

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31 March 2012 RM'000	Preceding Year Corresponding Quarter 31 March 2011 RM'000	Current Year to Date 31 March 2012 RM'000	Preceding Year Corresponding Period 31 March 2011 RM'000
Revenue	23,077	20,702	23,077	20,702
Other income	29	6	29	6
Changes in inventories of finished goods and work-in-progress	665	(189)	665	(189)
Raw materials used	(11,514)	(11,789)	(11,514)	(11,789)
Employee benefits	(4,657)	(4,458)	(4,657)	(4,458)
Depreciation of property, plant and equipment	(1,304)	(1,417)	(1,304)	(1,417)
Other operating expenses	(5,049)	(4,101)	(5,049)	(4,101)
Finance costs	(127)	(129)	(127)	(129)
Profit / (Loss) Before Tax	1,120	(1,375)	1,120	(1,375)
Tax expense	(533)	-	(533)	-
Profit / (Loss) After Tax	587	(1,375)	587	(1,375)
Other Comprehensive Income				
Exchange differences on translating foreign operations	382	719	382	719
Total Comprehensive Income / (Expense) for the period	969	(656)	969	(656)
Profit After Tax Attributable to:				
Owners of the Company	589	(1,385)	589	(1,385)
Minority Interests	(2)	10	(2)	10
	587	(1,375)	587	(1,375)
Total Comprehensive Income / (Expense) Attributable to:				
Owners of the Company	971	(666)	971	(666)
Minority Interest	(2)	10	(2)	10
	969	(656)	969	(656)
Profit per Share (Sen)				
Basic (Note B14)	0.77	(1.80)	0.77	(1.80)
Diluted (Note B14)	0.77	(1.80)	0.77	(1.80)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012**

	<u>Unaudited</u> as at 31 March 2012 RM'000	<u>Audited</u> as at 31 December 2011 RM'000
ASSETS		
Non-Current Asset		
Property, plant and equipment	31,821	32,900
Current Assets		
Inventories	10,162	9,539
Trade receivables	10,481	8,877
Other receivables, deposits and prepayments	1,358	1,682
Tax recoverable	-	-
Fixed deposits	2,033	2,016
Cash and bank balances	8,559	10,554
	<u>32,593</u>	<u>32,668</u>
Total Assets	<u>64,414</u>	<u>65,568</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	(3,769)	(4,358)
Foreign exchange translation reserves	514	132
Total Equity Attributable to Owners of the Company	<u>40,495</u>	<u>39,524</u>
Minority interest	(20)	(18)
Total Equity	<u>40,475</u>	<u>39,506</u>
Non-Current Liabilities		
Bank borrowings	1,748	1,608
Deferred taxation	1,864	1,864
	<u>3,612</u>	<u>3,472</u>
Current Liabilities		
Trade payables	9,906	11,765
Other payables and accruals	2,686	2,990
Bank borrowings	6,699	7,177
Bank overdraft	462	404
Provision for taxation	574	254
	<u>20,327</u>	<u>22,590</u>
Total Liabilities	<u>23,939</u>	<u>26,062</u>
Total Equity and Liabilities	<u>64,414</u>	<u>65,568</u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)	<u>0.53</u>	<u>0.51</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 FIRST QUARTER ENDED 31 MARCH 2012**

	Current Year to Date	Preceding Year Corresponding Period
	31 March 2012 RM'000	31 March 2011 RM'000
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	1,120	(1,375)
Adjustment for:-		
Non-cash items	1,351	1,417
Non-operating items	95	139
Operating profit before working capital changes	<u>2,566</u>	<u>181</u>
Net changes in current assets	(1,903)	3,541
Net changes in current liabilities	<u>(2,163)</u>	<u>(3,581)</u>
CASH (FOR) FROM OPERATIONS	(1,500)	141
Interest paid	(114)	(129)
Tax refund	-	1,056
Tax paid	<u>(213)</u>	<u>(265)</u>
NET CASH (USED IN) FROM OPERATING ACTIVITIES	<u>(1,827)</u>	<u>803</u>
NET CASH FOR INVESTING ACTIVITIES		
Interest received	19	-
Proceed from disposal of property, plant and Equipment	97	-
Purchase of property, plant and equipment	<u>(240)</u>	<u>(1,323)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(124)</u>	<u>(1,323)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Net drawdown of other short-term bank borrowings	-	826
Drawdown of hire purchase	449	-
Repayment of other short-term bank borrowings	(154)	-
Repayment of hire purchase	(563)	(833)
Repayment of term loan	<u>(70)</u>	<u>(67)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(338)</u>	<u>(74)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,289)	(594)
EFFECT OF CHANGES IN EXCHANGE RATES	253	719
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>12,166</u>	<u>8,305</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>10,130</u>	<u>8,430</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2012 – CONTINUED**

