

THONG GUAN INDUSTRIES BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPT 2008

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Nine months ended 30 Sept 2008	Nine months ended 30 Sept 2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,916	12,762
Adjustment for :		
Non-cash items	11,184	10,561
Non-operating items	1,423	2,343
Operating profit before working capital changes	26,523	25,666
Changes in working capital	(34,045)	4,740
Cash (used in) / generated from operating activities	(7,522)	30,406
Interest paid	(1,554)	(2,471)
Tax paid	(1,558)	(4,311)
Net cash (used in) / generated from operating activities	(10,634)	23,624
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,072)	(7,408)
Proceeds from disposal of fixed assets	2,437	410
Investment	-	(894)
Interest received	131	185
Net cash used in investing activities	(504)	(7,707)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	1,899
Repayment of term loans	(5,624)	(5,723)
Short term bank borrowings, net	12,735	(4,959)
Dividend Paid	(3,156)	(3,156)
Net cash generated from / (used in) financing activities	3,955	(11,939)
Exchange difference on translation of the financial statement of foreign entity	1,233	-
Net (decrease) / increase in cash and cash equivalents	(5,950)	3,978
Cash and cash equivalents at 1 January	17,644	10,537
Cash and cash equivalents at 30 Sept	11,694	14,515
Note :		
Cash and cash equivalents included in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	2,200	2,473
Cash and bank balances	15,308	16,827
Bank overdrafts	(5,814)	(4,785)
	11,694	14,515

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.