

GUAN CHONG BERHAD

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

QUARTERLY REPORT**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 30-SEPT-06 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEPT-05 RM'000	CURRENT YEAR TO-DATE ENDED 30-SEPT-06 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-SEPT-05 RM'000
Revenue	91,466	105,151	271,232	310,699
Cost of sales	(84,050)	(97,045)	(248,807)	(285,051)
Gross profit	7,416	8,106	22,425	25,648
Other income	1,044	626	2,516	1,142
Selling and distribution expenses	(1,433)	(1,388)	(4,347)	(4,314)
Administrative expenses	(1,011)	(1,146)	(3,395)	(3,611)
Other expenses	(35)	(67)	(201)	(224)
Finance costs	(1,314)	(955)	(3,203)	(2,942)
Share of profit of associates	378	-	897	-
Profit before tax	5,045	5,176	14,692	15,699
Tax expense	(781)	(504)	(1,876)	(1,578)
Profit for the period	4,264	4,672	12,816	14,121
Attributable to:				
Equity holders of the parent	4,245	4,610	12,656	13,978
Minority interest	19	62	160	143
	4,264	4,672	12,816	14,121
Basic earnings per share (sen)	1.77	1.92	5.27	6.51
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.

GUAN CHONG BERHAD

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**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2006**

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 30-SEPT-06 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31-DEC-05 RM'000 (RESTATED)
ASSETS		
Non-current assets		
Property, plant and equipment	68,195	61,764
Lease rental paid in advance	4,762	1,858
Investment in associates	4,328	-
Investment	-	5
	<u>77,285</u>	<u>63,627</u>
Current assets		
Inventories	104,179	83,155
Trade and other receivables	35,419	39,104
Deposits, bank and cash balances	6,456	8,853
	<u>146,054</u>	<u>131,112</u>
TOTAL ASSETS	<u>223,339</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	18,010	12,554
	<u>85,728</u>	<u>80,272</u>
Minority interest	<u>1,186</u>	<u>1,026</u>
Total equity	<u>86,914</u>	<u>81,298</u>
Non-current liabilities		
Bank borrowings	498	578
Hire purchase payable	395	274
Deferred tax liabilities	8,377	7,851
	<u>9,270</u>	<u>8,703</u>
Current liabilities		
Trade and other payables	33,501	27,452
Bank borrowings	93,104	76,876
Hire purchase payable	331	239
Tax payable	219	171
	<u>127,155</u>	<u>104,738</u>
Total liabilities	<u>136,425</u>	<u>113,441</u>
TOTAL EQUITY AND LIABILITIES	<u>223,339</u>	<u>194,739</u>
Net assets per share (sen)	<u>35.72</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.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 1 January 2006	60,000	7,718	3,443	*	9,111	80,272	1,026	81,298
Effect of adopting: -FRS 3	-	-	(3,443)	-	3,443	-	-	-
Restated balance	60,000	7,718	-	*	12,554	80,272	1,026	81,298
Foreign currency translation	-	-	-	*	-	*	-	*
Profit for the period	-	-	-	-	12,656	12,656	160	12,816
Dividends	-	-	-	-	(7,200)	(7,200)	-	(7,200)
Balance at 30 September 2006	60,000	7,718	-	*	18,010	85,728	1,186	86,914
Balance at 1 January 2005	**	-	-	-	(6)	(6)	-	(6)
Acquisition of subsidiary companies	31,088	-	3,443	-	-	34,531	846	35,377
Rights Issue	22,912	-	-	-	-	22,912	-	22,912
Public Issue	6,000	9,600	-	-	-	15,600	-	15,600
Listing expenses written off against share premium	-	(1,882)	-	-	-	(1,882)	-	(1,882)
Foreign currency translation	-	-	-	*	-	-	-	-
Profit for the financial year	-	-	-	-	17,037	17,037	180	17,217
Dividends	-	-	-	-	(7,920)	(7,920)	-	(7,920)
Balance at 31 December 2005	60,000	7,718	3,443	*	9,111	80,272	1,026	81,298

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 THIRD QUARTER ENDED 30 SEPTEMBER 2006**

(The figures have not been audited)

	CUMULATIVE CURRENT YEAR TO DATE 30-SEPT-06 RM'000	CUMULATIVE PRECEDING YEAR TO DATE 30-SEPT-05 RM'000
Net cash from/(used in) operating activities	6,699	(24,009)
Net cash (used in)/from investing activities	(17,865)	(4,612)
Net cash (used in)/from financing activities	7,561	36,367
Net increase in cash and cash equivalents	(3,605)	7,746
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	2,055	7,746
Cash and cash equivalents at the end of financial period comprise of:		
Deposits, bank and cash balances	6,456	9,106
Bank overdrafts	(4,401)	(1,260)
	2,055	7,846
Less : Non-cash and cash equivalents		
Fixed deposit pledged to bank as collateral	-	(100)
	2,055	7,746

Note :

* This represents RM2.

Amount less than RM1,000

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.