

**SKP RESOURCES BHD**

(Company No: 524297-T)

Incorporated in Malaysia under the Companies Act, 1965

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>9 months ended 12/31/2006 RM'000</b>	<b>9 months ended 12/31/2005 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	13,237	9,632
Adjustments for:		
Depreciation	6,925	3,758
Recognition of negative goodwill	-	(637)
Property, plant and equipment written off	-	273
Loss on disposal of property, plant and equipment	-	(15)
Interest expense	378	152
Dividend income	(33)	-
Interest income	(443)	(784)
Operating profit before working capital changes	<u>20,064</u>	<u>12,379</u>
Increase in inventories	(1,023)	(2,991)
(Increase)/decrease in receivables	(15,874)	189
Increase in payables	<u>8,261</u>	<u>16</u>
Cash generated from operations	11,428	9,593
Interest paid	(378)	(152)
Taxes paid	<u>(1,636)</u>	<u>(2,621)</u>
Net cash generated from operating activities	<u>9,414</u>	<u>6,820</u>
<b>Cash flows from investing activities</b>		
Net outflow from acquisition of subsidiaries	(29,340)	-
Purchase of property, plant and equipment	(10,125)	(13,831)
Proceeds from disposal of property, plant and equipment	-	42
Proceeds from disposal of other investment	994	-
Purchase of other investments	-	(1,000)
Dividend received	33	-
Interest received	443	784
Net cash used in investing activities	<u>(37,995)</u>	<u>(14,005)</u>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase	(674)	(142)
Drawdown of term Loan	-	8,601
Additional hire purchase finance	3,433	-
Repayment of term loan	(282)	(238)
Receipts of short term borrowings	200	-
Acquisition of treasury shares	-	(455)
Dividend paid	-	(2,982)
Net cash generated from financing activities	<u>2,677</u>	<u>4,784</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(25,904)</b>	<b>(2,401)</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>5,518</u></u>	<u><u>31,425</u></u>
<b># Represented by:</b>		
Cash at Bank	<u>5,518</u>	<u>31,425</u>
	<u>5,518</u>	<u>31,425</u>

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