

**DXN HOLDINGS BHD.**  
(Company No : 363120-V)  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MAY 2005

	<b>May 31, 05</b>	<b>May 31, 04</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	8,925	7,488
Adjustments for: -		
Non-cash items	1,216	1,010
Non-operating items	(22)	59
	1,194	1,069
Operating profit before changes in working capital	10,119	8,557
Changes in working capital: -		
Net change in current assets	(1,855)	1,683
Net change in current liabilities	2,835	(526)
	980	1,157
Cash generated from operations	11,099	9,714
Interest income	103	62
Interest paid	(81)	(121)
Tax paid	(1,136)	(913)
<i>Net cash generated from operating activities</i>	9,985	8,742
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(3,623)	-
Proceeds from disposal of subsidiary	260	-
Withdrawal of fixed deposit	477	305
Other investment	-	(3,342)
<i>Net cash outflow from investing activities</i>	(2,886)	(3,037)
<b>Cash flow from financing activities</b>		
Borrowings	(301)	2,200
Issue of shares - ESOS	9	242
Dividend paid	(1,300)	-
<i>Net cash (outflow)/inflow from financing activities</i>	(1,592)	2,442
Net increase in cash and cash equivalents	5,507	8,147
Cash and cash equivalents at beginning of the period	29,302	23,969
Effect of foreign exchange rate changes on cash balances	59	(363)
Cash and cash equivalents at end of the period	34,868	31,753

Note :

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following :

	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	25,654	30,949
Fixed deposits with licensed banks	11,691	3,675
	37,345	34,624
Less : Fixed deposits pledged	(2,446)	(2,871)
Bank Overdraft	(31)	-
	34,868	31,753

The notes set out on pages 5 to 9 form an integral part of, and should be read in conjunction with, this interim financial report.