

X. ACCOUNTANTS' REPORT (CONT'D)**6.2.17 DXN SA**

	Financial period from 22 February 2002 to 28 February 2003 RM
Revenue	-
Loss before depreciation, interest and taxation	(5,704)
Depreciation	-
Interest expense	-
Loss before taxation	(5,704)
Tax expense	-
Loss after taxation	(5,704)
Weighted average no. of shares in issue	100
Gross loss per share (RM)	(57.04)
Net loss per share (RM)	(57.04)
Gross dividend rate (%) – ordinary shares	-

Notes:

- (i) *There were no extraordinary or exceptional items for the period under review.*
- (ii) *There was no tax expense for financial period ended 28 February 2003 as DXN SA incurred losses for the period.*
- (iii) *Gross loss per share has been calculated based on loss before taxation divided by the weighted average number of ordinary shares in issue.*
- (iv) *Net loss per share has been calculated based on loss after taxation divided by the weighted average number of ordinary shares in issue.*

X. ACCOUNTANTS' REPORT (CONT'D)**6.2.18 DXN Mexico**

	Financial period from 22 February 2002 to 28 February 2003 RM
Revenue	-
Loss before depreciation, interest and taxation	(27,398)
Depreciation	-
Interest expense	-
Loss before taxation	(27,398)
Tax expense	-
Loss after taxation	(27,398)
Weighted average no. of shares in issue	333
Gross loss per share (RM)	(246.83)
Net loss per share (RM)	(246.83)
Gross dividend rate (%) – ordinary shares	-

Notes:

- (i) *There were no extraordinary or exceptional items for the period under review.*
- (ii) *There was no tax expense for financial period ended 28 February 2003 as DXN Mexico incurred losses for the period.*
- (iii) *Gross loss per share has been calculated based on loss before taxation divided by the weighted average number of ordinary shares in issue.*
- (iv) *Net loss per share has been calculated based on loss after taxation divided by the weighted average number of ordinary shares in issue.*

X. ACCOUNTANTS' REPORT (CONT'D)**6.2.19 DXN Thailand**

	←-----Financial period/years ended 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Revenue	365,483	5,774,919	4,100,612	3,572,961	4,129,461
(Loss)/Profit before depreciation, interest and taxation	(287,223)	(658,058)	(124,700)	(291,326)	153,553
Depreciation	(19,232)	(58,869)	(64,147)	(65,674)	(69,038)
Amortisation of pre-operating expense	(226)	(223)	(198)	-	-
Interest expense	-	-	-	-	-
Loss before taxation/PBT	(306,681)	(717,150)	(189,045)	(357,000)	84,515
Tax expense	-	-	-	-	-
Loss after taxation/PAT	(306,681)	(717,150)	(189,045)	(357,000)	84,515
Weighted average no. of shares in issue	5,734	20,000	20,000	20,000	20,000
Gross (loss per share)/EPS (RM)	*(71.31)	(35.86)	(9.45)	(17.85)	4.23
Net (loss per share)/EPS (RM)	*(71.31)	(35.86)	(9.45)	(17.85)	4.23
Gross dividend rate (%) – ordinary shares	-	-	-	-	-

Notes:

- (i) There were no extraordinary or exceptional items for all the period/years under review.
- (ii) There was no tax expense for the financial period/years ended 28 February 1999 to 2002 as DXN Thailand incurred losses. For the financial year ended 28 February 2003, there was no tax expense as DXN Thailand had unabsorbed tax losses.
- (iii) Gross (loss per share)/EPS has been calculated based on (loss before taxation)/PBT divided by the weighted average number of ordinary shares in issue.
- (iv) Net (loss per share)/EPS has been calculated based on (loss after taxation)/PAT divided by the weighted average number of ordinary shares in issue.

X. ACCOUNTANTS' REPORT (CONT'D)**7. SUMMARISED BALANCE SHEETS**

As the purchase consideration for the acquisitions as stated in Section 2.3(d) is calculated based on the net tangible assets of the individual subsidiaries and associated company as at 28 February 2002, it is therefore impractical to present the proforma balance sheets of the proforma DXN Group throughout the financial years under review. Accordingly the proforma DXN Group has only been presented by way of proforma statement of assets and liabilities as at 28 February 2003 based on the latest audited financial statements as at 28 February 2003 of DXN and its subsidiaries and associated company in Section 8 of this report.

The summarised balance sheets of each of the companies in the DXN Group based on the audited financial statements for the relevant financial years/periods under review are set out below:

7.1 DXN

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	-	948,137	938,509	1,055,466	1,036,439
Investment in subsidiaries	5,916,010	8,900,105	9,900,207	9,900,002	9,780,846
Other investment	-	-	-	-	1,195,207
Current assets	581,335	5,635,717	4,475,988	16,193,886	45,717,431
Current liabilities	(6,137,635)	(12,848,643)	(12,825,005)	(24,515,052)	(26,119,826)
Net current (liabilities)/assets	(5,556,300)	(7,212,926)	(8,349,017)	(8,321,166)	19,597,605
	359,710	2,635,316	2,489,699	2,634,302	31,610,097
Financed by :					
Share capital	300,000	300,000	300,000	300,000	375,000
Retained profits	59,710	1,873,045	1,803,459	1,938,942	30,910,520
Shareholders' funds	359,710	2,173,045	2,103,459	2,238,942	31,285,520
Borrowings	-	462,271	386,240	395,360	324,577
	359,710	2,635,316	2,489,699	2,634,302	31,610,097
Number of ordinary shares	300,000	300,000	300,000	300,000	375,000
Net tangible assets ("NTA") per ordinary share (RM)	1.20	7.24	7.01	7.46	83.43

