

EONMETALL GROUP BERHAD
(Company No. 631617 D)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2006**

	Three Months Ended	
	31-Mar-06	31-Mar-05
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	768	4,468
Adjustments for:		
Depreciation	979	315
Interest expenses	727	224
Interest income	(45)	-
(Gain)/Loss on disposal of plant and equipment	(75)	171
Negative goodwill recognised	-	(1,185)
Equity settled share-based transactions	220	-
Operating profit before working capital changes	2,574	3,993
(Increase)/Decrease in :		
Inventories	(6,286)	(3,090)
Trade and other receivables	914	5,389
Increase/(Decrease) in :		
Trade and other payables	4,353	(1,471)
Cash generated from operations	1,555	4,821
Tax paid	(388)	(134)
Net cash generated from operating activities	1,167	4,687
Cash flows from investing activities		
Proceed from disposal of plant and equipment	143	380
Acquisition of subsidiaries, net of cash acquired	-	8
Purchase of property, plant and equipment	(388)	(73)
Interest received	45	-
Net cash (used in)/generated from investing activities	(200)	315
Cash flows from financing activities		
Short term borrowings, net	(5,244)	2,089
Drawdown of term loan	969	-
Repayment of term loans	(326)	(102)
Repayment of hire purchase creditors	(9)	-
Deposit pledged with licensed bank	-	(74)
Interest paid	(727)	(224)
Net cash (used in)/generated from financing activities	(5,337)	1,689

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	RM'000	RM'000
Net (decrease)/increase in cash and cash equivalents	(4,370)	6,691
Cash and cash equivalents at beginning of year	10,369	*
Cash and cash equivalents at end of financial period	<u>5,999</u>	<u>6,691</u>

Notes:

A. Cash and cash equivalents at end of period comprise:

Cash & bank balances	2,726	10,503
Deposits with licensed banks	5,735	1,000
Bank overdrafts	<u>(2,462)</u>	<u>(4,812)</u>
	<u>5,999</u>	<u>6,691</u>

B. * represents RM2.00

The condensed cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.