

**QUARTERLY REPORT**

**CONDENSED CONSOLIDATED INCOME STATEMENT  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended <b>30-Sep-08</b> RM'000	Preceding Year Corresponding Quarter Ended <b>30-Sep-07</b> RM'000	Current Year To-Date Ended <b>30-Sep-08</b> RM'000	Preceding Year To-Date Ended <b>30-Sep-07</b> RM'000
Revenue	210,034	110,066	544,024	316,415
Cost of sales	(189,669)	(98,551)	(507,245)	(287,276)
<b>Gross profit</b>	<b>20,365</b>	<b>11,515</b>	<b>36,779</b>	<b>29,139</b>
Operating expenses	(15,865)	(5,858)	(23,861)	(13,812)
Other income	369	1,171	1,910	3,304
Finance costs	(2,133)	(2,113)	(6,149)	(4,980)
Share of profit of associate	462	358	1,002	921
<b>Profit before tax</b>	<b>3,198</b>	<b>5,073</b>	<b>9,681</b>	<b>14,572</b>
Tax expense	(1,456)	(1,438)	(2,272)	(2,287)
<b>Profit for the financial period</b>	<b>1,742</b>	<b>3,635</b>	<b>7,409</b>	<b>12,285</b>
<b>Attributable to:</b>				
Equity holders of the Company	1,693	3,663	7,299	12,166
Minority interest	49	(28)	110	119
	<b>1,742</b>	<b>3,635</b>	<b>7,409</b>	<b>12,285</b>
<b>Earnings per share (sen) attributable to equity holders of the Company</b>				
- Basic	0.71	1.53	3.04	5.07
- Diluted	0.71	1.51	3.04	5.00

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30 SEPTEMBER 2008**

(The figures have not been audited)

	<b>As At End Of Current Quarter 30-Sep-08 RM'000</b>	<b>As At End of Preceding financial Year 31-Dec-07 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	106,879	106,145
Lease rental paid in advance	5,692	5,844
Investment in associates	5,294	4,610
Deferred tax asset	-	195
	<u>117,865</u>	<u>116,794</u>
<b>Current assets</b>		
Inventories	178,099	121,174
Trade and other receivables	79,929	64,913
Deposits, bank and cash balances	15,056	3,741
	<u>273,084</u>	<u>189,828</u>
<b>TOTAL ASSETS</b>	<b><u>390,949</u></b>	<b><u>306,622</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	60,000	60,000
Share premium	7,718	7,718
Share options reserve	-	721
Foreign currency translation reserve	444	(68)
Retained profits	32,656	26,557
	<u>100,818</u>	<u>94,928</u>
<b>Minority interest</b>	<u>1,546</u>	<u>1,436</u>
<b>Total equity</b>	<b><u>102,364</u></b>	<b><u>96,364</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	13,376	11,178
Hire purchase payable	580	671
Deferred tax liabilities	12,549	11,788
	<u>26,505</u>	<u>23,637</u>
<b>Current liabilities</b>		
Trade and other payables	44,181	52,918
Bank borrowings	217,427	133,080
Hire purchase payable	472	522
Tax payable	-	101
	<u>262,080</u>	<u>186,621</u>
<b>Total liabilities</b>	<b><u>288,585</u></b>	<b><u>210,258</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>390,949</u></b>	<b><u>306,622</u></b>
Net assets per share (sen) attributable to equity holders of the Company	<u>42.01</u>	<u>39.55</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008**

(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	Foreign Currency Translation Reserve RM'000	Share Options Reserve RM'000	Retained Profits/(Loss) RM'000	Total RM'000	RM'000	RM'000
<b>Balance at 1 January 2008</b>	60,000	7,718	(68)	721	26,557	94,928	1,436	96,364
Subscription of shares in a subsidiary	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	512	-	-	512	-	512
Dividends	-	-	-	-	(1,200)	(1,200)	-	(1,200)
Profit for the financial period	-	-	-	-	7,299	7,299	110	7,409
Share options granted under ESOS	-	-	-	(721)	-	(721)	-	(721)
<b>Balance at 30 september 2008</b>	<b>60,000</b>	<b>7,718</b>	<b>444</b>	<b>-</b>	<b>32,656</b>	<b>100,818</b>	<b>1,546</b>	<b>102,364</b>
<b>Balance at 1 January 2007</b>	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)
Dividends	-	-	-	-	(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
<b>Balance at 30 September 2007</b>	<b>60,000</b>	<b>7,718</b>	<b>(305)</b>	<b>660</b>	<b>26,920</b>	<b>94,993</b>	<b>1,571</b>	<b>96,564</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008**

(The figures have not been audited)

	<b>Cumulative Current Year To-Date 30-Sep-08 RM'000</b>	<b>Cumulative Preceding Year To-Date 30-Sep-07 RM'000</b>
Net cash (used in) operating activities	(68,413)	(10,632)
Net cash (used in) investing activities	(5,574)	(29,257)
Net cash from financing activities	87,735	40,074
Net increase in cash and cash equivalents	13,748	185
Effect of exchange rate changes	512	(131)
Cash and cash equivalents at the beginning of financial period	(1,185)	792
Cash and cash equivalents at the end of financial period	<b>13,075</b>	<b>846</b>
<b>Cash and cash equivalents at the end of financial period comprise of :</b>		
Deposits, bank and cash balances	15,056	5,086
Bank overdrafts	(1,981)	(4,240)
	<b>13,075</b>	<b>846</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.