X. ACCOUNTANTS' REPORT (CONT'D)**7.2 DMSB**

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	7,241,113	5,595,899	5,046,596	3,854,738	3,703,987
Other investments	213,214	203,555	206,805	76,450	73,120
Current assets	15,369,349	17,448,289	14,981,425	16,803,821	13,021,283
Current liabilities	(8,168,924)	(8,799,947)	(6,057,619)	(7,236,230)	(12,555,984)
Net current assets	7,200,425	8,648,342	8,923,806	9,567,591	465,299
	14,654,752	14,447,796	14,177,207	13,498,779	4,242,406
Financed by :					
Share capital	500,000	500,000	500,000	500,000	500,000
Exchange differences	-	7,717	-	-	-
Retained profits ⁽¹⁾	13,314,271	12,115,351	12,175,826	12,297,872	3,246,249
Shareholders' funds	13,814,271	12,623,068	12,675,826	12,797,872	3,746,249
Borrowings	702,611	1,674,655	1,352,206	633,907	459,157
Deferred taxation	137,870	150,073	149,175	67,000	37,000
	14,654,752	14,447,796	14,177,207	13,498,779	4,242,406
Number of ordinary shares	500,000	500,000	500,000	500,000	500,000
NTA per ordinary share (RM)	27.63	25.25	25.35	25.60	7.49

Note:

During the financial year ended 28 February 2001, DMSB changed its accounting policy on the recognition of membership fees from a recognition over a period of 20 years to the recognition of the entire membership fees in the year of receipt. As a result of the change in the accounting policy, the retained profits as at 28 February 1999 to 2003 were adjusted as follows:

Retained profits	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
As per audited financial statements	9,177,479	7,415,042	12,175,826	12,297,872	3,246,249
Membership fee under recognised (net of tax)	4,136,792	4,700,309	-	-	-
As restated	13,314,271	12,115,351	12,175,826	12,297,872	3,246,249

X. ACCOUNTANTS' REPORT (CONT'D)**7.3 DISB**

	← As at 28/29 February →				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	3,481,350	5,239,602	4,578,330	3,940,211	4,027,918
Current assets	12,065,557	20,596,564	21,961,425	23,322,001	24,253,018
Current liabilities	(8,286,708)	(9,441,784)	(7,584,868)	(7,007,009)	(19,988,008)
Net current assets	3,778,849	11,154,780	14,376,557	16,314,992	4,265,010
	7,260,199	16,394,382	18,954,887	20,255,203	8,292,928
Financed by :					
Share capital	2	500,000	500,000	500,000	500,000
Retained profits	7,260,197	15,757,710	18,127,453	17,902,658	6,093,123
Shareholders' funds	7,260,199	16,257,710	18,627,453	18,402,658	6,593,123
Borrowings	-	3,490	206,503	1,784,545	1,694,805
Deferred taxation	-	133,182	120,931	68,000	5,000
	7,260,199	16,394,382	18,954,887	20,255,203	8,292,928
Number of ordinary shares	2	500,000	500,000	500,000	500,000
NTA per ordinary share (RM)	3,630,100	32.52	37.25	36.81	13.19

X. ACCOUNTANTS' REPORT (CONT'D)**7.4 DXN Pharma**

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	1,566,436	6,883,225	10,457,756	15,442,782	16,180,934
Current assets	26,861	327,962	220,411	14,554,688	19,722,714
Current liabilities	(1,643,468)	(2,481,935)	(3,284,361)	(17,226,700)	(24,196,478)
Net current (liabilities)/assets	(1,616,607)	(2,153,973)	(3,063,950)	(2,672,012)	(4,473,764)
	(50,171)	4,729,252	7,393,806	12,770,770	11,707,170
Financed by :					
Share capital	2	3,000,000	4,000,000	4,000,000	4,000,000
(Accumulated losses)/ Retained profits	(50,173)	(101,667)	(359,280)	5,577,878	3,922,102
Shareholders' funds	(50,171)	2,898,333	3,640,720	9,577,878	7,922,102
Borrowings	-	1,830,919	3,753,086	3,192,892	3,188,068
Deferred taxation	-	-	-	-	597,000
	(50,171)	4,729,252	7,393,806	12,770,770	11,707,170
Number of ordinary shares	2	3,000,000	4,000,000	4,000,000	4,000,000
(Net tangible liabilities)/NTA per ordinary share (RM)	(25,086)	0.97	0.91	2.39	1.98

X. ACCOUNTANTS' REPORT (CONT'D)**7.5 DXN Plantation**

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	1,917,936	3,311,802	3,524,665	-	-
Current assets	3,663,033	3,685,847	4,977,122	5,059,540	2,155,290
Current liabilities	(1,949,292)	(2,054,352)	(3,087,465)	(3,120,000)	(2,002,000)
Net current assets	1,713,741	1,631,495	1,889,657	1,939,540	153,290
	3,631,677	4,943,297	5,414,322	1,939,540	153,290
Financed by :					
Share capital	2	2	2	2	150,000
Retained profits	3,409,342	4,660,206	5,091,702	1,939,538	3,290
Shareholders' funds	3,409,344	4,660,208	5,091,704	1,939,540	153,290
Borrowings	222,333	164,333	138,337	-	-
Deferred taxation	-	118,756	184,281	-	-
	3,631,677	4,943,297	5,414,322	1,939,540	153,290
Number of ordinary shares	2	2	2	2	150,000
NTA per ordinary share (RM)	1,704,672	2,330,104	2,545,852	969,770	1.02

