

**THONG GUAN INDUSTRIES BERHAD ( COMPANY NO. : 324203-K )**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	3 months ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,938	7,423
Adjustments for:		
Depreciation of property, plant and equipment	4,290	4,226
Amortisation of prepaid lease payments	66	65
Gain on disposal of property, plant and equipment	(18)	(6)
Interest income	(181)	(118)
Interest expense	236	273
Impairment loss on other investments	-	186
Property, plant and equipment written off	1	1
Operating profit before changes in working capital	<u>14,332</u>	<u>12,050</u>
Changes in working capital:		
Trade and other receivables	4,823	(10,183)
Inventories	(5,518)	7,616
Trade and other payables	(4,346)	(11,307)
Cash generated from/ (used in) operations	<u>9,291</u>	<u>(1,824)</u>
Income taxes paid	(1,780)	(448)
<b>Net cash from/ (used in) operating activities</b>	<u><b>7,511</b></u>	<u><b>(2,272)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of short term other investments	(3,500)	-
Acquisition of property, plant and equipment	(2,332)	(2,297)
Acquisition of prepaid lease payments	(3)	(6)
Proceeds from disposal of property, plant and equipment	17	7
Interest received	181	118
<b>Net cash used in investing activities</b>	<u><b>(5,637)</b></u>	<u><b>(2,178)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(236)	(273)
(Repayment)/ proceeds of finance lease liabilities	(144)	934
Repayment of term loans, net	(994)	(793)
Other bank borrowings, net	(7,575)	(1,299)
<b>Net cash used in financing activities</b>	<u><b>(8,949)</b></u>	<u><b>(1,431)</b></u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,075)	(5,881)
Effects of exchange rate fluctuations on cash held	(379)	218
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>66,302</u>	<u>75,354</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>58,848</b></u>	<u><b>69,691</b></u>
REPRESENTED BY:-		
Cash and bank balances	44,842	45,124
Short-term deposits with licensed banks	16,706	27,829
Bank overdrafts	(2,700)	(3,262)
	<u><b>58,848</b></u>	<u><b>69,691</b></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 2013 and the accompanying explanatory notes attached to the interim financial report.