

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

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

| | 31-Aug-05 RM'000 | 31-Aug-04 RM'000 |
|--|---------------------|---------------------|
| Cash flow from operating activities | | |
| Profit before taxation | 16,074 | 15,041 |
| Adjustments for: - | | |
| Non-cash items | 2,304 | 1,883 |
| Non-operating items | (36) | 77 |
| | 2,268 | 1,960 |
| Operating profit before changes in working capital | 18,342 | 17,001 |
| Changes in working capital: - | | |
| Net change in current assets | (5,813) | (4,497) |
| Net change in current liabilities | 1,308 | 1,425 |
| | (4,505) | (3,072) |
| Cash generated from operations | 13,837 | 13,929 |
| Interest income | 223 | 209 |
| Interest paid | (187) | (286) |
| Tax paid | (2,459) | (2,315) |
| <i>Net cash generated from operating activities</i> | 11,414 | 11,537 |
| Cash flow from investing activities | | |
| (Placement)/Withdrawal of fixed deposit | (4,519) | 369 |
| Purchase of property, plant and equipment | (8,984) | (5,762) |
| Proceeds from disposal of subsidiary | 260 | - |
| <i>Net cash outflow from investing activities</i> | (13,243) | (5,393) |
| Cash flow from financing activities | | |
| Borrowings | 1,244 | 2,968 |
| Issue of shares - ESOS | 9 | 242 |
| Dividend paid | (1,300) | - |
| | - | - |
| <i>Net cash (outflow)/inflow from financing activities</i> | (47) | 3,210 |
| Net (decrease)/increase in cash and cash equivalents | (1,876) | 9,354 |
| Cash and cash equivalents at beginning of the period | 29,302 | 23,969 |
| Effect of foreign exchange rate changes on cash balances | (262) | (67) |
| Cash and cash equivalents at end of the period | 27,164 | 33,256 |

Note :

Cash and cash equivalents

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

| | RM'000 | RM'000 |
|------------------------------------|---------|---------|
| Cash and bank balances | 20,483 | 31,467 |
| Fixed deposits with licensed banks | 15,894 | 4,596 |
| | 36,377 | 36,063 |
| Less : Fixed deposits pledged | (7,442) | (2,807) |
| Bank overdraft | (1,771) | - |
| Cash and cash equivalents | 27,164 | 33,256 |

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with, this interim financial report.