

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated In Malaysia)**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2007**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTERS</u>	
	Current Quarter 31 Dec 2007 RM'000	Preceding Year Corresponding Quarter 31 Dec 2006 RM'000	Current Year To Date 31 Dec 2007 RM'000	Preceding Year Corresponding Period 31 Dec 2006 RM'000
Operating Revenue	20,156	22,006	78,392	86,802
Other income	181	119	712	237
Profit before interest, depreciation and amortisation	868	2,259	7,266	9,961
Interest income	28	47	170	94
Interest expense	(49)	(46)	(185)	(223)
Depreciation	(1,129)	(1,125)	(4,339)	(4,567)
(Loss)/Profit before taxation	(282)	1,135	2,912	5,265
Taxation	(102)	849	(602)	(893)
Net (loss)/profit for the period	(384)	1,984	2,310	4,372
Attributable to: Equity Holders of The Parent	(384)	1,984	2,310	4,372
Earnings per share (sen)				
Basic (note B12)	(0.5)	2	3	5
Diluted (note B12)	NA	NA	NA	NA

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and accompanying explanatory notes attached to the interim financial statements)

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF 31 DECEMBER 2007**

	<u>Unaudited</u> As Of 31 Dec 2007 RM'000	<u>Audited</u> As Of 31 Dec 2006 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	38,126	33,141
Goodwill on consolidation	2,168	2,168
	<u>40,294</u>	<u>35,309</u>
CURRENT ASSETS		
Inventories	5,998	5,200
Trade receivables	9,900	15,621
Other receivables, deposits and prepayments	5,267	2,990
Tax recoverable	1,207	1,430
Fixed deposits	3,695	8,570
Cash and bank balances	7,979	2,789
	<u>34,046</u>	<u>36,600</u>
TOTAL ASSETS	<u>74,340</u>	<u>71,909</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Share premium	5,593	5,593
Treasury shares	(1,843)	(737)
Retained profits	8,495	7,723
Exchange translation reserve	194	(74)
Equity Attributable to Equity Holders of the Parent	<u>52,439</u>	<u>52,505</u>
NON-CURRENT LIABILITIES		
Bank borrowings	1,202	1,242
Deferred taxation	2,907	2,935
	<u>4,109</u>	<u>4,177</u>
CURRENT LIABILITIES		
Trade payables	10,980	11,512
Other payables and accruals	4,574	1,946
Bank borrowings	1,889	1,737
Taxation	-	32
Bank overdrafts	349	-
	<u>17,792</u>	<u>15,227</u>
TOTAL LIABILITIES	<u>21,901</u>	<u>19,404</u>
TOTAL EQUITY AND LIABILITIES	<u>74,340</u>	<u>71,909</u>
Net Assets Per Ordinary Share Attributable to Equity Holders of the Parent (RM)	0.68	0.66

(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 FOURTH QUARTER ENDED
31 DECEMBER 2007**

	Current Year To Date 31 Dec 2007 RM'000	Preceding Year Corresponding Period 31 Dec 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,912	5,265
Adjustments for:-		
Non-cash items	4,534	4,558
Non-operating items	15	129
	<hr/>	<hr/>
Operating profit before changes in working capital	7,461	9,952
Net changes in current assets	2,467	1,144
Net changes in current liabilities	2,094	(2,927)
	<hr/>	<hr/>
CASH FROM OPERATIONS	12,022	8,169
Interest paid	(185)	(223)
Interest received	170	94
Tax paid	(438)	(796)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	11,569	7,244
NET CASH FOR INVESTING ACTIVITIES		
Proceeds from disposal of plant and equipment	1,097	55
Purchases of property, plant and equipment	(9,419)	(1,981)
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(8,322)	(1,926)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loan	-	1,000
Dividend paid	(1,538)	-
Net drawdown/(repayment) of other short-term bank borrowings	723	(269)
Net repayments of hire purchase	(365)	(1,085)
Repayments of term loans	(1,263)	(975)
Acquisition of treasury shares	(1,106)	(737)
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITIES	(3,549)	(2,066)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(302)	3,252
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,359	8,181
EFFECT OF CHANGES IN EXCHANGE RATES	268	(74)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,325	11,359
	<hr/>	<hr/>
* Cash and cash equivalents included in the cashflow statements comprise of the following:		
	RM'000	RM'000
Fixed Deposits	3,695	8,570
Cash and bank balances	7,979	2,789
Bank overdraft	(349)	-
	<hr/>	<hr/>
	11,325	11,359
	<hr/>	<hr/>

(The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 DECEMBER 2007

	← Atributable to Equity Holders of the Parent →		← Distributable →		Total RM'000	
	Share capital RM'000	Share premium RM'000	Treasury share RM'000	Exchange translation reserve RM'000		Retained profits RM'000
As at 1 January 2007, restated	40,000	5,593	(737)	(74)	7,723	52,505
Net profit for the period	-	-	-	-	2,310	2,310
Repurchased shares held as treasury shares	-	-	(1,106)	-	-	(1,106)
Dividend paid	-	-	-	-	(1,538)	(1,538)
Translation differences	-	-	-	268	-	268
As at 31 December 2007	40,000	5,593	(1,843)	194	8,495	52,439
As at 1 January 2006, previously stated	40,000	5,593	-	-	2,517	48,110
Effect of adopting FRS 3	-	-	-	-	834	834
As at 1 January 2006, restated	40,000	5,593	-	-	3,351	48,944
Net profit for the period	-	-	-	-	4,372	4,372
Repurchased shares held as treasury shares	-	-	(737)	-	-	(737)
Translation differences	-	-	-	(74)	-	(74)
As at 31 December 2006	40,000	5,593	(737)	(74)	7,723	52,505

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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

The unaudited condensed interim financial statements for the fourth quarter ended 31 December 2007 have been prepared in accordance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the 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 2006.

