



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	UNAUDITED 31 DECEMBER 2005 RM'000	AUDITED 31 DECEMBER 2004 RM'000
(Loss)/Profit before tax	(334)	19,260
Adjustment for :-		
Non-cash items	6,701	5,574
Non-operating items	(760)	(1,172)
Operating profit before changes in working capital	5,607	23,662
Changes in working capital		
Net changes in current assets	(2,028)	(24,444)
Net changes in current liabilities	5,496	(2,064)
Net cash inflow/(outflow) from operating activities	9,075	(2,846)
Investing Activities		
- Other investments	(3,763)	(10,152)
Net cash outflow from investing activities	(3,763)	(10,152)
Financing Activities		
- Bank borrowings, net	(16,003)	16,814
- Increased in share capital	-	1,150
- Dividend paid	(2,267)	(2,084)
Net cash (outflow)/inflow from financing activities	(18,269)	15,880
Net (decrease)/increase in cash and cash equivalents	(12,958)	2,882
Cash and cash equivalents at beginning of year	6,219	3,337
Cash and cash equivalents at end of year	(6,739)	6,219
Cash and cash equivalents consist of :-		
Short term deposits with a licensed bank	-	2,400
Cash and bank balances	186	3,819
Bank overdrafts	(6,926)	-
	(6,739)	6,219

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