

THONG GUAN INDUSTRIES BERHAD

(Company No. 324203-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2005

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 Jun 2005 RM'000	30 Jun 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,110	13,022
Adjustment for :		
Non-cash items	5,202	4,408
Non-operating items	(80)	355
Operating profit before working capital changes	19,232	17,785
Changes in working capital	(17,879)	(8,197)
Cash generated from operating activities	1,353	9,588
Interest paid	(764)	(440)
Tax paid	(1,220)	(768)
Net cash (used in)/generated from operating activities	(631)	8,380
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(15,787)	(5,547)
Proceeds from disposal of fixed assets	1,562	74
Interest received	59	80
Investment in associate	-	(1,921)
Net cash used in investing activities	(14,166)	(7,314)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of ESOS	-	1,178
Proceeds from issued share capital	8,800	-
Drawdown of term loans	1,520	860
Repayment of term loans	(1,120)	(3,168)
Short term bank borrowings, net	1,557	6,891
Others	208	38
Net cash generated from financing activities	10,965	5,799
Net (decrease)/increase in cash and cash equivalents	(3,832)	6,865
Cash and cash equivalents at 1 January	9,292	12,311
Cash and cash equivalents at 30 June	5,460	19,176
Note :		
Cash and cash equivalents in the cash flow statement comprise the following :-		
Short term deposit with licensed bank	3,650	14,167
Cash and bank balances	6,577	9,417
Bank overdrafts	(4,767)	(4,408)
	5,460	19,176

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004