

**THONG GUAN INDUSTRIES BERHAD**

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Three months ended 31 March 2008	Three months ended 31 March 2007
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,292	3,638
Adjustment for :		
Non-cash items	3,295	3,066
Non-operating items	852	866
Operating profit before working capital changes	7,439	7,570
Changes in working capital	(11,349)	13,918
Cash generated from operating activities	(3,910)	21,488
Interest paid	(902)	(958)
Tax paid	(438)	(250)
<b>Net cash generated from operating activities</b>	(5,250)	20,280
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,502)	(3,586)
Proceeds from disposal of fixed assets	2,388	202
Investment	-	-
Interest received	50	59
<b>Net cash used in investing activities</b>	936	(3,325)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	-	-
Repayment of term loans	(1,949)	(1,983)
Short term bank borrowings, net	(6,858)	(11,344)
Dividend Paid	-	-
Others	-	-
<b>Net cash generated from financing activities</b>	(8,807)	(13,327)
Exchange difference on translation of the financial statement of foreign entity	(31)	-
Net increase in cash and cash equivalents	(13,152)	3,627
Cash and cash equivalents at 1 January	17,644	10,537
<b>Cash and cash equivalents at 31 March</b>	4,492	14,164
<b>Note :</b>		
Cash and cash equivalents in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	4,795	6,484
Cash and bank balances	5,790	11,733
Bank overdrafts	(6,093)	(4,053)
	4,492	14,164

*The Condensed Consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.*