

THONG GUAN INDUSTRIES BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Twelve months ended 31 Dec 2007 RM'000	Twelve months ended 31 Dec 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,868	26,904
Adjustment for :		
Non-cash items	13,536	12,981
Non-operating items	3,099	2,970
Operating profit before working capital changes	40,503	42,855
Changes in working capital	4,401	(18,473)
Cash generated from operating activities	44,904	24,382
Interest paid	(3,324)	(3,166)
Tax paid	(6,874)	(3,780)
Net cash generated from operating activities	34,706	17,436
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,654)	(24,470)
Proceeds from disposal of fixed assets	521	231
Investment	(880)	-
Interest received	231	190
Net cash used in investing activities	(9,782)	(24,049)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	1,899	16,176
Repayment of term loans	(9,924)	(4,022)
Short term bank borrowings, net	(6,626)	(2,160)
Dividend Paid	(3,156)	(5,260)
Others	-	167
Net cash generated from financing activities	(17,807)	4,901
Exchange difference on translation of the financial statement of foreign entity	31	(194)
Net increase in cash and cash equivalents	7,148	(1,907)
Cash and cash equivalents at 1 January	10,537	12,045
Cash and cash equivalents at 31 December	17,685	10,138
Note :		
Cash and cash equivalents in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	10,089	4,424
Cash and bank balances	15,618	10,206
Bank overdrafts	(8,022)	(4,492)
	17,685	10,138

The Condensed Consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.