

**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 30/06/2006 RM'000</b>	<b>3 months ended 30/06/2005 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	3,867	3,126
Adjustments for:		
Depreciation	1,492	1,119
Recognition of negative goodwill	-	(212)
Loss on disposal of property, plant and equipment	-	(8)
Interest expense	104	9
Dividend income	(33)	-
Interest income	(157)	(171)
Operating profit before working capital changes	<u>5,273</u>	<u>3,863</u>
Increase in inventories	(1,159)	(2,171)
Decrease/(Increase) in receivables	(11,812)	2,153
Increase in payables	<u>5,881</u>	<u>268</u>
Cash generated from operations	(1,817)	4,113
Interest paid	(104)	(9)
Taxes paid	(409)	(1,254)
Net cash generated from operating activities	<u>(2,330)</u>	<u>2,850</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,640)	(4,627)
Proceeds from disposal of property, plant and equipment	-	8
Purchase of other investments	(1,000)	-
Dividend received	33	-
Interest received	157	171
Net cash used in investing activities	<u>(6,450)</u>	<u>(4,448)</u>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase	(201)	(58)
Drawdown of term Loan	-	7,435
Additional hire purchase finance	1,573	-
Repayment of term loan	(107)	(30)
Acquisition of treasury shares	-	(400)
Dividend paid	-	-
Net cash generated from/(used in) financing activities	<u>1,265</u>	<u>6,947</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7,515)</b>	<b>5,349</b>
Cash and cash equivalents at beginning of period	31,422	33,826
<b>Cash and cash equivalents at end of period</b>	<u><u>23,907</u></u>	<u><u>39,175</u></u>
 <i># Represented by:</i>		
Cash at Bank	<u>23,907</u>	<u>39,175</u>
	<u><u>23,907</u></u>	<u><u>39,175</u></u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual financial statements for the year ended 31 March 2006.