

THONG GUAN INDUSTRIES BERHAD (COMPANY NO. : 324203-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	9 months ended	
	<u>30.09.2014</u>	<u>30.09.2013</u>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,336	27,496
Adjustments for:		
Depreciation of property, plant and equipment	13,298	12,809
Amortisation of prepaid lease payments	178	197
Gain on disposal of property, plant and equipment	(30)	(121)
Interest income	(614)	(629)
Interest expense	804	653
Impairment loss on other investments	527	425
Property, plant and equipment written off	-	1
Operating profit before changes in working capital	<u>37,499</u>	<u>40,831</u>
Changes in working capital:		
Trade and other receivables	(34,327)	(23,769)
Inventories	(10,542)	(1,243)
Trade and other payables	(8,719)	(6,794)
Cash (used in)/ generated from operations	<u>(16,089)</u>	<u>9,025</u>
Income taxes paid	(3,369)	(2,119)
Net cash (used in)/ generated from operating activities	<u>(19,458)</u>	<u>6,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of short term other investments	1,450	-
Acquisition of property, plant and equipment	(5,401)	(5,830)
Acquisition of prepaid lease payments	(513)	(29)
Proceeds from disposal of property, plant and equipment	169	134
Interest received	614	629
Shares subscribed by non-controlling interests in an existing subsidiary	900	-
Net cash used in investing activities	<u>(2,781)</u>	<u>(5,096)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(8,416)	(7,364)
Interest paid	(804)	(653)
(Repayment)/ proceeds of finance lease liabilities	(220)	856
Repayment of term loans, net	4,406	(2,126)
Other bank borrowings, net	7,773	(536)
Net cash from/ (used in) financing activities	<u>2,739</u>	<u>(9,823)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,500)	(8,013)
Effects of exchange rate fluctuations on cash held	(162)	1,231
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	66,301	75,354
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>46,639</u>	<u>68,572</u>
REPRESENTED BY:-		
Cash and bank balances	41,589	43,459
Short-term deposits with licensed banks	8,117	27,977
Bank overdrafts	(3,067)	(2,864)
	<u>46,639</u>	<u>68,572</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.