

GUAN CHONG BERHAD(Company No. 646226-K)
(Incorporated in Malaysia)**QUARTERLY REPORT****CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2007**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Jun-07 RM'000	Preceding Year Corresponding Quarter 30-Jun-06 RM'000	Current Year To-Date Ended 30-Jun-07 RM'000	Preceding Year To-Date Ended 30-Jun-06 RM'000
Revenue	100,805	88,653	206,349	179,766
Cost of sales	(92,348)	(80,823)	(188,725)	(164,757)
Gross profit	8,457	7,830	17,624	15,009
Operating expenses	(4,583)	(2,645)	(7,954)	(5,464)
Other income	1,199	581	2,133	1,472
Finance costs	(1,430)	(968)	(2,867)	(1,889)
Share of profit of associate	319	369	563	519
Profit before tax	3,962	5,167	9,499	9,647
Tax expense	(194)	(535)	(849)	(1,095)
Profit for the period	3,768	4,632	8,650	8,552
Attributable to:				
Equity holders of the parent	3,499	4,459	8,503	8,411
Minority interest	269	173	147	141
	3,768	4,632	8,650	8,552
Basic earnings per share (sen)	1.46	1.86	3.54	3.50
Diluted earnings per share (sen)	1.44	1.86	3.50	3.50

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

GUAN CHONG BERHAD

(Company No. 646226-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007**

(The figures have not been audited)

	As At End Of Current Quarter 30-Jun-07 RM'000	As At End of Preceding financial Year 31-Dec-06 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	85,416	74,650
Lease rental paid in advance	5,947	5,793
Investment in associates	4,300	4,317
	<u>95,663</u>	<u>84,760</u>
Current assets		
Inventories	89,438	103,841
Trade and other receivables	51,432	46,696
Short-term investment	5,535	-
Deposits, bank and cash balances	6,343	2,791
	<u>152,748</u>	<u>153,328</u>
TOTAL ASSETS	<u>248,411</u>	<u>238,088</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,000	60,000
Share premium	7,718	7,718
Share options reserve	600	480
Foreign currency translation reserve	(265)	(177)
Retained profits	28,777	20,274
	<u>96,830</u>	<u>88,295</u>
Minority interest	<u>1,563</u>	<u>1,326</u>
Total equity	<u>98,393</u>	<u>89,621</u>
Non-current liabilities		
Bank borrowings	13,080	471
Hire purchase payable	711	882
Deferred tax liabilities	9,538	9,495
	<u>23,329</u>	<u>10,848</u>
Current liabilities		
Trade and other payables	31,027	33,349
Bank borrowings	95,161	103,543
Hire purchase payable	373	461
Tax payable	128	266
	<u>126,689</u>	<u>137,619</u>
Total liabilities	<u>150,018</u>	<u>148,467</u>
TOTAL EQUITY AND LIABILITIES	<u>248,411</u>	<u>238,088</u>
Net assets per share (sen)	<u>40.35</u>	<u>36.79</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2007

(The figures have not been audited)

	Attributable To Equity Holders Of The Parent						Minority Interest	Total Equity	
	Non-Distributable			Distributable					
	Share Capital RM'000	Share Premium RM'000	Reserve On Consolidation RM'000	Foreign Currency Translation Reserve RM'000	Share Options Reserve RM'000	Retained Profits/(Loss) RM'000	Total RM'000	RM'000	RM'000
Balance at 1 January 2007	60,000	7,718	-	(177)	480	20,274	88,295	1,326	89,621
Subscription of shares in a subsidiary	-	-	-	-	-	-	-	90	90
Foreign currency translation reserve	-	-	-	(88)	-	-	(88)	-	(88)
Profit for the financial period	-	-	-	-	-	8,503	8,503	147	8,650
Share options granted under ESOS	-	-	-	-	120	-	120	-	120
Balance at 30 June 2007	60,000	7,718	-	(265)	600	28,777	96,830	1,563	98,393
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	-	-	-
Balance at 1 January 2006 - as restated	60,000	7,718	-	-	-	12,554	80,272	1,026	81,298
Foreign currency translation reserve	-	-	-	(66)	-	-	(66)	-	(66)
Profit for the financial period	-	-	-	-	-	8,411	8,411	141	8,552
Balance at 30 June 2006	60,000	7,718	-	(66)	-	20,965	88,617	1,167	89,784

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 the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2007**

(The figures have not been audited)

	Cumulative Current Year To-Date 30-Jun-07 RM'000	Cumulative Preceding Year To-Date 30-Jun-06 RM'000
Net cash from operating activities	12,760	15,513
Net cash (used in) investing activities	(13,018)	(11,794)
Net cash (used in) / from financing activities	3,827	(587)
Net increase in cash and cash equivalents	3,569	3,132
Effect of exchange rate changes	(90)	(66)
Cash and cash equivalents at the beginning of financial period	792	5,660
Cash and cash equivalents at the end of financial period	4,271	8,726
Cash and cash equivalents at the end of financial period comprise of :		
Deposits, bank and cash balances	6,343	11,739
Bank overdrafts	(2,072)	(2,913)
	4,271	8,826
Less : Non-cash and cash equivalents		
Fixed deposit pledged to bank as collateral	-	(100)
	4,271	8,726

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.