X. ACCOUNTANTS' REPORT (CONT'D)**7.6 DPSB**

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	66,554	76,461	105,142	-	-
Current assets	219,731	371,307	479,791	-	368
Current liabilities	(383,554)	(412,548)	(675,123)	(103,631)	(105,987)
Net current liabilities	(163,823)	(41,241)	(195,332)	(103,631)	(105,619)
	(97,269)	35,220	(90,190)	(103,631)	(105,619)
Financed by :					
Share capital	2	100,000	100,000	100,000	100,000
Accumulated losses	(97,271)	(64,780)	(190,190)	(203,631)	(205,619)
Shareholders' funds	(97,269)	35,220	(90,190)	(103,631)	(105,619)
Number of ordinary shares	2	100,000	100,000	100,000	100,000
(Net tangible liabilities)/NTA per ordinary share (RM)	(48,635)	0.35	(0.90)	(1.04)	(1.06)

X. ACCOUNTANTS' REPORT (CONT'D)**7.7 DKSB**

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	157,328	144,922	126,029	-	-
Current assets	84,670	474,210	791,524	224,123	222,623
Current liabilities	(301,518)	(485,267)	(666,483)	(1,040)	(1,840)
Net current (liabilities) / assets	(216,848)	(11,057)	125,041	223,083	220,783
	(59,520)	133,865	251,070	223,083	220,783
Financed by :					
Share capital	2	100,000	100,000	100,000	100,000
Retained profits	(59,522)	17,102	136,261	123,083	120,783
Shareholders' funds	(59,520)	117,102	236,261	223,083	220,783
Deferred taxation	-	16,763	14,809	-	-
	(59,520)	133,865	251,070	223,083	220,783
Number of ordinary shares	2	100,000	100,000	100,000	100,000
(Net tangible liabilities)/NTA per ordinary share (RM)	(29,760)	1.17	2.36	2.23	2.21

X. ACCOUNTANTS' REPORT (CONT'D)**7.8 DIH**

	As at 28 February 2003 RM
Property, plant and equipment	-
Current assets	-
Current liabilities	(1,860)
Net current liabilities	(1,860)
	<hr/>
	(1,860)
Financed by :	
Share capital	9,500
Accumulated loss	(11,360)
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Shareholders' funds	(1,860)
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Number of ordinary shares	2,500
Net tangible liabilities per ordinary share (RM)	(0.34)

X. ACCOUNTANTS' REPORT (CONT'D)**7.9 DIPL**

	←-----As at 28/29 February----->			
	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	186,409	432,459	606,875	478,122
Investment in subsidiaries	-	-	760,000	1,157,277
Current assets	870,665	9,710,523	10,309,490	13,357,091
Current liabilities	(1,145,643)	(9,039,648)	(9,549,511)	(13,290,240)
Net current (liabilities)/assets	(274,978)	670,875	759,979	66,851
	(88,569)	1,103,334	2,126,854	1,702,250
Financed by :				
Share capital	57,038	57,038	57,038	57,038
Exchange reserves	(112,317)	(220,596)	(371,340)	(440,630)
(Accumulated loss)/ Retained profits	(33,290)	1,239,559	2,375,774	2,070,548
Shareholders' funds	(88,569)	1,076,001	2,061,472	1,686,956
Borrowings	-	27,333	65,382	15,294
	(88,569)	1,103,334	2,126,854	1,702,250
Number of ordinary shares	15,010	15,010	15,010	15,010
(Net tangible liabilities)/NTA per ordinary share (RM)	(5.90)	71.69	137.34	112.39

X. ACCOUNTANTS' REPORT (CONT'D)**7.10 Daxen**

	<-----As at 28 February----->	
	2002	2003
	RM	RM
Property, plant and equipment	188,892	228,662
Investment in subsidiaries	-	18,981
Current assets	845,098	3,128,978
Current liabilities	(609,626)	(2,700,864)
Net current assets	235,472	428,114
	424,364	675,757
Financed by :		
Share capital	760,000	760,000
Accumulated losses	(335,636)	(84,243)
Shareholders' funds	424,364	675,757
Number of ordinary shares	200,000	200,000
NTA per ordinary share (RM)	2.12	3.38

X. ACCOUNTANTS' REPORT (CONT'D)**7.11 DXN Herbal**

	<-----As at 28 February----->	
	2002	2003
	RM	RM
Property, plant and equipment	2,052,293	5,027,757
Current assets	1,767,338	14,634,806
Current liabilities	(749,685)	(9,126,439)
Net current assets	1,017,653	5,508,367
Expenditure carried forward ⁽¹⁾	112,508	18,567
	3,182,454	10,554,691
Financed by :		
Share capital	7,812	380,000
Exchange reserve	-	(1,114)
Retained profit	-	5,523,024
Shareholders' funds	7,812	5,901,910
Borrowings	3,174,642	4,652,781
	3,182,454	10,554,691
Number of ordinary shares	10,000	486,500
(Net tangible liabilities)/NTA per ordinary share (RM)	(10.47)	12.10

Notes:

- (1) The expenditure carried forward was written off for the purposes of the proforma consolidated results of the DXN Group.

