

# THONG GUAN INDUSTRIES BERHAD

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

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Nine months ended 30 Sep 2006	Nine months ended 30 Sep 2005
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	20,527	19,978
Adjustment for :		
Non-cash items	9,638	7,792
Non-operating items	1,858	9
Operating profit before working capital changes	32,023	27,779
Changes in working capital	(13,326)	(22,333)
Cash generated from operating activities	18,697	5,446
Interest paid	(2,068)	(1,147)
Tax paid	(2,811)	(2,145)
<b>Net cash generated from operating activities</b>	<b>13,818</b>	2,154
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(22,829)	(17,563)
Proceeds from disposal of fixed assets	195	2,056
Interest received	90	80
<b>Net cash used in investing activities</b>	<b>(22,544)</b>	(15,427)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issued share capital	-	8,800
Drawdown of term loans	13,277	3,885
Repayment of term loans	(2,687)	(1,688)
Short term bank borrowings, net	4,155	8,766
Dividend paid	(5,260)	(5,260)
Others	265	144
<b>Net cash generated from financing activities</b>	<b>9,750</b>	14,647
Exchange difference on translation of the financial statement of foreign entity	<b>189</b>	-
Net increase in cash and cash equivalents	1,213	1,374
Cash and cash equivalents at 1 January	12,045	9,292
<b>Cash and cash equivalents at 30 September</b>	<b>13,258</b>	10,666
<u>Note :</u>		
Cash and cash equivalents in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	7,850	3,500
Cash and bank balances	8,682	10,043
Bank overdrafts	(3,274)	(2,877)
	<b>13,258</b>	10,666

*The Condensed Consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.*