

THONG GUAN INDUSTRIES BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2008

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 2008	Six months ended 30 June 2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,427	7,372
Adjustment for :		
Non-cash items	6,813	6,853
Non-operating items	1,469	1,631
Operating profit before working capital changes	18,709	15,856
Changes in working capital	(15,454)	5,000
Cash generated from operating activities	3,255	20,856
Interest paid	(1,547)	(1,652)
Tax paid	(637)	(936)
Net cash generated from operating activities	1,071	18,268
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,689)	(5,617)
Proceeds from disposal of fixed assets	2,408	496
Investment	-	-
Interest received	78	116
Net cash used in investing activities	(203)	(5,005)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	-
Repayment of term loans	(3,732)	(3,911)
Short term bank borrowings, net	(2,285)	(5,288)
Dividend Paid	-	-
Others	-	-
Net cash generated from financing activities	(6,017)	(9,199)
Exchange difference on translation of the financial statement of foreign entity	(30)	-
Net increase in cash and cash equivalents	(5,179)	4,063
Cash and cash equivalents at 1 January	17,644	10,537
Cash and cash equivalents at 30 June	12,465	14,600
Note :		
Cash and cash equivalents in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	5,809	2,327
Cash and bank balances	10,078	17,813
Bank overdrafts	(3,422)	(5,540)
	12,465	14,600

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.