X. ACCOUNTANTS' REPORT (CONT'D)**7.12 DXN Singapore**

	←-----As at 28/29 February----->				
	1999	2000	2001	2002	2003
	RM	RM	RM	RM	RM
Property, plant and equipment	64,065	191,586	99,311	13,314	2,708
Current assets	1,171,123	505,791	3,703,490	2,769,175	7,586,844
Current liabilities	(937,914)	(657,618)	(3,746,748)	(2,490,619)	(7,031,317)
Net current assets/ (liabilities)	233,209	(151,827)	(43,258)	278,556	555,527
	297,274	39,759	56,053	291,870	558,235
Financed by :					
Share capital	5	5	5	5	5
Exchange reserves	(7,420)	(5,572)	(6,164)	(9,912)	550,547
Retained profits	298,083	45,326	62,212	301,777	7,683
Shareholders' funds	290,668	39,759	56,053	291,870	558,235
Borrowings	6,606	-	-	-	-
	297,274	39,759	56,053	291,870	558,235
Number of ordinary shares	2	2	2	2	2
NTA per ordinary share (RM)	145,334	19,880	28,027	145,935	279,118

X. ACCOUNTANTS' REPORT (CONT'D)**7.13 PT Daxen**

	←-----As at 31 December-----→				As at 28
	# 1999 RM	# 2000 RM	2001 RM	2002 RM	February 2003 RM
Property, plant and equipment	3,982,305	2,822,389	3,075,978	3,992,211	3,946,036
Current assets	1,194,242	1,313,802	829,097	721,491	792,455
Current liabilities	(945,899)	(887,786)	(1,842,331)	(2,060,289)	(2,040,525)
Net current assets/ (liabilities)	248,343	426,016	(1,013,234)	(1,338,798)	(1,248,070)
	<u>4,230,648</u>	<u>3,248,405</u>	<u>2,062,744</u>	<u>2,653,413</u>	<u>2,697,966</u>
Financed by :					
Share capital	4,698,000	4,698,000	4,698,000	4,698,000	4,698,000
Share premium	-	-	(863,794)	(850,856)	(850,856)
Exchange reserves	-	(791,703)	(1,025,251)	(643,603)	(643,603)
Accumulated losses	(467,352)	(657,892)	(796,219)	(568,130)	(521,327)
Shareholders' funds	<u>4,230,648</u>	<u>3,248,405</u>	<u>2,012,736</u>	<u>2,635,411</u>	<u>2,682,214</u>
Borrowings	-	-	26,510	18,002	15,752
Deferred taxation ⁽¹⁾	-	-	23,498	-	-
	<u>4,230,648</u>	<u>3,248,405</u>	<u>2,062,744</u>	<u>2,653,413</u>	<u>2,697,966</u>
Number of ordinary shares	700	700	700	700	700
NTA per ordinary share (RM)	6,044	4,641	2,875	3,765	3,832

Based on the management accounts of PT Daxen.

Note :

In compliance with Malaysian Accounting Standards Board No 25, Income Taxes, the deferred taxation for the financial years/period ended 28 February 1999 to 2003 has been restated as follows:

	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
As per audited financial statements	-	-	23,498	(165,913)	(166,637)
MASB 25, Income taxes - reversal of deferred tax benefits	-	-	-	165,913	166,637
As restated	<u>-</u>	<u>-</u>	<u>23,498</u>	<u>-</u>	<u>-</u>

X. ACCOUNTANTS' REPORT (CONT'D)**7.14 DXN HK**

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	73,359	161,435	118,000	77,964	51,341
Current assets	339,461	533,337	495,227	967,579	420,737
Current liabilities	(1,317,059)	(1,902,067)	(1,773,600)	(2,101,646)	(919,024)
Net current liabilities	(977,598)	(1,368,730)	(1,278,373)	(1,134,067)	(498,288)
	(904,239)	(1,207,295)	(1,160,373)	(1,056,103)	(446,946)
Financed by :					
Share capital	1	1	1	1	1
Exchange reserves	-	3,945	6,616	21,859	16,807
Accumulated losses	(904,240)	(1,211,241)	(1,166,990)	(1,077,963)	(463,754)
Shareholders' funds	(904,239)	(1,207,295)	(1,160,373)	(1,056,103)	(446,946)
Number of ordinary shares	2	2	2	2	2
Net tangible liabilities per ordinary share (RM)	(452,120)	(603,648)	(580,187)	(528,052)	(223,473)

X. ACCOUNTANTS' REPORT (CONT'D)**7.15 DXN Cyprus**

	As at 28 February 2003 RM
Property, plant and equipment	38,749
Current assets	72,222
Current liabilities	(126,038)
Net current liabilities	(53,816)
	<u>(15,067)</u>
Financed by :	
Share capital	65,297
Accumulated loss	(80,364)
Shareholders' funds	<u>(15,067)</u>
Number of ordinary shares	10,000
Net tangible liabilities per ordinary share (RM)	(1.51)

