THONG GUAN INDUSTRIES BERHAD (COMPANY NO. : 324203-K) UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2010

| | Share Capital RM'000 | Non- distributable RM'000 | Distributable Retained profits RM'000 | Total RM'000 |
|--|----------------------------|---------------------------------|---------------------------------------|-----------------|
| 6 months period ended 30 June 2009 Balance as of 1 January 2009 | 105,205 | 13,069 | 73,431 | 191,705 |
| Exchange difference on translation of net investment in foreign subsidiaries | - | 1,198 | - | 1,198 |
| Net profit for the period | - | - | 5,991 | 5,991 |
| Total comprehensive income for the period | - | 1,198 | 5,991 | 7,189 |
| Balance as of 30 June 2009 | 105,205 | 14,267 | 79,422 | 198,894 |
| 6 months period ended 30 June 2010 Balance as of 1 January 2010 | 105,205 | 12,714 | 86,488 | 204,407 |
| Exchange difference on translation of net investment in foreign subsidiaries | - | (2,104) | - | (2,104) |
| Net profit for the period | - | - | 9,821 | 9,821 |
| Total comprehensive income for the period | | (2,104) | 9,821 | 7,717 |
| Balance as of 30 June 2010 | 105,205 | 10,610 | 96,309 | 212,124 |

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial report.