

GUAN CHONG BERHAD

(Company No. 646226-K)
(Incorporated in Malaysia)

QUARTERLY REPORT**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31-MAR-06 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-MAR-05 RM'000	CURRENT YEAR TO-DATE ENDED 31-MAR-06 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-MAR-05 RM'000
Revenue	91,113	103,206	91,113	103,206
Cost of sales	(83,934)	(94,311)	(83,934)	(94,311)
Gross profit	7,179	8,895	7,179	8,895
Other income	891	87	891	87
Selling and distribution expenses	(1,493)	(1,580)	(1,493)	(1,580)
Administrative expenses	(1,235)	(976)	(1,235)	(976)
Other expenses	(91)	(45)	(91)	(45)
Finance costs	(921)	(1,023)	(921)	(1,023)
Share of profit of associates	150	-	150	-
Profit before tax	4,480	5,358	4,480	5,358
Tax expense	(560)	(545)	(560)	(545)
Profit for the period	3,920	4,813	3,920	4,813
Attributable to:				
Equity holders of the parent	3,952	4,804	3,952	4,804
Minority interest	(32)	9	(32)	9
	3,920	4,813	3,920	4,813
Basic earnings per share (sen)	1.65	2.22	1.65	2.22
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEET**AS AT 31 MARCH 2006****(The figures have not been audited)**

	AS AT END OF CURRENT QUARTER 31-MAR-06 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31-DEC-05 RM'000 (RESTATED)
ASSETS		
Non-current assets		
Property, plant and equipment	61,766	61,764
Lease rental paid in advance	4,636	1,858
Investment in associates	3,817	-
Investment	-	5
	<u>70,219</u>	<u>63,627</u>
Current assets		
Inventories	74,152	83,155
Trade and other receivables	40,687	39,104
Deposits, bank and cash balances	10,432	8,853
	<u>125,271</u>	<u>131,112</u>
TOTAL ASSETS	<u>195,490</u>	<u>194,739</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,000	60,000
Share premium	7,718	7,718
Other reserve	*	*
Retained profits	16,506	12,554
	<u>84,224</u>	<u>80,272</u>
Minority interest	<u>994</u>	<u>1,026</u>
Total equity	<u>85,218</u>	<u>81,298</u>
Non-current liabilities		
Bank borrowings	551	578
Hire purchase payable	275	274
Deferred tax liabilities	7,894	7,851
	<u>8,720</u>	<u>8,703</u>
Current liabilities		
Trade and other payables	16,945	27,452
Bank borrowings	84,131	76,876
Hire purchase payable	180	239
Tax payable	296	171
	<u>101,552</u>	<u>104,738</u>
Total liabilities	<u>110,272</u>	<u>113,441</u>
TOTAL EQUITY AND LIABILITIES	<u>195,490</u>	<u>194,739</u>
Net assets per share (sen)	<u>35.09</u>	<u>33.45</u>

*Note:*** Amount less than RM 1,000*

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

GUAN CHONG BERHAD(Company No. 646226-K)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

(The figures have not been audited)

	← Attributable To Equity Holders Of The Parent →				Total RM'000	Minority Interest RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Reserve On Consolidation RM'000	Other Reserve RM'000				Distributable Retained Profits/(Loss) RM'000
Balance at 31 December 2005	60,000	7,718	3,443	*	9,111	80,272	-	80,272
Reclassification of opening minority interest	-	-	-	-	-	-	1,026	1,026
Effect of adopting: -FRS 3	-	-	(3,443)	-	3,443	-	-	-
Restated balance	60,000	7,718	-	*	12,554	80,272	1,026	81,298
Profit for the period	-	-	-	-	3,952	3,952	(32)	3,920
Dividends	-	-	-	-	-	-	-	-
Balance at 31 March 2006	60,000	7,718	-	*	16,506	84,224	994	85,218
Balance at 1 January 2005	**	-	-	-	(6)	(6)	-	(6)
Rights issue	31,088	-	-	-	-	31,088	-	31,088
Acquisition of subsidiary companies	22,912	-	3,443	-	-	26,355	-	26,355
Profit for the period	-	-	-	-	4,804	4,804	-	4,804
Balance at 31 March 2005	54,000	-	3,443	-	4,798	62,241	-	62,241

Note:

* Amount less than RM 1,000

** This represents RM2 of 8 ordinary shares of RM0.25 each.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

(The figures have not been audited)

	CUMULATIVE CURRENT YEAR TO DATE 31-MAR-06 RM'000	CUMULATIVE PRECEDING YEAR QUARTER 31-DEC-05 RM'000
Net cash from operating activities	2,523	1,037
Net cash used in investing activities	(8,114)	(7,260)
Net cash from financing activities	6,525	11,883
Net increase in cash and cash equivalents	934	5,660
Effect of exchange rate changes	*	*
Cash and cash equivalents at the beginning of financial period/year	5,660	**
Cash and cash equivalents at the end of financial period/year	6,594	5,660
Cash and cash equivalents at the end of financial period comprise of:		
Deposits, bank and cash balances	10,432	8,853
Bank overdrafts	(3,738)	(3,093)
	6,694	5,760
Less : Non-cash and cash equivalents		
Fixed deposit pledged to bank as collateral	(100)	(100)
	6,594	5,660

Note :

* Amount less than RM 1,000

** This represents RM2.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.