X. ACCOUNTANTS' REPORT (CONT'D)


7.16 DXN UK

	As at 28 February 2003 RM
Property, plant and equipment	-
Current assets	6,003
Current liabilities	(19,738)
Net current liabilities	(13,735)
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Financed by :	(13,735)
Share capital	6,003
Accumulated loss	(19,738)
Shareholders' funds	(13,735)
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Number of ordinary shares	1,000
Net tangible liabilities per ordinary share (RM)	(13.74)

X. ACCOUNTANTS' REPORT (CONT'D)**7.17 DXN SA**

	As at 28 February 2003 RM
Property, plant and equipment	-
Current assets	-
Current liabilities	(4,658)
Net current liabilities	(4,658)
	<u>(4,658)</u>
Financed by :	
Share capital	46
Accumulated loss	(4,704)
Shareholders' funds	<u>(4,658)</u>
Number of ordinary shares	100
Net tangible liabilities per ordinary share (RM)	(46.58)

X. ACCOUNTANTS' REPORT (CONT'D)**7.18 DXN Mexico**

	As at 28 February 2003 RM
Property, plant and equipment	-
Current assets	50,063
Current liabilities	(60,184)
Net current liabilities	(10,121)
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	(10,121)
Financed by :	<hr/>
Share capital	17,277
Accumulated loss	(27,398)
Shareholders' funds	(10,121)
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Number of ordinary shares	1,000
Net tangible liabilities per ordinary share (RM)	(10.12)

X. ACCOUNTANTS' REPORT (CONT'D)**7.19 DXN Thailand**

	←-----As at 28/29 February----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Property, plant and equipment	219,277	268,139	198,711	141,568	77,986
Current assets	275,068	788,498	1,365,672	684,885	820,491
Current liabilities	(598,346)	(1,876,362)	(2,480,478)	(2,056,972)	(2,083,058)
Net current liabilities	(323,278)	(1,087,864)	(1,114,806)	(1,372,087)	(1,262,567)
	(104,001)	(819,725)	(916,095)	(1,230,519)	(1,184,581)
Financed by :					
Share capital	202,680	202,680	202,680	202,680	202,680
Exchange reserves	-	1,426	94,101	136,677	98,101
Accumulated losses	(306,681)	(1,023,831)	(1,212,876)	(1,569,876)	(1,485,362)
Shareholders' funds	(104,001)	(819,725)	(916,095)	(1,230,519)	(1,184,581)
Number of ordinary shares	20,000	20,000	20,000	20,000	20,000
NTA per ordinary share (RM)	(5.20)	(40.99)	(45.80)	(61.53)	(59.23)

X. ACCOUNTANTS' REPORT (CONT'D)**8. STATEMENT OF ASSETS AND LIABILITIES AS AT 28 FEBRUARY 2003**

The following is the detailed statement of assets and liabilities of DXN and of the Proforma DXN Group which has been prepared for illustrative purposes only and is based on audited financial statements of the companies in the DXN Group as at 28 February 2003. The statement of assets and liabilities has been prepared to show the effects of the Divestment to LTAT, Share Split, Bonus Issue, Acquisitions, Transfers, Rights Issue, Offer for Sale and Public Issue (as defined in 2.3 above), the utilisation of proceeds from the Rights Issue and Public Issue ("Proforma") and the ESOS on the assumption that the respective transactions had been completed on 28 February 2003 and should be read in conjunction with the notes thereon:

	Note	Group Audited RM'000	I Group Proforma RM'000	After I and assuming the full exercise of the ESOS options RM'000
PROPERTY, PLANT AND EQUIPMENT				
	8.2.1	24,988	42,223	42,223
INVESTMENT IN AN ASSOCIATE				
	8.2.2	-	106	106
OTHER INVESTMENTS				
	8.2.3	1,269	1,269	1,269
CURRENT ASSETS				
Inventories	8.2.4	9,870	23,370	23,370
Trade and other receivables	8.2.5	32,299	27,422	27,422
Tax refundable		910	826	826
Cash and cash equivalents	8.2.6	6,721	24,866	39,986
		49,800	76,484	91,604
CURRENT LIABILITIES				
Trade and other payables	8.2.7	20,823	27,808	27,808
Borrowings	8.2.8	9,028	7,919	7,919
		29,851	35,727	35,727
NET CURRENT ASSETS				
		19,949	40,757	55,877
		46,206	84,355	99,475
Financed by				
SHARE CAPITAL	8.2.9	375	60,000	66,000
SHARE PREMIUM	8.2.10	-	1,300	10,420
RETAINED PROFITS		35,582	5,082	5,082
SHAREHOLDERS' FUNDS				
		35,957	66,382	81,502
NEGATIVE GOODWILL	8.2.11	3,943	11,432	11,432
BORROWINGS	8.2.12	5,667	5,902	5,902
DEFERRED TAXATION		639	639	639
		46,206	84,355	99,475
NTA per ordinary share (RM)	13	95.89	0.28	0.31

X. ACCOUNTANTS' REPORT (CONT'D)

**8.1. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES - 28
FEBRUARY 2003****8.1.1 Summary of Significant Accounting Policies**

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years except for the adoption of the following :-

- i) MASB 20, Provisions, Contingent Liabilities and Contingent Assets and MASB 21, Business Combinations which are applied retrospectively. Comparative figures have not been restated and as the previous accounting policies were in line with the accounting standards;
- ii) MASB 22, Segmental Reporting and MASB 24, Financial Instruments: Disclosure and Presentation which have been adopted prospectively; and
- iii) MASB 23, Impairment of Assets which is applied prospectively. The restatement of comparative figures and prior year adjustment are therefore not presented.

