



DXN HOLDINGS BHD.
(Company No : 363120-V)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2007
(The figures have not been audited)

	Unaudited INDIVIDUAL QUARTER CURRENT YEAR QUARTER 28-Feb-07 RM'000	Unaudited (Restated) INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 28-Feb-06 RM'000	Unaudited CUMULATIVE QUARTERS CURRENT YEAR TO DATE 28-Feb-07 RM'000	Audited (Restated) CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING YEAR 28-Feb-06 RM'000
Revenue	50,108	43,194	199,663	180,615
Operating profit	7,416	6,096	29,947	28,453
Financing costs	(911)	(1,019)	(2,937)	(2,200)
Interest income	320	562	1,002	1,031
Share of profit of associate	91	69	203	165
Profit before taxation	6,916	5,708	28,215	27,449
Tax expense	1,912	(2,000)	(4,667)	(6,370)
Net profit for the period	8,828	3,708	23,548	21,079
Attributable To :				
-Equity holders of the parent	8,826	3,708	23,546	21,079
-Minority Interest	2	-	2	-
Net profit for the period	8,828	3,708	23,548	21,079
Earnings per share (sen)				
-Basic (Based on RM 0.25 per ordinary share)	3.78	1.56	9.95	8.80
-Diluted (Based on RM 0.25 per ordinary share)	3.78	1.56	9.95	8.80

The notes set out on pages 5 to 14 form an integral part of, and should be read in conjunction with, this interim financial report.

DXN HOLDINGS BHD.
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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 28 FEBRUARY 2007

	As At End of Current Quarter 28-Feb-07 RM'000 (Unaudited)	As At Preceding Financial Year End 28-Feb-06 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	75,456	59,495
Investment properties	2,438	2,306
Land held for property development	1,416	1,815
Computer software	1,220	715
Investment in associates	781	568
Other investments	8,587	6,291
Goodwill on consolidation	1,815	1,805
Deferred tax assets	2,537	673
	<u>94,250</u>	<u>73,668</u>
Current assets		
Inventories	32,729	24,793
Property development cost	45,600	20,299
Trade receivables	34,469	31,135
Other receivables and prepayment	27,397	16,564
Tax refundable	2,509	1,291
Cash and cash equivalents	45,133	49,348
	<u>187,837</u>	<u>143,430</u>
Total assets	<u>282,087</u>	<u>217,098</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,191	60,191
Share premium	1,613	1,613
Exchange fluctuation reserve	(2,055)	(267)
Treasury stocks	(6,921)	(1,963)
Retained profits	85,631	55,451
Total equity attributable to shareholders of the Company	<u>138,459</u>	<u>115,025</u>
Minority Interest	<u>3</u>	<u>-</u>
Total Equity	<u>138,462</u>	<u>115,025</u>
LIABILITIES		
Non-current liabilities		
Negative goodwill	-	10,873
Long-term borrowings	94,336	54,578
Deferred tax liabilities	899	1,501
	<u>95,235</u>	<u>66,952</u>
Current liabilities		
Trade payables	7,134	4,528
Other payables	27,783	22,580
Short-term borrowings	10,709	4,454
Taxation	665	1,417
Dividend payable	2,099	2,142
	<u>48,390</u>	<u>35,121</u>
Total equity and liabilities	<u>282,087</u>	<u>217,098</u>
Net assets per share (RM)	<u>0.6018</u>	<u>0.5290</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2007