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

	RM'000	RM'000
Fixed deposits**	2,033	1,875
Cash and bank balances	8,559	6,664
Bank overdraft	(462)	(109)
	<u>10,130</u>	<u>8,430</u>

** included in the fixed deposits are RM1,216,000 (2011: RM1,102,000) 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 2011 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 31 MARCH 2012

	<----- Non-Distributable ----->				Distributable	Total	Minority	Total Equity
	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Translation Reserves	Accumulated Losses	Attributable to Owners of the Company	Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2012	40,000	5,593	(1,843)	132	(4,358)	39,524	(18)	39,506
Profit for the period	-	-	-	-	589	589	(2)	587
Other comprehensive income	-	-	-	382	-	382	-	382
As at 31 March 2012	40,000	5,593	(1,843)	514	(3,769)	40,495	(20)	40,475
As at 1 January 2011	40,000	5,593	(1,843)	(191)	(5,122)	38,437	16	38,453
Loss for the period	-	-	-	-	(1,385)	(1,385)	10	(1,375)
Other comprehensive income	-	-	-	719	10	729	-	729
As at 31 March 2011	40,000	5,593	(1,843)	528	(6,497)	37,781	26	37,807

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

Significant accounting policies

- (a) The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the financial statements of the Group for the financial year ended 31 December 2011.

Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2012 to amounts reflecting the application of MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012

A2. Seasonality or Cyclicity Factors

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

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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**

Business segmental information has been presented as follows.

(b) By Geographical Segment**Current Quarter**

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2012				
Revenue				
- Sales to external customer	19,292	3,785	-	23,077
- Inter-segment sales	1,714	-	(1,714)	-
Total revenue	<u>21,006</u>	<u>3,785</u>	<u>(1,714)</u>	<u>23,077</u>
Segment results	<u>1,275</u>	<u>(39)</u>	<u>11</u>	<u>1,247</u>
Finance costs				(127)
Profit before tax				<u><u>1,120</u></u>

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**A7. Segmental Reporting – continued****Preceding Quarter**

	Malaysia	Vietnam	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 31 December 2011				
Revenue				
- Sales to external customer	18,267	4,040	-	22,307
- Inter-segment sales	1,978	-	(1,978)	-
Total revenue	20,245	4,040	(1,978)	22,307
Segment results	244	(131)	253	366
Finance costs				(141)
Profit before tax				225

Preceding Year Corresponding Quarter

	Malaysia	Vietnam	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 31 March 2011				
Revenue				
- Sales to external customer	18,328	2,374	-	20,702
- Inter-segment sales	1,069	-	(1,069)	-
Total revenue	19,397	2,374	(1,069)	20,702
Segment results	(1,555)	17	292	(1,246)
Finance costs				(129)
Profit before tax				(1,375)

(c) By Industry Segment**Current Quarter**

	Injection Moulding	Cosmetics and Skin Care	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 31 March 2012				
Revenue				
- Sales to external customer	22,073	1,004	-	23,077
- Inter-segment sales	1,714	-	(1,714)	-
Total revenue	23,787	1,004	(1,714)	23,077
Segment results	1,264	(28)	11	1,247
Finance costs				(127)
Profit before tax				1,120

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A7. Segmental Reporting – continued**(c) By Industry Segment – continued****Preceding Quarter**

	Injection Moulding	Cosmetics and Skin Care	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 31 December 2011				
Revenue				
- Sales to external customer	21,315	992	-	22,307
- Inter-segment sales	1,978	-	(1,978)	-
Total revenue	<u>23,293</u>	<u>992</u>	<u>(1,978)</u>	<u>22,307</u>
Segment results	<u>210</u>	<u>(97)</u>	<u>253</u>	<u>366</u>
Finance costs				(141)
Loss before tax				<u>225</u>

Preceding Year Corresponding Quarter

	Injection Moulding	Cosmetics and Skin Care	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 31 March 2011				
Revenue				
- Sales to external customer	19,785	917	-	20,702
- Inter-segment sales	1,069	-	(1,069)	-
Total revenue	<u>20,854</u>	<u>917</u>	<u>(1,069)</u>	<u>20,702</u>
Segment results	<u>(1,644)</u>	<u>106</u>	<u>292</u>	<u>(1,246)</u>
Finance costs				(129)
Loss before tax				<u>(1,375)</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 31 March 2012

For the current quarter under review, the Group recorded revenue of RM23.1 million and profit before tax at RM1.1 million, compared to revenue of RM20.7 million and loss before tax of RM1.3 million for the corresponding quarter in the previous financial year.

