

THONG GUAN INDUSTRIES BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) 31 Dec 2005 RM'000	(Audited) 31 Dec 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	26,391	30,084
Adjustment for :		
Non-cash items	10,772	9,406
Non-operating items	550	259
Operating profit before working capital changes	37,713	39,749
Changes in working capital	(14,218)	(34,757)
Cash generated from operating activities	23,495	4,992
Interest paid	(1,613)	(875)
Tax paid	(3,505)	(2,137)
Net cash generated from operating activities	18,377	1,980
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(36,029)	(24,197)
Proceeds from disposal of fixed assets	2,103	646
Interest received	121	189
Investment in associate	-	(1,994)
Net cash used in investing activities	(33,805)	(25,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of ESOS	-	2,109
Proceeds from issued share capital	8,643	30
Drawdown of term loans	4,145	860
Repayment of term loans	(3,118)	(4,734)
Short term bank borrowings, net	13,637	25,539
Dividend paid	(5,260)	(3,331)
Others	81	(116)
Net cash generated from financing activities	18,128	20,357
Exchange difference on translation of the financial statement of foreign entity	53	-
Net increase/(decrease) in cash and cash equivalents	2,753	(3,019)
Cash and cash equivalents at 1 January	9,292	12,311
Cash and cash equivalents at 31 December	12,045	9,292
Note :		
Cash and cash equivalents in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	2,280	2,000
Cash and bank balances	13,377	11,104
Bank overdrafts	(3,612)	(3,812)
	12,045	9,292

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