	Unaudited 28-Feb-07 RM'000	Audited (Restated) 28-Feb-06 RM'000
Cash flow from operating activities		
Profit before taxation	28,215	27,449
Adjustments for: -		
Non-cash items	5,811	5,394
Non-operating items	1,935	1,169
	7,746	6,563
Operating profit before changes in working capital	35,961	34,012
Changes in working capital: -		
Net change in current assets	(47,004)	(33,126)
Net change in current liabilities	6,333	3,108
	(40,671)	(30,018)
Cash (used in)/generated from operations	(4,710)	3,994
Tax paid	(9,085)	(5,850)
<i>Net cash used in operating activities</i>	(13,795)	(1,856)
Cash flow from investing activities		
Purchase of property, plant and equipment	(23,177)	(18,072)
Purchase of other investment	(3,500)	(5,500)
Purchase of land held for development	-	(791)
Proceeds from disposal of subsidiary	-	260
Proceeds from disposal of other investment	1,229	667
Acquisition of subsidiary net of cash acquired	-	(1,588)
Share buy back	(4,958)	(1,963)
Dividend received	-	4
Interest Income	1,002	1,031
<i>Net cash used in investing activities</i>	(29,404)	(25,952)
Cash flow from financing activities		
Borrowings	46,500	50,235
Withdrawal/(Placement) of pledged fixed deposits	2,685	(4,171)
Issue of shares - ESOS	-	9
Interest paid	(2,937)	(2,200)
Dividend paid	(4,282)	(3,456)
<i>Net cash generated from financing activities</i>	41,966	40,417
Net (decrease)/ increase in cash and cash equivalents	(1,233)	12,609
Cash and cash equivalents at beginning of the year	42,024	29,302
Effect of foreign exchange rate changes on cash balances	(302)	113
Cash and cash equivalents at end of the year	40,489	42,024

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	24,416	35,577
Fixed deposits with licensed banks	20,717	13,771
	45,133	49,348
Less : Pledged fixed deposits	(4,409)	(7,094)
Bank overdraft	(235)	(230)
Cash and cash equivalents	40,489	42,024

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DXN HOLDINGS BHD.
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2007

	Share Capital	Share Premium	Non-Distributable Exchange Fluctuation Reserve	Treasury Shares	Distributable Retained Profits	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 March 2006								
As previously stated	60,191	1,613	(267)	(1,963)	55,451	115,025	-	115,025
Effects of adopting FRS 3	-	-	-	-	10,873	10,873	-	10,873
As at 1 March 2006 (Restated balance)	60,191	1,613	(267)	(1,963)	66,324	125,898	-	125,898
Issuance of share capital - Other issue of shares	-	-	-	-	-	-	1	1
Net profit for the year	-	-	-	-	23,546	23,546	2	23,548
Exchange differences on translation of foreign entities	-	-	(1,788)	-	-	(1,788)	-	(1,788)
Dividend	-	-	-	-	(4,239)	(4,239)	-	(4,239)
Less : Treasury shares	-	-	-	(4,958)	-	(4,958)	-	(4,958)
As at 28 Feb 2007	60,191	1,613	(2,055)	(6,921)	85,631	138,459	3	138,462

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2006

	Share Capital	Share Premium	Non-Distributable Exchange Fluctuation Reserve	Treasury Shares	Distributable Retained Profits	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 March 2005	60,189	1,606	439	-	38,670	100,904	-	100,904
Issue of shares - ESOS	2	7	-	-	-	9	-	9
Net profit for the year	-	-	-	-	21,079	21,079	-	21,079
Exchange differences on translation of foreign entities	-	-	(706)	-	-	(706)	-	(706)
Dividend	-	-	-	-	(4,298)	(4,298)	-	(4,298)
Less : Treasury shares	-	-	-	(1,963)	-	(1,963)	-	(1,963)
As at 28 Feb 2006	60,191	1,613	(267)	(1,963)	55,451	115,025	-	115,025

The notes set out on page 5 to 14 form an integral part of, and, should be read in conjunction with this interim financial report.

DXN HOLDINGS BHD.
(Company No. 363120-V)
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Notes to the Interim Financial Report
Period Ended 28 February 2007

1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements.

The interim financial report should be read in conjunction with the most recent audited financial statements of DXN Holdings Bhd for the year ended 28 February 2006.

2. Changes in accounting policies

The accounting policies and methods of computation adopted by DXN Holdings Bhd., its subsidiaries and associated company (“the Group”) in this interim financial report are consistent with those adopted in the financial statements for the year ended 28 February 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 March 2006:

FRS 3 Business Combinations
FRS 101 Presentation of Financial Statements
FRS 102 Inventories
FRS 108 Accounting Policies, Changes in Estimates and Errors
FRS 110 Events After the Balance Sheet Date
FRS 116 Property, Plant and Equipment
FRS 121 The Effects of Changes in Foreign Exchange Rates
FRS 127 Consolidated and Separate Financial Statements
FRS 128 Investments in Associates
FRS 132 Financial Instruments: Disclosure and Presentation
FRS 133 Earnings Per Share
FRS 136 Impairment of Assets
FRS 138 Intangible Assets
FRS 140 Investment Property

