

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

	3 months ended 30/06/2005 RM'000	3 months ended 30/06/2004 RM'000
Cash flows from operating activities		
Profit before taxation	3,126	3,138
Adjustments for:		
Depreciation	1,119	1,105
Recognition of negative goodwill	(212)	(212)
Loss on disposal of property, plant and equipment	(8)	12
Interest expense	9	10
Interest income	(171)	(220)
Operating profit before working capital changes	<u>3,863</u>	<u>3,833</u>
(Increase) in inventories	(2,171)	(617)
Decrease/(Increase) in receivables	2,153	(794)
Increase in payables	268	3,260
Cash generated from operations	<u>4,113</u>	<u>5,682</u>
Interest paid	(9)	(10)
Taxes paid	(1,254)	(1,590)
Net cash generated from operating activities	<u>2,850</u>	<u>4,082</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,627)	(532)
Proceeds from disposal of property, plant and equipment	8	110
Interest received	171	220
Net cash (used in) investing activities	<u>(4,448)</u>	<u>(202)</u>
Cash flows from financing activities		
Repayment of hire purchase	(58)	(39)
Drawdown of term Loan	7,435	-
Repayment of term loan	(30)	(28)
Acquisition of treasury shares	(400)	-
Net cash generated from/(used in) financing activities	<u>6,947</u>	<u>(67)</u>
Net increase in cash and cash equivalents	5,349	3,813
Cash and cash equivalents at beginning of period	33,826	34,545
Cash and cash equivalents at end of period	<u><u>39,175</u></u>	<u><u>38,358</u></u>
 <i># Represented by:</i>		
Cash at Bank	<u>39,175</u>	<u>38,358</u>
	<u>39,175</u>	<u>38,358</u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual financial statements for the year ended 31 March 2005.