

THONG GUAN INDUSTRIES BERHAD
CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2000

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date (One quarter to 31 Mar. 2000)	Preceding Year Corresponding Period (One quarters to 31 Mar. 1999)
	31 Mar. 2000 RM'000	31 Mar. 1999 RM'000	RM'000	RM'000
1 (a) Turnover	32,286	20,663	32,286	20,663
(b) Investment income	-	-	-	-
(c) Other income (including interest income)	109	67	109	67
2 (a) Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, taxation and minority interests	5,273	2,601	5,273	2,601
(b) Interest on borrowings	210	242	210	242
(c) Depreciation and amortisation,	1,244	1,056	1,244	1,056
(d) Exceptional items	-	-	-	-
(e) Operating profit after interest on borrowings, depreciation and amortisation, exceptional items, but before taxation and minority interests	3,818	1,304	3,818	1,304
(f) Share of results of associated companies	-	-	-	-
(g) Profit before taxation	3,818	1,304	3,818	1,304
(h) Taxation	(302)	-	(302)	-
(i) Profit after taxation but before minority interests	3,516	1,304	3,516	1,304
(j) Minority interests	-	-	-	-
(k) Profit attributable to stockholders of the Company	3,516	1,304	3,516	1,304
3 Earnings per stock (sen) (Based on 27,000,000 ordinary stocks)	13.02	4.83	13.02	4.83

THONG GUAN INDUSTRIES BERHAD
CONSOLIDATED BALANCE SHEET

	As at end of 31-Mar-00 RM'000	As at Preceeding Financial Year End 31-Dec-99 RM'000
FIXED ASSETS	45,605	46,345
CURRENT ASSETS		
Stocks	27,096	22,681
Trade Debtors	23,319	19,891
Other Debtors, Deposits & Prepayments	2,622	4,039
Fixed Deposits With A Licenced Bank	1,000	1,000
Cash And Bank Balances	1,432	619
	55,470	48,230
CURRENT LIABILITIES		
Trade Creditors	16,999	11,265
Other Creditors & Accruals	5,840	8,694
Bank Borrowings	6,622	8,149
Provision For Taxation	(17)	-
Proposed Dividend	-	-
	29,444	28,108
NET CURRENT ASSETS/(LIABILITIES)	26,026	20,122
	71,631	66,467
CAPITAL EMPLOYED		
Share Capital	27,000	27,000
Share Premium Account	4,709	4,709
Unappropriated Profits	33,983	30,467
	65,692	62,176
Term Loan	4,670	3,414
Deferred Taxation	751	751
Hire Purchase And Lease Obligations	517	126
	71,631	66,467
Net tangible assets per stock (sen)	243.30	230.28

THONG GUAN INDUSTRIES BERHAD

(Company No. 324203-K)

(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2000

1. Group's Accounting Policies

There are no changes in the Group's accounting policies and methods of computations used in this quarterly financial statement as compared with the most recent annual financial statements.

2. Exceptional Items

There were no exceptional items for the financial periods under review

3. Extraordinary Items

There were no extraordinary items for the financial periods under review.

4. Taxation

The amount provided is for current year taxation.

5. Pre-acquisition Profit

There were no pre-acquisition profits for the current financial year.

6. Profit on sale of investments and/or properties

There were no profits on sale of investments and/or properties for the current financial year.

7. Quoted Shares

There were no purchases or disposals of quoted shares for the financial year.

8. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year.

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NOTES TO FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 MARCH 2000 (Cont'd)

9. Status of Corporate Proposals

There were no corporate proposals that have been announced by the Company but not completed as at the date of this announcement except for the Employee Share Option Scheme which has been approved by the shareholders at the Extraordinary General Meeting held on 29 June 1999. As to date, none of the option has been exercised.

10. Seasonal or Cyclical Factors

The Group traditionally performed better during the second half of the financial year as sales will pick up during the third and fourth quarter.

11. Equity Structure

There were no issuance and repayment of debt and equity stocks, stock buy-backs, stock cancellations, stocks held as treasury stocks and resale of treasury stocks for the current financial year.

12. Group Borrowings

31 March 2000

RM'000

Long term borrowings, secured

Analysis of repayment

Between 1 - 2 years	1,325
Between 2 - 5 years	3,346
Above 5 years	-

4,671

Short term borrowings

Secured

Bank overdrafts	2,649
Short term loans	1,190
Other borrowings	2,542

6,381

Unsecured

Bank overdrafts	43
Short term loans	-
Other borrowings	198

241

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NOTES TO FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED 31 MARCH 2000 (Cont'd)

13. **Contingent Liabilities**

Secured

Bills discounted

RM'000

912

The bills discounted are secured by fixed charges over all the fixed assets of the subsidiary company for which facility is granted.

14. **Off Balance Sheet Financial Instruments**

The group does not have any financial instruments with off balance sheet risk as at 23 May 2000, the latest practicable date which is not earlier than 7 days from the date of the issuance of this quarterly report.

15. **Material Litigation**

Neither Thong Guan Industries Berhad nor any of its subsidiary companies are engaged in any material litigation, either as plaintiff or defendant and the Director are not aware of any proceedings pending or threatened against the company or any of its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position or business of the company or any of its subsidiary companies, financially or otherwise.

16. **Segmental Reporting**

*Financial data by industry segment
for the Group*

	Turnover RM'000	Profit Before Taxation RM'000	Gross Assets Employed RM'000
Manufacturing	21,814	2,757	73,468
Trading	10,472	1,061	27,441
Investment Holding	-	-	148
	32,286	3,8181	101,075

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NOTES TO FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 MARCH 2000 (Cont'd)

17. Material Change in the Profit Before Taxation compared to the results of the preceding quarter

There is no material change in Profit Before Taxation for the current quarter compared to the preceding quarter.

18. Review of Performance of the Company and its Principal Subsidiaries

The Group's profit after tax increased by 169.6% to RM 3.5 million while turnover grew 56.3% to RM 32.3 million for the three months ended 31 March 2000 as compares to the corresponding period in 1999. The substantial increase in profit and turnover are mainly due to the full production of the Group's newly commissioned second stretch film line as well as a surge in demand from its local customers.

19. Prospects for the Current Financial Year

Bearing any unforeseen circumstances, the Group expects to maintain its steady growth for the current financial year.

20. Variance of Actual Profit from Forecast Profit

Not Applicable.

21. Dividend

No interim dividend is payable for the quarter ended 31 March 2000.

By Order of the Board

Lam Voon Kean (MIA 4793)

Company Secretary

DATED THIS 30 MAY 2000