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 2006 except for the adoption of the following new and revised FRS issued by MASB that are effective for the Group's annual reporting date, 31 December 2007:

FRS 117 - Lease
FRS 124 - Related Party Disclosures

The adoption of FRS mentioned above does not have significant impact on the Group.

A2. Audit Report

The auditors' report of the Company for the financial year ended 31 December 2006 was not subject to any qualification.

A3. Seasonality or Cyclicity Factors

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

A4. 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.

A5. 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.

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A6. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

During the quarter, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities.

During the twelve months period from 1 January 2007 to 31 December 2007, the Company repurchased 2,092,000 units of its issued and fully paid ordinary shares from the open market at an average price of RM0.5266 per share. The total consideration paid for the repurchase including transaction costs was RM1,106,688. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the Section 67A of the Companies Act, 1965.

A7. Dividends Paid

There was no dividend paid during the quarter.

During the twelve months period from 1 January 2007 to 31 December 2007, the Company paid a final tax exempt dividend of 2 sen per ordinary share in respect of financial year ended 31 December 2006 amounting to RM1,538,160.

A8. Segmental Reporting

The primary basis of segment reporting of the Group is business segment. During the quarter, the Group operates principally in only one business segment. The relevant financial information has been appropriately presented in the interim financial statements.

A9. Property, Plant and Equipment

(a) Revaluation

The property, plant and equipment of the Group have not been revalued up to the end of the quarter.

A10. Material Events Subsequent to the End of the Quarter Under Review

There were no material events subsequent to the end of the quarter that have not been reflected on the interim financial statements.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter.

A12. 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 December 2007

The Group's net loss for the quarter ended 31 December 2007 was RM0.384 million which includes the loss of RM0.559 million from its operations in Vietnam. The loss of the Group's operations in Vietnam were due to delay in startup.

B2. Variation of Results Against Preceding Quarter

The Group's achieved of net loss of RM0.384 million as compared to the previous year corresponding quarter of net profit of RM1.984 million.

B3. Prospects of the Group

The Group expects challenging times ahead due to global slowdown. Steps are being taken to mitigate any effects on the Group's results.

B4. Profit Forecast

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

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B5. Tax Expense

Taxation comprises the following:

	Individual quarter ended		Cumulative quarters ended	
	30 Dec 2007 RM'000	30 Dec 2006 RM'000	30 Dec 2007 RM'000	30 Dec 2006 RM'000
In respect of the current period:-				
Income tax	121	120	627	609
Deferred taxation	(101)	(984)	95	269
	<u>20</u>	<u>(864)</u>	<u>722</u>	<u>878</u>
In respect of the previous period:-				
Income tax	2	4	2	4
Deferred taxation	80	11	(122)	11
	<u>102</u>	<u>(849)</u>	<u>602</u>	<u>893</u>

The effective tax rate of the Group's current tax charge for the period was lower than statutory tax rate mainly due to the reinvestment allowances claimed by its subsidiaries.

B6. Sale of Unquoted Investments and/or Properties

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

B7. 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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B8. 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	
Term Loans	192
Bankers' Acceptance	1,369
Hire Purchase Payables	328
	<hr/> 1,889
Long Term Borrowings	
Term Loans	607
Hire Purchase Payables	595
	<hr/> 1,202
Total	<hr/> <hr/> 3,091

B9. Off Balance Sheet Financial Instruments

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

B10. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant. In line with the decision to terminate the Technology Licence Agreement with Sansun (HK) Limited, the Group had initiated legal action to recover costs and losses arising from the termination with Sansun (HK) Limited. Other than the above, the directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this announcement.

B11. Dividend

There were no dividend being declared or proposed by the Company for the quarter ended 31 December 2007.

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B12. Earnings Per Share

Basic earnings per share (EPS)

	Individual quarter ended		Cumulative quarters ended	
	30 Dec 2007	30 Dec 2006	30 Dec 2007	30 Dec 2006
Net (loss)/profit for the period (RM'000)	(384)	1,984	2,310	4,372
Weighted average number of shares in issue ('000)#	76,908	79,917	76,908	79,917
Basic EPS (sen)	(0.5)	2	3	5

Note:

Represent the effect of treasury shares 3,092,000 and 83,000 shares respectively arising from share buy back exercise.

Diluted EPS

The Group does not have any convertible securities and accordingly diluted EPS is not applicable.

B13. Authorised for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 March 2007.