

THONG GUAN INDUSTRIES BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2005

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 Sep 2005 RM'000	30 Sep 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	19,978	18,947
Adjustment for :		
Non-cash items	7,792	6,803
Non-operating items	9	375
Operating profit before working capital changes	27,779	26,125
Changes in working capital	(22,333)	(28,627)
Cash generated from operating activities	5,446	(2,502)
Interest paid	(1,147)	(665)
Tax paid	(2,145)	(1,662)
Net cash generated from/(used in) operating activities	2,154	(4,829)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(17,563)	(15,474)
Proceeds from disposal of fixed assets	2,056	251
Interest received	80	154
Investment in associate	-	(1,994)
Net cash used in investing activities	(15,427)	(17,063)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of ESOS	-	2,109
Proceeds from issued share capital	8,800	30
Drawdown of term loans	3,885	860
Repayment of term loans	(1,688)	(4,181)
Short term bank borrowings, net	8,766	21,030
Dividend paid	(5,260)	(3,331)
Others	144	11
Net cash generated from financing activities	14,647	16,528
Net increase/(decrease) in cash and cash equivalents	1,374	(5,364)
Cash and cash equivalents at 1 January	9,292	12,311
Cash and cash equivalents at 30 September	10,666	6,947
Note :		
Cash and cash equivalents in the cash flow statement comprise the following :-		
Short term deposit with licensed bank	3,500	5,530
Cash and bank balances	10,043	4,379
Bank overdrafts	(2,877)	(2,962)
	10,666	6,947

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