

THONG GUAN INDUSTRIES BERHAD

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2009**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 2009	Six months ended 30 June 2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,082	10,427
Adjustments for :		
Non-cash items	7,432	6,813
Non-operating items	564	1,469
Operating profit before working capital changes	16,078	18,709
Changes in working capital	45,911	(15,454)
Cash generated from operating activities	61,989	3,255
Interest paid	(579)	(1,547)
Tax paid	(1,203)	(637)
Net cash generated from operating activities	60,207	1,071
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,751)	(2,689)
Proceeds from disposal of fixed assets	122	2,408
Interest received	14	78
Net cash used in investing activities	(3,615)	(203)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans, net	(2,154)	(3,732)
Short term bank borrowings, net	(35,764)	(2,285)
Dividend paid	-	-
Net cash used in financing activities	(37,918)	(6,017)
Exchange difference on translation of the financial statement of foreign entities	43	(30)
Net increase / (decrease) in cash and cash equivalents	18,717	(5,179)
Cash and cash equivalents at 1 January	7,631	17,644
Cash and cash equivalents at 30 June	26,348	12,465
Note :		
Cash and cash equivalents included in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	3,400	5,809
Cash and bank balances	25,708	10,078
Bank overdrafts	(2,760)	(3,422)
	26,348	12,465

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.