The Malaysian operations recorded higher profit in the quarter due to higher sales from both the tooling and plastic segments. The financial performance of the Group's overseas operations was at the same level as those of the corresponding period of the previous financial year.

Despite higher sales, the cosmetic and skin care segment recorded marginal loss due to higher operational costs and lower profit margin.

B2. Variation of Results Against Preceding Quarter

The Group reported a profit before tax of RM1.1 million compared to the preceding quarter's profit before tax of RM225,000.

Revenue from tooling and plastic segment sales was 3.6% higher to existing customers. Consequently, the tooling and plastic segment recorded higher profits and also due to better margin and lower costs compared to preceding quarter.

The financial performance of the operations in Vietnam was at about the same level as those of the previous quarter. However, the weakening of the US Dollars resulted in exchange translation loss of its assets and liabilities to Ringgit Malaysia.

Sales registered by the cosmetic and skin care segment were marginally higher than that of last year by 1.2% from inroad made into the overseas market. Despite the higher sales, the segment showed a loss due to lower margins and higher operational expenses.

B3. Prospects of the Group

The Group effort to better its performance in the current year is hindered by the on-going uncertainty in the Euro zone and the slowdown in China economic growth. These developments are likely to affect business sentiments in the coming months.

Against this background and in light of the recent proposed minimum wage system, the Group will continue to press on its exercise in cost containment and production efficiency.

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B4. Profit Forecast

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

B5. Not Applicable**B6. Tax (Expense) / Income**

Tax (expense) / income comprise the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
In respect of the current period:-				
Income tax	533	-	533	-
Deferred tax	-	-	-	-
	<u>533</u>	<u>-</u>	<u>533</u>	<u>-</u>
In respect of the prior year:				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
Tax (expense)/income	<u>533</u>	<u>-</u>	<u>533</u>	<u>-</u>

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, 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:-

	31 March 2012 RM'000	31 March 2011 RM'000
Short Term Borrowings		
Bankers' Acceptance	5,347	5,501
Term Loans	56	280
Hire Purchase Payable	<u>1,296</u>	<u>1,396</u>
	<u>6,699</u>	<u>7,177</u>

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B10. Borrowings – continued

	31 March 2012 RM'000	31 March 2011 RM'000
Long Term Borrowings		
Term Loans	503	349
Hire Purchase Payable	1,245	1,259
	<u>1,748</u>	<u>1,608</u>
	<u>8,447</u>	<u>8,785</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 31 March 2012.

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

	Individual quarter ended		Cumulative quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Profit / (Loss) attributable to ordinary shareholders (RM'000)	590	(1,385)	590	(1,385)
Weighted average number of shares in issue (RM'000)#	76,908	76,908	76,908	76,908
Basic PPS (Sen)	<u>0.77</u>	<u>(1.80)</u>	<u>0.77</u>	<u>(1.80)</u>

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 2011 was not subject to any qualification.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
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	Individual quarter ended		Cumulative quarter ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after crediting:-				
Interest income	19	2	19	2
Gain on disposal of property, plant and equipment	82	-	82	-
Gain on foreign exchange				
- Realised	31	3	31	3
- Unrealised	-	-	-	-
and charging:-				
Interest expense	114	118	114	118
Depreciation of property, plant and equipment	1,304	1,417	1,304	1,417
Allowance for impairment losses on receivables	-	-	-	-
Allowance for impairment losses on inventories	-	-	-	-
Loss on foreign exchange				
- Realised	309	189	309	189
- Unrealised	129	-	129	-

Save as disclosed in the above, there were no gain/(loss) on disposal of quoted/unquoted investments, exceptional items, and other items required to be disclosed under the additional disclosure requirement for public listed companies that are listed on Main or Ace Markets of the Bursa Malaysia Securities Berhad for the current quarter and year ended 31 March 2012.

B17. Realised / Unrealised Losses

	31 March	31 December
	2012	2011
	RM'000	RM'000
Total realised losses of Ge-Shen Corporation Berhad and its subsidiaries	(1,776)	(2,504)
Total unrealised (losses)/profits of Ge-Shen Corporation Berhad and its subsidiaries		
- in respect of deferred tax recognised in the income statement	(1,864)	(1,864)
- in respect of unrealised (loss)/gain on foreign exchange	(129)	221
- other unrealised losses	-	(202)
Total Realised/Unrealised Losses	<u>(3,769)</u>	<u>(4,349)</u>