THONG GUAN INDISTRIES 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

Profit before tax		Nine months ended 30 Sep 2006	Nine months ended 30 Sep 2005
Profit before tax		RM'000	RM'000
Adjustment for: Non-cash items Non-operating items Operating profit before working capital changes Operating profit before working capital Otash generated from operating activities Interest paid Operating vortices Oper	CASH FLOWS FROM OPERATING ACTIVITIES		
Non-cash items	Profit before tax	20,527	19,978
Non-operating items	Adjustment for:		
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) Net cash generated from operating activities 13,818 2,154 CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets 195 2,056 Proceeds from disposal of fixed assets 195 2,056 161 Interest received 90 80 Net cash used in investing activities (22,829) (17,563) Proceeds from issued share capital - - Proceeds from issued share capital			·
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) Net cash generated from operating activities 13,818 2,154 CASH FLOWS FROM INVESTING ACTIVITIES Trace of fixed assets (22,829) (17,563) Proceeds from disposal of fixed assets 195 2,056 Interest received 90 80 Net cash used in investing activities (22,544) (15,427) CASH FLOWS FROM FINANCING ACTIVITIES Trace of firm issued share capital 2 8,800 Drawdown of term loans 13,277 3,885 8,850 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 Net cash generated from financing activities 9,750 14,647 Exchange difference on translation of the financial statement of foreign entity 189 -			
Cash generated from operating activities 18,697 5,446 Interest paid (2,068) (1,147) Tax paid (2,811) (2,145) Net cash generated from operating activities 13,818 2,154 CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (22,829) (17,563) Proceeds from disposal of fixed assets 195 2,056 Interest received 90 80 Net cash used in investing activities (22,544) (15,427) CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from issued share capital 3,885 Proceeds from issued share capital 3,885 Repayment of term loans 2,057 1,688) Short term bank borrowings, net 4,155 8,766 Dividend paid (5,260) (5,260) Others 265 144 Net cash generated from financing activities 9,750 14,647 Exchange difference on translation of the financial statement of foreign entity 189 - Net increase in cash and cash equivalents at 1 January			
Interest paid (2,068)			
Tax paid (2,811) (2,145) Net cash generated from operating activities 13,818 2,154 CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from disposal of fixed assets (22,829) (17,563) 2,056 Proceeds from disposal of fixed assets 90 80 90 80 80 80 80 90 80			
Net cash generated from operating activities 13,818 2,154			
Purchase of fixed assets (22,829) (17,563) Proceeds from disposal of fixed assets 195 2,056 80 90 80 80 Net cash used in investing activities (22,544) (15,427) (15,427)			
Proceeds from disposal of fixed assets 195 90 80 Net cash used in investing activities (22,544) (15,427) CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from issued share capital	CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	Purchase of fixed assets	(22,829)	(17,563)
Net cash used in investing activities	Proceeds from disposal of fixed assets	195	2,056
CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from issued share capital - 8,800 Drawdown 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 Net cash generated from financing activities 9,750 14,647 Exchange difference on translation of the financial statement of foreign entity 189 - Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 10,666 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the Short term deposit with licensed bank 7,850 3,500 Cash and bank balances 8,682 10,043 Bank overdrafts (3,274) (2,877)	Interest received	90	80
Proceeds from issued share capital	Net cash used in investing activities	(22,544)	(15,427)
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 Net cash generated from financing activities 9,750 14,647 Exchange difference on translation of the financial statement of foreign entity 189 - Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 10,666 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the Short term deposit with licensed bank 7,850 3,500 Cash and bank balances 8,682 10,043 Bank overdrafts (2,877)	CASH FLOWS FROM FINANCING ACTIVITIES		
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 Net cash generated from financing activities 9,750 14,647 Exchange difference on translation of the financial statement of foreign entity 189 - Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 10,666 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the Short term deposit with licensed bank 7,850 3,500 Cash and bank balances 8,682 10,043 Bank overdrafts (3,274) (2,877)	Proceeds from issued share capital	-	8,800
Short term bank borrowings, net 4,155 8,766 Dividend paid (5,260) (5,260) Others 265 144 Net cash generated from financing activities 9,750 14,647 Exchange difference on translation of the financial statement of foreign entity 189 - Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 10,666 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the Short term deposit with licensed bank 7,850 3,500 Cash and bank balances 8,682 10,043 Bank overdrafts (3,274) (2,877)	Drawdown of term loans	13,277	3,885
Dividend paid Others (5,260) (5,260) (5,260) (5,260) (265) (144) Net cash generated from financing activities 9,750 14,647 Exchange difference on translation of the financial statement of foreign entity 189 - Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 10,666 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following:- Short term deposit with licensed bank Cash and bank balances 7,850 3,500 Cash and bank balances 8,682 10,043 Bank overdrafts (3,274) (2,877)	Repayment of term loans	(2,687)	(1,688)
Others Net cash generated from financing activities Exchange difference on translation of the financial statement of foreign entity 189 - Net increase in cash and cash equivalents Cash and cash equivalents at 1 January 12,045 Cash and cash equivalents at 30 September 13,258 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts 144 14,647 189 - 189 - 10,666 10,666			
Net cash generated from financing activities Exchange difference on translation of the financial statement of foreign entity Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the Short term deposit with licensed bank Cash and bank balances Bank overdrafts (3,274)			
Exchange difference on translation of the financial statement of foreign entity Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts (3,274) (2,877)			
of foreign entity Net increase in cash and cash equivalents 1,213 1,374 Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts (3,274) (2,877)	Net cash generated from financing activities	9,750	14,647
Net increase in cash and cash equivalents Cash and cash equivalents at 1 January 12,045 9,292 Cash and cash equivalents at 30 September 13,258 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts (3,274) 1,374 1,374 1,374 1,374 1,374	Exchange difference on translation of the financial statement		
Cash and cash equivalents at 1 January Cash and cash equivalents at 30 September 13,258 10,666 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts (3,274) 2,292 12,045 9,292 10,666	of foreign entity	189	-
Cash and cash equivalents at 30 September 13,258 10,666 Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following:- Short term deposit with licensed bank Cash and bank balances Bank overdrafts (3,274)	Net increase in cash and cash equivalents	1,213	1,374
Note: Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts (3,274) (2,877)	Cash and cash equivalents at 1 January	12,045	9,292
Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts Cash and bank balances	Cash and cash equivalents at 30 September	13,258	10,666
Cash and cash equivalents in the consolidated cash flow statement comprise the following: Short term deposit with licensed bank Cash and bank balances Bank overdrafts Cash and cash equivalents in the consolidated cash flow statement comprise the following: 7,850 3,500 10,043 3,500 (2,877)	Note		
Short term deposit with licensed bank 7,850 3,500 Cash and bank balances 8,682 10,043 Bank overdrafts (3,274) (2,877)		fallowing	
Cash and bank balances 8,682 10,043 Bank overdrafts (3,274) (2,877)	•	_	3 500
Bank overdrafts (3,274)	•		

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.