

**GUAN CHONG BERHAD**

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

**QUARTERLY REPORT****CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended <b>31-Dec-06</b> RM'000	Preceding Year Corresponding Quarter <b>31-Dec-05</b> RM'000 (Restated)	Current Year To-Date Ended <b>31-Dec-06</b> RM'000	Preceding Year To-Date Ended <b>31-Dec-05</b> RM'000 (Restated)
Revenue	108,560	101,996	379,792	412,695
Cost of sales	<u>(98,314)</u>	<u>(93,561)</u>	<u>(347,121)</u>	<u>(378,612)</u>
<b>Gross profit</b>	10,246	8,435	32,671	34,083
Operating expenses	(4,113)	(3,407)	(12,056)	(11,556)
Other income	2,142	298	4,658	1,440
Finance costs	(1,951)	(1,006)	(5,154)	(3,948)
Share of profit of associate	<u>128</u>	<u>-</u>	<u>1,025</u>	<u>-</u>
<b>Profit before tax</b>	6,452	4,320	21,144	20,019
Tax expense	<u>(1,344)</u>	<u>(1,261)</u>	<u>(3,220)</u>	<u>(2,839)</u>
<b>Profit for the period</b>	<u>5,108</u>	<u>3,059</u>	<u>17,924</u>	<u>17,180</u>
<b>Attributable to:</b>				
Equity holders of the parent	4,998	3,022	17,654	17,000
Minority interest	<u>110</u>	<u>37</u>	<u>270</u>	<u>180</u>
	<u>5,108</u>	<u>3,059</u>	<u>17,924</u>	<u>17,180</u>
Basic earnings per share (sen)	2.08	1.26	7.36	7.69
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 31 DECEMBER 2006**

(The figures have not been audited)

	<b>As At End Of Current Quarter 31-Dec-06 RM'000</b>	<b>As At End of Preceding financial Year 31-Dec-05 RM'000 (Restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	74,650	61,764
Lease rental paid in advance	5,793	1,858
Investment in associates	4,301	-
Investment	-	5
	<u>84,744</u>	<u>63,627</u>
<b>Current assets</b>		
Inventories	103,872	83,155
Trade and other receivables	46,358	39,104
Deposits, bank and cash balances	2,791	8,853
	<u>153,021</u>	<u>131,112</u>
<b>TOTAL ASSETS</b>	<b><u>237,765</u></b>	<b><u>194,739</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	60,000	60,000
Share premium	7,718	7,718
Other reserve	(119)	37
Retained profits	20,571	12,517
	<u>88,170</u>	<u>80,272</u>
<b>Minority interest</b>	<u>1,326</u>	<u>1,026</u>
<b>Total equity</b>	<b><u>89,496</u></b>	<b><u>81,298</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	471	578
Hire purchase payable	882	274
Deferred tax liabilities	9,503	7,851
	<u>10,856</u>	<u>8,703</u>
<b>Current liabilities</b>		
Trade and other payables	33,349	27,452
Bank borrowings	103,543	76,876
Hire purchase payable	461	239
Tax payable	60	171
	<u>137,413</u>	<u>104,738</u>
<b>Total liabilities</b>	<u>148,269</u>	<u>113,441</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>237,765</u></b>	<b><u>194,739</u></b>
 Net assets per share (sen)	 <u>36.74</u>	 <u>33.45</u>

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**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006**

(The figures have not been audited)

Note	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			
<b>Balance at 1 January 2006</b>	60,000	7,718	3,443	37	9,074	80,272	1,026	81,298
Effect of adopting: -FRS 3	-	-	(3,443)	-	3,443	-	-	-
<b>Balance at 1 January 2006 - as restated</b>	60,000	7,718	-	37	12,517	80,272	1,026	81,298
Acquisition of subsidiary company	-	-	-	-	-	-	30	30
Foreign currency translation	-	-	-	(192)	-	(192)	-	(192)
Profit for the year	-	-	-	-	17,654	17,654	270	17,924
Dividends	-	-	-	-	(9,600)	(9,600)	-	(9,600)
Share options granted under ESOS	-	-	-	36	-	36	-	36
<b>Balance at 31 December 2006</b>	<b>60,000</b>	<b>7,718</b>	<b>-</b>	<b>(119)</b>	<b>20,571</b>	<b>88,170</b>	<b>1,326</b>	<b>89,496</b>
<b>Balance at 1 January 2005</b>	**	-	-	-	(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 (as restated)	-	-	-	-	17,000	17,000	180	17,180
Dividends	-	-	-	-	(7,920)	(7,920)	-	(7,920)
Share options granted under ESOS A2(a)	-	-	-	37	-	37	-	37
<b>Balance at 31 December 2005 (as restated)</b>	<b>60,000</b>	<b>7,718</b>	<b>3,443</b>	<b>37</b>	<b>9,074</b>	<b>80,272</b>	<b>1,026</b>	<b>81,298</b>

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 FOURTH QUARTER ENDED 31 DECEMBER 2006**

(The figures have not been audited)

	<b>Cumulative Current Year To-Date 31-Dec-06 RM'000</b>	<b>Cumulative Preceding Year To-Date 31-Dec-05 RM'000</b>
Net cash from operating activities	2,372	1,037
Net cash (used in) investing activities	(24,939)	(7,260)
Net cash from financing activities	17,892	11,883
Net (decrease)/increase in cash and cash equivalents	(4,675)	5,660
Effect of exchange rate changes	(193)	-
Cash and cash equivalents at the beginning of financial period/year	5,660	*
Cash and cash equivalents at the end of financial period/year	<b>792</b>	<b>5,660</b>

**Cash and cash equivalents at the end of financial period comprise of:**

Deposits, bank and cash balances	2,791	8,853
Bank overdrafts	(1,999)	(3,093)
	792	5,760
Less : Non-cash and cash equivalents		
Fixed deposit pledged to bank as collateral	-	(100)
	<b>792</b>	<b>5,660</b>

Note :

\* 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.