

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

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

	31-May-06 RM'000	31-May-05 RM'000
<b>Cash flow from operating activities</b>		
Profit before taxation	6,716	8,925
Non-cash items	1,278	1,216
Non-operating items	224	(22)
	1,502	1,194
Operating profit before changes in working capital	8,218	10,119
Changes in working capital: -		
Net change in current assets	(4,849)	(1,855)
Net change in current liabilities	(395)	2,835
	(5,244)	980
Cash generated from operations	2,974	11,099
Tax paid	(2,465)	(1,136)
<i>Net cash generated from operating activities</i>	509	9,963
<b>Cash flow from investing activities</b>		
(Placement)/withdrawal of pledged fixed deposit	(10,349)	477
Purchase of property, plant and equipment	(4,998)	(3,623)
Proceeds from disposal of subsidiary	-	260
Proceeds from disposal of other investment	718	-
Share buy back	(106)	-
Purchase of land held for development	(136)	-
Interest income	159	103
<i>Net cash outflow from investing activities</i>	(14,712)	(2,783)
<b>Cash flow from financing activities</b>		
Borrowings	7,887	(301)
Issue of shares - ESOS	-	9
Interest paid	(383)	(81)
Dividend paid	(2,142)	(1,300)
<i>Net cash inflow/(outflow) from financing activities</i>	5,362	(1,673)
Net (decrease)/ increase in cash and cash equivalents	(8,841)	5,507
Cash and cash equivalents at beginning of the period	42,024	29,302
Effect of foreign exchange rate changes on cash balances	(504)	59
Cash and cash equivalents at end of the period	32,679	34,868

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	26,556	25,654
Fixed deposits with licensed banks	23,569	11,691
	50,125	37,345
Less : Pledged fixed deposits	(17,443)	(2,446)
Bank overdraft	(3)	(31)
Cash and cash equivalents	32,679	34,868

The notes set out on pages 5 to 12 form an integral part of, and, should be read in conjunction with, this interim financial report.