

THONG GUAN INDUSTRIES BERHAD

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Twelve months ended 31 Dec 2009	Twelve months ended 31 Dec 2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	17,509	3,815
Adjustments for :		
Non-cash items	14,797	15,318
Non-operating items	786	2,099
Operating profit before working capital changes	33,092	21,232
Changes in working capital	39,406	(19,864)
Cash generated from operating activities	72,498	1,368
Interest paid	(831)	(2,266)
Tax paid	(6,876)	(1,805)
Net cash generated from / (used in) operating activities	64,791	(2,703)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(12,027)	(4,931)
Proceeds from disposal of fixed assets	5,971	2,605
Interest received	45	166
Net cash used in investing activities	(6,011)	(2,160)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans, net	(2,205)	(6,899)
Short term bank borrowings, net	(29,295)	3,612
Dividend paid	(2,104)	(3,156)
Net cash used in financing activities	(33,604)	(6,443)
Exchange difference on translation of the financial statement of foreign entities	114	1,293
Net increase / (decrease) in cash and cash equivalents	25,290	(10,013)
Cash and cash equivalents at 1 January	7,631	17,644
Cash and cash equivalents at 31 December	32,921	7,631
Note :		
Cash and cash equivalents included in the consolidated cash flow statement comprise the following :-		
Short term deposit with licensed bank	2,950	-
Cash and bank balances	34,110	13,215
Bank overdrafts	(4,139)	(5,584)
	32,921	7,631

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.