

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

	<b>6 months ended 30/09/2005 RM'000</b>	<b>6 months ended 30/09/2004 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	6,312	6,928
Adjustments for:		
Depreciation	2,443	2,196
Recognition of negative goodwill	(425)	(424)
Loss on disposal of property, plant and equipment	(13)	20
Interest expense	79	19
Interest income	(602)	(365)
Operating profit before working capital changes	7,794	8,374
Increase in inventories	(3,830)	(1,386)
Decrease/(Increase) in receivables	1,686	(3,001)
Increase in payables	1,212	3,148
Cash generated from operations	6,862	7,135
Interest paid	(79)	(19)
Taxes paid	(2,014)	(2,155)
Net cash generated from operating activities	4,769	4,961
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,415)	(1,927)
Proceeds from disposal of property, plant and equipment	27	110
Purchase of other investments	-	(1,000)
Interest received	602	365
Net cash used in investing activities	(9,786)	(2,452)
<b>Cash flows from financing activities</b>		
Repayment of hire purchase	(100)	(79)
Drawdown of term Loan	7,435	-
Repayment of term loan	(134)	(56)
Acquisition of treasury shares	(455)	-
Net cash generated from/(used in) financing activities	6,746	(135)
<b>Net increase in cash and cash equivalents</b>	1,729	2,374
Cash and cash equivalents at beginning of period	33,826	34,545
<b>Cash and cash equivalents at end of period</b>	<b>35,555</b>	<b>36,919</b>
<i># Represented by:</i>		
Cash at Bank	35,555	36,919
	<u>35,555</u>	<u>36,919</u>

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