

SCAN ASSOCIATES BERHAD (525669-P)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	Current Year To Date 31.12.06 RM'000	Preceding Year Corresponding Period 31.12.05 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	28,135	28,129
Cash payments to suppliers	(6,656)	(8,788)
Cash payments to employees and for administrative expenses	(21,358)	(9,574)
	<hr/>	<hr/>
Cash generated from operations	121	9,767
Interest received	437	-
Other income received	370	261
Interest paid	(446)	(69)
Dividend paid	(1,600)	-
Tax paid	(18)	-
Fixed deposits for securing the borrowings	(1,488)	2,189
Net cash (used in)/from operating activities	<hr/> <u>(2,624)</u>	<hr/> <u>12,148</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,079)	(1,320)
Proceeds from disposal of property, plant and equipment	1	5
Proceeds from issuance of shares	27,345	-
Advance from Directors	18	6
Net cash from/(used in) investing activities	<hr/> <u>22,285</u>	<hr/> <u>(1,309)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase liabilities	(151)	(291)
Repayment of term loan	(1,122)	(10,893)
Drawdown of term loan	5,661	-
Net cash from/(used in) financing activities	<hr/> <u>4,388</u>	<hr/> <u>(11,184)</u>
Net increase in cash and cash equivalents	24,049	(345)
Cash and cash equivalents brought forward	4,311	4,656
Cash and cash equivalents carried forward	<hr/> <u>28,360</u>	<hr/> <u>4,311</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,680	287
Fixed deposits with licensed banks	25,680	4,024
	<hr/> <u>28,360</u>	<hr/> <u>4,311</u>

Notes:

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Notes to Interim Financial Reports and the audited Financial Statements of the Company for the financial year ended 31 December 2005.

The unaudited condensed consolidated results for the financial year ended 31 December 2006 announced by the Company is in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") requirements in conjunction with the admission of the Company to the MESDAQ Market of Bursa Securities.

As this is the second quarterly reporting being drawn up as a listed Company, there are no comparative figures for the preceding year's corresponding quarter.