

THONG GUAN INDUSTRIES BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Twelve months ended 31 Dec 2008	Twelve months ended 31 Dec 2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,790	16,014
Adjustments for :		
Non-cash items	15,318	13,588
Non-operating items	2,099	2,792
Operating profit before working capital changes	21,207	32,394
Changes in working capital	(22,440)	8,833
Cash (used in) / generated from operating activities	(1,233)	41,227
Interest paid	(2,266)	(3,011)
Tax paid	(2,068)	(4,202)
Net cash (used in) / generated from operating activities	(5,567)	34,014
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,501)	(15,397)
Proceeds from disposal of fixed assets	2,606	6,926
Investment	-	(880)
Interest received	166	219
Net cash generated from / (used in) investing activities	271	(9,132)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans, net	(6,755)	(7,976)
Short term bank borrowings, net	3,933	(6,674)
Dividend paid	(3,156)	(3,156)
Net cash used in financing activities	(5,978)	(17,806)
Exchange difference on translation of the financial statement of foreign entity	1,294	31
Net (decrease) / increase in cash and cash equivalents	(9,980)	7,107
Cash and cash equivalents at 1 January	17,644	10,537
Cash and cash equivalents at 31 December	7,664	17,644
Note :		
Cash and cash equivalents included in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	-	10,086
Cash and bank balances	13,248	15,580
Bank overdrafts	(5,584)	(8,022)
	7,664	17,644

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.