Apart from the inclusion of the new policies and extended disclosures as required by the standards, the adoption of these standards has not had an effect on the financial statements.

8.1.2 Basis of Accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

8.1.3 Basis of Consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when control is intended to be temporary as the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

X. ACCOUNTANTS' REPORT (CONT'D)



Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

8.1.4 Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill on acquisition is calculated based on the fair value of net assets acquired.

8.1.5 Investments

Long term investments other than in subsidiaries and associated companies are stated at cost. An allowance is made when the directors are of the view that there is a diminution in their value which is other than temporary.

Long term investments in subsidiaries and associated companies are shown at cost less impairment loss where applicable.

8.1.6 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised from the date of initial recognition over its estimated useful life of not more than 10 years.

Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition.

X. ACCOUNTANTS' REPORT (CONT'D)

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the income statement when the future losses and expenses are recognised. Any remaining Negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the weighted average useful life of those assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the income statement.

8.1.7 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

Depreciation

Freehold land and capital work-in-progress are not amortised. Leasehold lands are amortised in equal instalments over the period of the respective leases which range from 39 to 90 years. The straight line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates :

	%
Buildings	2
Farms	2 – 20
Plant and machinery	10
Furniture, fittings and office equipment	10 – 20
Motor vehicles	20

8.1.8 Inventories

Inventories are stated at the lower of cost and net realisable value with first-in, first-out being the main basis for cost. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

8.1.9 Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

8.1.10 Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

X. ACCOUNTANTS' REPORT (CONT'D)



8.1.11 Liabilities

Borrowings and trade and other payables are stated at cost.

8.1.12 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts.

8.1.13 Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

8.1.14 Foreign Currency

i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising from retranslating the opening net investments in the foreign subsidiaries at the closing exchange rate are recognised directly to the Exchange Fluctuation Reserve.

X. ACCOUNTANTS' REPORT (CONT'D)

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows :

	RM
1 USD	3.800
100 Baht	0.087
1 SGD	2.160
1 HKD	0.483
1 Rupee	0.077
1 Rupiah	0.00041
1 Pesos	0.069

8.1.15 Hire Purchase

The assets and obligations arising from hire purchase plans are recorded at the fair value of the assets at the beginning of the duration of the leases and hire purchase. The amount of the assets are depreciated over their expected useful lives consistent with the depreciation rates the Group adopts for depreciable assets that are owned.

The difference between the total minimum lease payments and hire purchase obligations over the duration of the hire purchase and the initial recorded liability which represents interest cost, is expensed off over the accounting periods covered by the duration of the borrowing using the "sum-of-digits" method.

8.1.16 Impairment

The carrying amount of the Company's assets, other than inventories and financial assets (other than investment in subsidiaries and associated companies), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment loss are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

X. ACCOUNTANTS' REPORT (CONT'D)



An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event and it is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

8.1.17 Income Recognition

i) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement upon services performed.

ii) Membership fees

Members joining the Company's direct sales marketing plan are required to pay a membership fee which entitles them to life membership and the right to purchase the Company's products at lower price than those charged to non-members.

The membership fees are recognised in the income statement in the year of receipt.

iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

iv) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

8.1.18 Finance Costs

All interest and other costs incurred in connection with borrowings are expensed as incurred.

X. ACCOUNTANTS' REPORT (CONT'D)**8.2 Notes to Statement of Assets and Liabilities****8.2.1 Property, Plant and Equipment**

Audited	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Freehold land	2,681	-	2,681
Long term leasehold land	1,128	29	1,099
Short term leasehold land	490	50	440
Buildings	7,687	380	7,307
Farms	5,685	510	5,175
Plant and machinery	9,810	5,745	4,065
Furniture, fittings and office equipment	6,055	2,984	3,071
Motor vehicles	2,526	1,466	1,060
Capital work-in-progress	90	-	90
	<u>36,152</u>	<u>11,164</u>	<u>24,988</u>
Proforma	At Cost RM'000	Accumulated Dcpreciation RM'000	Net Book Value RM'000
Freehold land	5,577	-	5,577
Long term leasehold land	1,128	29	1,099
Short term leasehold land	610	146	464
Buildings	11,224	799	10,425
Farms	5,685	510	5,175
Plant and machinery	19,736	6,354	13,382
Furniture, fittings and office equipment	7,303	3,523	3,780
Motor vehicles	3,310	1,762	1,548
Capital work-in-progress	773	-	773
	<u>55,346</u>	<u>13,123</u>	<u>42,223</u>

X. ACCOUNTANTS' REPORT (CONT'D)**8.2.1 Property, Plant and Equipment (Cont'd)***Assets under hire purchase*

Property, plant and equipment financed under hire purchase instalment plans are as follows :

	Audited/ Proforma RM'000
At net book value	
Plant and machinery	323
Motor vehicles	960
Computer	<u>15</u>

Security

The land and buildings of the Audited/Proforma Group amounting to RM15,179,074 are charged to licensed banks as security for facilities granted to the Group.

