>9,432</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>8,100</u></b>	<b><u>8,577</u></b>

The condensed consolidated statement of cash flows 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.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011 – CONTINUED**

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

	RM'000	RM'000
Fixed deposits**	1,908	2,016
Cash and bank balances	6,663	7,025
Bank overdraft	<u>(471)</u>	<u>(464)</u>
	<u><b>8,100</b></u>	<u><b>8,577</b></u>

\*\* included in the fixed deposits are RM1Million (2010: RM1Million) which have been pledged to licensed banks for banking facilities made available to the Group.

The condensed consolidated statement of cash flows 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.

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

	←----- Non-Distributable ----->				Distributable Accumulated Losses	Total Attributable to Owners of the Company	Minority Interest	Total Equity
	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Translation Reserves				
	RM'000	RM'000	RM'000	RM'000	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	<b>38,453</b>
Profit for the period	-	-	-	-	745	745	(24)	<b>721</b>
Other comprehensive income	-	-	-	357	-	357	-	<b>357</b>
As at 30 September 2011	<b>40,000</b>	<b>5,593</b>	<b>(1,843)</b>	<b>166</b>	<b>(4,377)</b>	<b>39,539</b>	<b>(8)</b>	<b>39,531</b>
As at 1 January 2010	40,000	5,593	(1,843)	252	(5,350)	38,652	-	<b>38,652</b>
Loss for the period	-	-	-	-	(725)	(725)	-	<b>(725)</b>
Other comprehensive income	-	-	-	656	-	656	44	<b>700</b>
As at 30 September 2010	<b>40,000</b>	<b>5,593</b>	<b>(1,843)</b>	<b>908</b>	<b>(6,075)</b>	<b>38,583</b>	<b>44</b>	<b>38,627</b>

The condensed consolidated statement of changes in equity 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.

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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 third quarter ended 30 September 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.

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**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
<b>As at 30 September 2011</b>				
Revenue				
- Sales to external customer	59,348	7,587	-	66,935
- Inter-segment sales	3,975	-	(3,975)	-
Total revenue	63,323	7,587	(3,975)	66,935
Segment results	2,492	(381)	(129)	1,982
Finance costs				(442)
Profit before tax				1,540

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
<b>As at 30 September 2010</b>				
Revenue				
- Sales to external customer	61,107	4,733	-	65,840
- Inter-segment sales	3,938	-	(3,938)	-
Total revenue	65,045	4,733	(3,938)	65,840
Segment results	954	(424)	(734)	(204)
Finance costs				(410)
Loss before tax				(614)

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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
<b>As at 30 September 2011</b>				
Revenue				
- Sales to external customer	64,024	2,911	-	66,935
- Inter-segment sales	3,975	-	(3,975)	-
Total revenue	<u>67,999</u>	<u>2,911</u>	<u>(3,975)</u>	<u>66,935</u>
Segment results	<u>2,352</u>	<u>(241)</u>	<u>(129)</u>	<u>1,982</u>
Finance costs				<u>(442)</u>
Profit before tax				<u><u>1,540</u></u>
	Injection Moulding RM'000	Cosmetics and Skin Care RM'000	Elimination RM'000	Consolidated RM'000
<b>As at 30 September 2010</b>				
Revenue				
- Sales to external customer	65,249	591	-	65,840
- Inter-segment sales	3,938	-	(3,938)	-
Total revenue	<u>69,187</u>	<u>591</u>	<u>(3,938)</u>	<u>65,840</u>
Segment results	<u>1,083</u>	<u>(553)</u>	<u>(734)</u>	<u>(204)</u>
Finance costs				<u>(410)</u>
Loss before tax				<u><u>(614)</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.



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

The financial results of the Malaysian operations continue to improve as a result of increased supervision of operations and a reduction in material usage.

For the current quarter under review, the Group recorded revenue of RM24.35Million and Profit Before Tax at RM1.37Million as compared to revenue of RM22.82Million and Loss Before Tax of RM0.77Million 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 RM1,370,000 as compared to the preceding quarter of Profit Before Tax of RM1,545,000.

**B3. Prospects of the Group**

The on-going development in the Eurozone is affecting business confidence and developed economies have been conscious of a possible slowdown in their consumption.

The Group is taking prudent steps to enhance and sustain its operations. Barring any undue unfavourable impact that could materialise from the continuing events happening worldwide, the Group expects satisfactory results for the financial year.

**B4. Profit Forecast**

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

**B6. Tax (Expense)/Income**

Tax (expense)/income comprise the following:-

	Individual quarter ended		Cumulative quarter ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Income tax	(770)	(31)	(818)	(336)
Deferred tax	-	86	-	144
	<b>(770)</b>	<b>55</b>	<b>(818)</b>	<b>(192)</b>
In respect of the prior year:				
Income tax	(1)	-	(1)	-
Deferred tax	-	-	-	25
Tax (expense)/income	<b>(771)</b>	<b>55</b>	<b>(819)</b>	<b>(167)</b>

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**B6. Tax (Expense)/Income – 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.

**B7. Sale of Unquoted Investments and/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**

There were no corporate proposals during the quarter.

**B10. Borrowings**

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

	<b>30 September 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
<b>Short Term Borrowings</b>		
Bankers' Acceptance	5,254	4,722
Term Loans	288	280
Hire Purchase Payable	1,738	2,586
	<u>7,280</u>	<u>7,588</u>
<b>Long Term Borrowings</b>		
Term Loans	401	613
Hire Purchase Payable	1,567	1,406
	<u>1,968</u>	<u>2,019</u>
	<u>9,248</u>	<u>9,607</u>

**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. Dividends**

There were no dividends declared or proposed by the company for the quarter ended 30 September 2011.

**GE-SHEN CORPORATION BERHAD**

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

	Individual quarter ended		Cumulative quarter ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Profit/(Loss) for the period (RM'000)	<b>599</b>	(710)	<b>721</b>	(781)
Weighted average number of shares in issue (RM'000)#	<b>76,908</b>	76,908	<b>76,908</b>	76,908
Basic PPS (Sen)	<b>0.78</b>	(0.35)	<b>0.94</b>	(1.02)

Note:

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

**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.

**B16. Realised/Unrealised Profits/(Losses)**

Realised/unrealised profits/(losses) of  
Ge-Shen Corporation Berhad and its subsidiaries

	30 September 2011 RM'000	31 March 2011 RM'000
Total realised profits of Ge-Shen Corporation Berhad and its subsidiaries	<b>2,425</b>	2,699
Total unrealised losses of Ge-Shen Corporation Berhad and its subsidiaries	<b>(1,113)</b>	(1,113)
Less:		
Consolidation adjustments	<b>(6,802)</b>	(7,811)
Total Realised/Unrealised Losses	<b>(5,490)</b>	(6,225)