

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

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Sep-07 RM'000	Preceding Year Corresponding Quarter 30-Sep-06 RM'000	Current Year To-Date Ended 30-Sep-07 RM'000	Preceding Year To-Date Ended 30-Sep-06 RM'000
Revenue	110,066	91,466	316,415	271,232
Cost of sales	(98,551)	(84,050)	(287,276)	(248,807)
Gross profit	11,515	7,416	29,139	22,425
Operating expenses	(5,858)	(2,479)	(13,812)	(7,943)
Other income	1,171	1,044	3,304	2,516
Finance costs	(2,113)	(1,314)	(4,980)	(3,203)
Share of profit of associate	358	378	921	897
Profit before tax	5,073	5,045	14,572	14,692
Tax expense	(1,438)	(781)	(2,287)	(1,876)
Profit for the period	3,635	4,264	12,285	12,816
Attributable to:				
Equity holders of the parent	3,663	4,245	12,166	12,656
Minority interest	(28)	19	119	160
	3,635	4,264	12,285	12,816
Basic earnings per share (sen)	1.53	1.77	5.07	5.27
Diluted earnings per share (sen)	1.51	1.77	5.00	5.27

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.

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

(The figures have not been audited)

	As At End Of Current Quarter 30-Sep-07 RM'000	As At End of Preceding financial Year 31-Dec-06 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	100,707	74,650
Lease rental paid in advance	5,895	5,793
Investment in associates	4,507	4,317
	<u>111,109</u>	<u>84,760</u>
Current assets		
Inventories	137,524	103,841
Trade and other receivables	44,157	46,696
Short-term investment	-	-
Deposits, bank and cash balances	5,086	2,791
	<u>186,767</u>	<u>153,328</u>
TOTAL ASSETS	<u>297,876</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	660	480
Foreign currency translation reserve	(305)	(177)
Retained profits	26,920	20,274
	<u>94,993</u>	<u>88,295</u>
Minority interest	<u>1,571</u>	<u>1,326</u>
Total equity	<u>96,564</u>	<u>89,621</u>
Non-current liabilities		
Bank borrowings	12,128	471
Hire purchase payable	721	882
Deferred tax liabilities	10,950	9,495
	<u>23,799</u>	<u>10,848</u>
Current liabilities		
Trade and other payables	36,697	33,349
Bank borrowings	140,171	103,543
Hire purchase payable	645	461
Tax payable	-	266
	<u>177,513</u>	<u>137,619</u>
Total liabilities	<u>201,312</u>	<u>148,467</u>
TOTAL EQUITY AND LIABILITIES	<u>297,876</u>	<u>238,088</u>
Net assets per share (sen)	<u>39.58</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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	126	126
Foreign currency translation reserve	-	-	-	(128)	-	-	(128)	-	(128)
Dividend	-	-	-	-	-	(5,520)	(5,520)	-	(5,520)
Profit for the financial period	-	-	-	-	-	12,166	12,166	119	12,285
Share options granted under ESOS	-	-	-	-	180	-	180	-	180
Balance at 30 September 2007	60,000	7,718	-	(305)	660	26,920	94,993	1,571	96,564
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	-	-	-	*	-	-	*	-	*
Dividend	-	-	-	-	-	(7,200)	(7,200)	-	(7,200)
Profit for the financial period	-	-	-	-	-	12,656	12,656	160	12,816
Balance at 30 September 2006	60,000	7,718	-	*	-	18,010	85,728	1,186	86,914

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.

GUAN CHONG BERHAD

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**

(The figures have not been audited)

	Cumulative Current Year To-Date 30-Sep-07 RM'000	Cumulative Preceding Year To-Date 30-Sep-06 RM'000
Net cash from / (used in) operating activities	(10,632)	6,699
Net cash (used in) investing activities	(29,257)	(17,865)
Net cash from financing activities	40,074	7,561
Net increase / (decrease) in cash and cash equivalents	185	(3,605)
Effect of exchange rate changes	(131)	*
Cash and cash equivalents at the beginning of financial period	792	5,660
Cash and cash equivalents at the end of financial period	846	2,055
Cash and cash equivalents at the end of financial period comprise of :		
Deposits, bank and cash balances	5,086	6,456
Bank overdrafts	(4,240)	(4,401)
	846	2,055

Note:

* Amount less than RM 1,000

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.