

# THONG GUAN INDUSTRIES BERHAD

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

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Twelve months ended 31 Dec 2006	Twelve months ended 31 Dec 2005
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	26,904	26,391
Adjustment for :		
Non-cash items	12,981	10,772
Non-operating items	2,970	550
Operating profit before working capital changes	42,855	37,713
Changes in working capital	(18,473)	(14,218)
Cash generated from operating activities	24,382	23,495
Interest paid	(3,166)	(1,613)
Tax paid	(3,780)	(3,505)
<b>Net cash generated from operating activities</b>	<b>17,436</b>	18,377
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(24,470)	(36,029)
Proceeds from disposal of fixed assets	231	2,103
Interest received	190	121
<b>Net cash used in investing activities</b>	<b>(24,049)</b>	(33,805)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issued share capital	-	8,643
Drawdown of term loans	16,176	4,145
Repayment of term loans	(4,022)	(3,118)
Short term bank borrowings, net	(2,160)	13,637
Dividend paid	(5,260)	(5,260)
Others	167	81
<b>Net cash generated from financing activities</b>	<b>4,901</b>	18,128
Exchange difference on translation of the financial statement of foreign entity	(194)	53
Net increase in cash and cash equivalents	(1,907)	2,753
Cash and cash equivalents at 1 January	12,045	9,292
<b>Cash and cash equivalents at 31 December</b>	<b>10,138</b>	12,045
<u>Note :</u>		
Cash and cash equivalents in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	4,424	2,280
Cash and bank balances	10,206	13,377
Bank overdrafts	(4,492)	(3,612)
	<b>10,138</b>	12,045

*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.*