

**SKP RESOURCES BHD***(Company No: 524297-T)**Incorporated in Malaysia under the Companies Act, 1965***UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3 months ended 30/06/04 RM'000</b>	<b>3 months ended 30/06/03 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	3,138	2,491
Adjustments for:		
Depreciation	1,105	955
Recognition of negative goodwill	(212)	-
Loss/(Gain) on disposal of property, plant and equipment	12	-
Interest expense	10	38
Interest income	(220)	(168)
Operating profit before working capital changes	<u>3,833</u>	<u>3,316</u>
(Increase)/Decrease in inventories	(617)	337
(Increase) in receivables	(794)	(3,831)
Increase/(Decrease) in payables	<u>3,260</u>	<u>(168)</u>
Cash generated from operations	5,682	(346)
Interest paid	(10)	(38)
Taxes paid	<u>(1,590)</u>	<u>(658)</u>
Net cash generated from/(used in) operating activities	<u>4,082</u>	<u>(1,042)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(532)	(144)
Proceeds from disposal of property, plant and equipment	110	-
Interest received	<u>220</u>	<u>168</u>
Net cash (used in)/generated from investing activities	<u>(202)</u>	<u>24</u>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase	(39)	(31)
Repayment of term loan	<u>(28)</u>	<u>(68)</u>
Net cash (used in) financing activities	<u>(67)</u>	<u>(99)</u>
<b>Net increase in cash and cash equivalents</b>	3,813	(1,117)
Cash and cash equivalents at beginning of period	34,545	33,703
<b>Cash and cash equivalents at end of period</b>	<u>38,358</u>	<u>32,586</u>
 <b># Represented by:</b>		
Cash at Bank	38,358	32,619
Overdraft	-	(33)
	<u>38,358</u>	<u>32,586</u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual financial statements for the year ended 31 March 2004.