

THONG GUAN INDUSTRIES BERHAD (COMPANY NO. : 324203-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

	12 months ended	
	31.12.2011	31.12.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	28,116	22,659
Adjustments for:		
Depreciation of property, plant and equipment	16,294	14,474
(Reversal)/ Impairment loss on property, plant and equipment	(8)	39
Amortisation of prepaid lease payments	206	181
Gain on disposal of property, plant and equipment	(181)	(211)
Interest income	(440)	(137)
Interest expense	703	643
Impairment loss on other investments	128	51
Property, plant and equipment written off	22	73
Other non cash items	80	-
Operating profit before changes in working capital	<u>44,920</u>	<u>37,772</u>
Changes in working capital:		
Trade and other receivables	24	(7,720)
Inventories	(39,006)	(8,961)
Trade and other payables	4,786	18,409
Cash generated from operations	<u>10,724</u>	<u>39,500</u>
Tax refunded	41	-
Income taxes paid	-	(2,085)
Net cash from operating activities	<u>10,765</u>	<u>37,415</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of shares from minority shareholders	930	-
Acquisition of property, plant and equipment	(31,359)	(18,040)
Acquisition of prepaid lease payments	(2,243)	(3,197)
Proceeds from disposal of property, plant and equipment	197	286
Interest received	440	137
Net cash used in investing activities	<u>(32,035)</u>	<u>(20,814)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(703)	(643)
Payment of finance lease liabilities	(446)	(554)
(Repayment)/ Drawdown of term loans, net	(844)	4,222
Drawdown of other bank borrowings, net	13,479	1,359
Dividend paid	(5,291)	(4,208)
Net cash from financing activities	<u>6,195</u>	<u>176</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(15,075)	16,777
Effects of exchange rate fluctuations on cash held	823	(917)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>50,730</u>	<u>34,870</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>36,478</u>	<u>50,730</u>
REPRESENTED BY:-		
Cash and bank balances	17,147	49,031
Short-term deposits with licensed banks	21,220	6,600
Bank overdrafts	(1,889)	(4,901)
	<u>36,478</u>	<u>50,730</u>

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 2010 and the accompanying explanatory notes attached to the interim financial report.