



LEADER STEEL HOLDINGS BERHAD
(Company No. 267209 - K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2005**

	UNAUDITED 30 JUNE 2005 RM'000	UNAUDITED 30 JUNE 2004 RM'000
Profit before tax	4,435	13,162
Adjustment for :-		
Non-cash items	2,994	2,467
Non-operating items	236	(676)
Operating profit before changes in working capital	<u>7,665</u>	<u>14,953</u>
Changes in working capital		
Net changes in current assets	(28,488)	(31,044)
Net changes in current liabilities	2,058	1,199
Net cash outflow from operating activities	<u>(18,765)</u>	<u>(14,892)</u>
Investing Activities		
- Other investments	(5,092)	(7,930)
Net cash outflow from investing activities	<u>(5,092)</u>	<u>(7,930)</u>
Financing Activities		
- Bank borrowings, net	19,857	19,570
- Increased in share capital	-	850
- Dividend paid	(2,267)	(2,084)
Net cash inflow from financing activities	<u>17,590</u>	<u>18,336</u>
Net decrease in cash and cash equivalents	<u>(6,267)</u>	<u>(4,486)</u>
Cash and cash equivalents at beginning of year	<u>6,219</u>	<u>3,336</u>
Cash and cash equivalents at end of year	<u>(48)</u>	<u>(1,150)</u>
Cash and cash equivalents consist of :-		
Cash and bank balances	604	686
Bank overdrafts	(652)	(1,836)
	<u>(48)</u>	<u>(1,150)</u>

The condensed consolidated cash flow statement should be read in conjunction with the most recent annual financial statement as at 31 December 2004.