8.2.2 Investment In An Associate

	Audited RM'000	Proforma RM'000
Unquoted shares, at cost	<u>-</u>	<u>106</u>

Details of an associate is as follows :

<u>Name of Company</u>	<u>Effective Interest</u>	<u>Place of Incorporation</u>	<u>Principal Activities</u>
DXN International (Thailand) Co., Limited	% 36.75	Thailand	Import and distribution of consumable health and nutrition products

X. ACCOUNTANTS' REPORT (CONT'D)**8.2.3 Other Investments**

	Audited RM'000	Proforma RM'000
Quoted shares	108	108
Unquoted share	1	1
Unit trust	98	98
Foreign treasury bills	1,196	1,196
	<u>1,403</u>	<u>1,403</u>
Less : Allowance for diminution in value		
Quoted shares	(70)	(70)
Unquoted share	(1)	(1)
Unit trust	(63)	(63)
	<u>(134)</u>	<u>(134)</u>
	<u>1,269</u>	<u>1,269</u>
Market value		
Quoted shares	36	36
Unit trust	35	35
Foreign treasury bills	<u>1,260</u>	<u>1,260</u>

8.2.4 Inventories, at cost

	Audited RM'000	Proforma RM'000
Raw materials	5,867	8,333
Work-in-progress	2,492	2,541
Manufactured inventories	772	4,414
Trading inventories	739	8,082
	<u>9,870</u>	<u>23,370</u>

During the financial year ended 28 February 2003, the Group changed its stockholding policy from 2 months to 4 months.

X. ACCOUNTANTS' REPORT (CONT'D)**8.2.5 Trade and Other Receivables**

	Audited RM'000	Proforma RM'000
Trade receivables		
Corporations in which certain directors have substantial financial interests	22,357	596
An associate	-	1,785
Others	7,445	8,651
	<u>29,802</u>	<u>11,032</u>
Other receivables, deposits and prepayments	2,497	16,390
	<u>32,299</u>	<u>27,422</u>

8.2.6. Cash and Cash Equivalents

	Audited RM'000	Proforma RM'000
Fixed deposits with licensed banks	3,014	3,126
Cash and bank balances	3,707	21,740
	<u>6,721</u>	<u>24,866</u>

Proceeds from the issue of shares assuming the full exercise of the ESOS options based on an assumed exercise price of RM0.63 per share will amount to RM15,120,000. The cash and cash equivalents balance after the assumed full exercise of the ESOS options is RM39,986,000.

8.2.7. Trade and Other Payables

	Audited RM'000	Proforma RM'000
Trade payables	6,103	8,043
Other payables and accrued expenses		
Corporations in which certain directors have substantial financial interests	8	8
Amount due to directors	1,135	2,894
Others	5,577	8,863
	<u>6,720</u>	<u>11,765</u>
Dividend payable	8,000	8,000
	<u>20,823</u>	<u>27,808</u>

X. ACCOUNTANTS' REPORT (CONT'D)**8.2.7. Trade and Other Payables (Cont'd)**

The amount due to directors are unsecured, interest-free and has no fixed terms of repayment.

The amount due to corporations in which certain directors have substantial financial interests are unsecured, interest-free and has no fixed terms of repayment.

8.2.8 Borrowings

	Audited RM'000	Proforma RM'000
Current :		
Term loans - secured	1,167	-
- unsecured	39	-
Bankers' acceptances - secured	933	933
Overdrafts - secured	6,490	6,539
Hire purchase obligations	399	447
	<u>9,028</u>	<u>7,919</u>
Non-current :		
Term loans - secured	5,269	836
Unsecured loan	-	4,653
Hire purchase obligations	398	413
	<u>5,667</u>	<u>5,902</u>

The term loans and overdrafts are secured by way of fixed charges over the Group's and the Company's properties.

The hire purchase obligations are subject to a fixed interest ranging from 3.8% to 8.5% per annum.

X. ACCOUNTANTS' REPORT (CONT'D)**8.2.9 Share Capital**

	Audited RM'000	Proforma RM'000
Ordinary shares of RM1 (Proforma RM0.25) each		
Authorised		
Balance as at 28 February 2003	500	500
Increase in authorised share capital	-	99,500
	<u>500</u>	<u>100,000</u>
Issued and fully paid :		
Balance as at 28 February 2003	375	375
Bonus issue of approximately 81.33 new shares for every 1 existing share held (after the Share Split)	-	30,500
Acquisition of subsidiaries	-	4,292
Rights issue – ten new ordinary shares for every 6.35 ordinary shares held at an issue price of RM0.25, for cash	-	22,333
Public issue	-	2,500
	<u>375</u>	<u>60,000</u>

24,000,000 shares of RM0.25 each would be issued assuming the full exercise of the ESOS options.

The issued and fully paid-up share capital assuming the full exercise of the ESOS options will amount to RM66,000,000.

8.2.10 Share Premium

The share premium account arose from the issue of shares for public issue net of listing expenses of RM2.5 million.

Premium arising from the issue of 24,000,000 new DXN Shares assuming the full exercise of the ESOS options at RM0.63 per share would be RM9,120,000. The share premium account assuming full exercise of the ESOS options at RM0.63 per share would be RM10,420,000.

8.2.11 Negative Goodwill

	Audited RM'000	Proforma RM'000
Balance as at 28 February 2003	3,943	3,943
Acquisitions of subsidiaries	-	7,489
	<u>3,943</u>	<u>11,432</u>

X. ACCOUNTANTS' REPORT (CONT'D)**8.2.14 Capital Commitment**

	Group Audited RM'000	Group Proforma RM'000
Contracted but not provided for	230	230
Approved and contracted for	<u>2,220</u>	<u>2,220</u>

8.2.15. Contingent Liabilities

	Group Audited RM'000	Group Proforma RM'000
Guarantees given to financial institution for facilities granted to company in which certain directors have substantial financial interests	<u>1,000</u>	<u>1,000</u>

Subsequent to balance sheet date, the contingent liability to a company in which certain directors have substantial financial interest has been withdrawn.

