

**THONG GUAN INDUSTRIES BERHAD ( COMPANY NO. : 324203-K )**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPT 2010**

	9 months ended	
	30.09.2010 RM'000	30.09.2009 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	14,288	13,663
Adjustments for:		
Non-cash items	12,729	10,974
Non-operating items	394	695
Operating profit before working capital changes	27,411	25,332
Changes in working capital:		
Net change in current assets	(430)	42,926
Net change in current liabilities	(3,758)	(4,331)
Cash generated from operations	23,223	63,927
Tax paid	(1,491)	(3,461)
Net cash generated from operating activities	21,732	60,466
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(12,482)	(4,642)
Proceeds from disposal of property, plant and equipment	241	145
Interest received	75	31
Net cash used in investing activities	(12,166)	(4,466)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(4,208)	(2,104)
Bank balances held as security	4,389	(38,131)
Interest paid	(469)	(726)
Net cash used in financing activities	(288)	(40,961)
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,278	15,039
Effect of foreign exchange rate differences	(1,044)	(753)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	34,871	7,631
CASH AND CASH EQUIVALENTS AT END OF PERIOD	43,105	21,917
<b>REPRESENTED BY:-</b>		
Short-term deposits with licensed banks	3,750	4,100
Cash and bank balances	41,514	22,470
Bank overdrafts	(2,159)	(4,653)
	43,105	21,917

The Unaudited Condensed Consolidated Statement of Cash Flows (formerly known as Cash Flow Statements) 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.