



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

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

	UNAUDITED 31 MARCH 2006 RM'000	UNAUDITED 31 MARCH 2005 RM'000
Profit before tax	445	2,572
Adjustment for :-		
Non-cash items	1,388	1,693
Operating profit before changes in working capital	1,833	4,265
Changes in working capital		
Net changes in current assets	(7,693)	(15,773)
Net changes in current liabilities	4,244	9,610
(Tax paid)/Tax refund	(132)	428
Net cash (outflow) from operating activities	(1,747)	(1,470)
Investing Activities		
- Other investments	(443)	(975)
Net cash outflow from investing activities	(443)	(975)
Financing Activities		
- Bank borrowings, net	6,542	6,555
- Increased in share capital	-	(2,266)
Net cash inflow from financing activities	6,542	4,289
Net increase in cash and cash equivalents	4,351	1,844
Cash and cash equivalents at beginning of period	(6,739)	6,219
Cash and cash equivalents at end of year	(2,388)	8,063
Cash and cash equivalents consist of :-		
Short term deposits with a licensed bank	-	7,200
Cash and bank balances	1,590	1,360
Bank overdrafts	(3,978)	(497)
	(2,388)	8,063

The condensed consolidated cash flow statement should be read in conjunction with the most recent annual financial statement as at 31 December 2005.