X. ACCOUNTANTS' REPORT (CONT'D)**9. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2003**

The proforma cash flow statement of DXN Group prepared for illustration purposes based on the audited financial statements of DXN Group for the financial year ended 28 February 2003 and on the assumption that the proforma Group has been in existence throughout the financial year and is presented on the basis that the Divestment to LTAT, Share Split, Bonus Issue, Acquisitions, Transfers, Rights Issue, Offer for Sale and Public Issue and the utilisation of proceeds had been in effect on that date.

	Notes	Audited RM 000	Proforma RM 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		17,429	20,484
Adjustments for :			
Depreciation		3,206	3,206
Plant and equipment written off		116	116
Interest expense		793	793
Interest income		(156)	(156)
Allowance for diminution in value of other investments		3	3
Gain on disposal of plant and equipment		(48)	(48)
Pre acquisition profit		-	(3,055)
Operating profit before working capital changes		21,343	21,343
Decrease/(Increase) in :			
Inventories		(4,468)	(4,468)
Trade and other receivables		(12,208)	(12,208)
(Decrease)/Increase in :			
Trade and other payables		2,109	2,109
Cash generated from operations		6,776	6,776
Income tax paid		(3,751)	(3,751)
Interest paid		(793)	(793)
Net cash generated from operating activities		2,232	2,232
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		156	156
Acquisition of subsidiaries	A	-	5,117
Purchase of other investments		(1,195)	(1,195)
Purchase of property, plant and equipment	B	(3,550)	(11,050)
Proceeds from disposal of plant and equipment		64	64
Withdrawal of fixed deposits		4,735	4,735
Net cash used in investing activities		210	(2,173)

X. ACCOUNTANTS' REPORT (CONT'D)**9. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2003 (Cont'd)**

	Notes	Audited RM 000	Proforma RM 000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of listing expenses		-	(2,500)
Issuance of shares		75	28,708
Dividend paid to shareholders		(4,000)	(4,000)
Repayment of hire purchase obligations		(503)	(503)
Draw down of term loans		4,000	4,000
Repayment of term loans		(4,234)	(9,888)
Movement of other borrowings, net		(44)	(44)
Net cash generated from financing activities		(4,706)	15,773
Net increase in cash and cash equivalents		(2,264)	15,832
Cash and cash equivalents at beginning of year		2,495	2,495
Cash and cash equivalents at end of year	C	231	18,327

NOTES**A. Analysis of acquisitions of subsidiaries**

The fair value of assets and liabilities assumed are as follows :

Property, plant and equipment	-	9,735
Associated company	-	106
Inventories	-	13,500
Trade and other receivables	-	22,626
Cash and bank equivalents	-	5,166
Trade and other payables	-	(34,488)
Taxation	-	(84)
Borrowings	-	(4,780)
Net assets	-	11,781
Negative goodwill	-	(7,489)
Purchase price paid	-	4,292
Less : Cash and cash equivalents	-	(5,117)
Issue of shares	-	(4,292)
	-	(5,117)

X. ACCOUNTANTS' REPORT (CONT'D)**9. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2003 (Cont'd)****B. Purchase of property, plant and equipment**

	RM 000	RM 000
Purchase of property, plant and equipment	4,092	11,592
Less : Acquired by way of hire purchase	(542)	(542)
	3,550	11,050

C. Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following consolidated balance sheet amount :-

	RM 000	RM 000
Short term deposits with licensed banks	3,014	3,126
Cash and bank balances	3,707	21,740
Bank overdrafts	(6,490)	(6,539)
	231	18,327

The net cash flow from financing activities would increase by RM15,120,000 assuming the full exercise of the ESOS options. The cash and cash equivalents at end of the year after the assumed full exercise of the ESOS options is RM33,447,000.

X. ACCOUNTANTS' REPORT (CONT'D)**10. FINANCIAL STATEMENTS**

No audited financial statements have been prepared in respect of any period subsequent to 28 February 2003.

11. PROFORMA NET TANGIBLE ASSETS COVER

Based on the proforma statement of assets and liabilities of the proforma DXN Group as at 28 February 2003, the proforma NTA cover per ordinary share after incorporating Share Split, Bonus Issue, Acquisitions, Transfers, Rights Issue, Offer for Sale and Public Issue and estimated expenses will be as follows:

NTA of the proforma DXN Group as per the statement of assets and liabilities as at 28 February 2003 (RM 000)	66,382
Number of DXN Shares assumed in issue (000)	240,000
Proforma NTA cover per DXN Share (RM)	0.28

The NTA cover per ordinary share assuming full exercise of the ESOS options will be as follows:

NTA of the DXN Group after the assumed full exercise of the ESOS options as at 28 February 2003 (RM 000)	81,502
Number of DXN Shares assumed in issue (000)	264,000
NTA cover per DXN Share (RM)	0.31

Yours faithfully

KPMG
Firm No : AF 0758
Chartered Accountants

Lee Kean Teong
Partner
Approval Number : 1857/02/04(J)