

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

	6 months ended 30/09/2006 RM'000	6 months ended 30/09/2005 RM'000
Cash flows from operating activities		
Profit before taxation	7,794	6,928
Adjustments for:		
Depreciation	3,264	2,196
Recognition of negative goodwill	-	(424)
Loss on disposal of property, plant and equipment	-	20
Interest expense	254	19
Dividend income	(33)	-
Interest income	(432)	(365)
Operating profit before working capital changes	<u>10,847</u>	<u>8,374</u>
Increase in inventories	(1,165)	(1,386)
Increase in receivables	(12,251)	(3,001)
Increase in payables	9,540	3,148
Cash generated from operations	<u>6,971</u>	<u>7,135</u>
Interest paid	(254)	(19)
Taxes paid	(965)	(2,155)
Net cash generated from operating activities	<u>5,752</u>	<u>4,961</u>
Cash flows from investing activities		
Net outflow from acquisition of subsidiaries	(29,340)	-
Purchase of property, plant and equipment	(6,038)	(1,927)
Proceeds from disposal of property, plant and equipment	-	110
Proceeds from disposal of other investment	994	-
Purchase of other investments	-	(1,000)
Dividend received	33	-
Interest received	432	365
Net cash used in investing activities	<u>(33,919)</u>	<u>(2,452)</u>
Cash flows from financing activities		
Repayment of hire purchase	(247)	(79)
Additional hire purchase finance	1,573	-
Repayment of term loan	(204)	(56)
Net cash generated from/(used in) financing activities	<u>1,122</u>	<u>(135)</u>
Net (decrease)/increase in cash and cash equivalents	(27,045)	2,374
Cash and cash equivalents at beginning of period	31,422	34,545
Cash and cash equivalents at end of period	<u><u>4,377</u></u>	<u><u>36,919</u></u>
# Represented by:		
Cash at Bank	<u>4,377</u>	<u>36,919</u>
	<u><u>4,377</u></u>	<u><u>36,919</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.