New/Revised FRSs which will be adopted from the financial period beginning 1 March 2007 are:

FRS 117 Leases
FRS 124 Related Party Disclosures

The adoption of FRS 102, 108, 110, 116, 121, 127, 128, 132 and 133 does not have a significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 3: Business Combination and FRS136: Impairment of Assets

Effective from 1 March 2006, in accordance with FRS 3 and FRS 136, the Group no longer amortizes goodwill on consolidation. Instead, such goodwill is tested annually for impairment and more frequently when there are indications of impairment. Impairment losses are recognized when the carrying amount of the cash generating unit to which the goodwill has been allocated to exceeds its recoverable amount. Any impairment loss that arises is recognized in profit or loss and subsequent reversal is not allowed.

2. Changes in accounting policies (Cont'd)

(a) *FRS 3: Business Combination and FRS136: Impairment of Assets (Cont'd)*

Prior to 1 March 2006, goodwill was amortized from the date of initial recognition over its estimated useful life of ten (10) years. The new policy in respect of goodwill has been applied prospectively in accordance with the transitional provision under FRS 3. As a result, comparative amounts have not been restated. The cumulative amount of amortization as of 1 March 2006 is offset against the cost of goodwill on consolidation to arrive at the carrying value of RM1,804,849 and no amortization charge has been recognized in the income statement for current cumulative quarters ended 28 February 2007. This has increased the Group's profit before tax by RM50,000 and RM200,000 for the current quarter and the 12 months ended 28 February 2007 respectively.

Effective from 1 March 2006 and in accordance with FRS 3, where the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. previously known as negative goodwill), the excess is recognized immediately in the income statement as it arises. Prior to 1 March 2006, negative goodwill of the Group was carried on the consolidated balance sheet without amortization. In accordance with the transitional provisions of FRS 3, negative goodwill of RM10,873,000 was derecognized with a corresponding increase in retained earnings at 1 March 2006.

(b) *FRS 101: Presentation of financial statements*

The adoption of the revised FRS 101 has affected the presentation of the share of results of associates. Share of results in associates is now disclosed net off tax and minority interests in the consolidated income statement.

(c) *FRS 138: Intangible Assets*

The Group has applied FRS 138 which encourages computer software cost to be classified as a separate class of intangible asset where material. Accordingly, from 1 March 2006, computer software is stated at cost less accumulated amortization and impairment losses. Although the application of FRS 138 is prospective, the Group has reclassified the comparative amount for computer software in the prior year for better presentation.

(d) *FRS 140: Investment Property*

The adoption of this new FRS has resulted in the reclassification of property held for rental as investment properties. The Group adopted the cost model to measure all its investment properties. Under the cost model, investment property is measured at cost less accumulated depreciation and impairment losses.

Investment properties previously classified under property, plant and equipment are now presented as a separate line item on the face of the consolidated balance sheet within non-current assets.

The effect to the Group comparative figures on adoption of the above FRSs is as follows:

	Previously reported RM'000	FRS 3 (Note 2(a)) RM'000	FRS 138 (Note 2(c)) RM'000	FRS 140 (Note 2(d)) RM'000	Restated RM'000
<u>At 28 February 2006</u>					
Property, plant and equipment	62,516	-	(715)	(2,306)	59,495
Computer software	-	-	715	-	715
Investment property	-	-	-	2,306	2,306

3. Auditors' qualification

There were no qualifications on the audit report of the preceding annual financial statements of DXN Holdings Bhd.

4. Seasonality or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical factors.

5. Exceptional and extraordinary items

There were no exceptional and extraordinary items for the period under review except for an exceptional gain arising from a compulsory acquisition of a piece of land from property development segment.

6. Change in estimates

There were no material changes in the estimates used for the preparation of this interim financial report.

7. Change in debt and equity securities

i) Issuance of Shares

There were no issuance of any new ordinary shares for the current financial year to date.

ii) Share Buy Back

For current quarter ended 28 February 2007, the Company repurchased 7,065,600 shares from open market for a total cash consideration of RM 4,458,754.

However, 7,915,100 shares with the total cash consideration of RM 4,958,469 have been repurchased for the financial year ending 28 February 2007 and was financed by internally generated fund.

The shares repurchased are being held as treasury shares in accordance with Section 67A subsection 3C of the Companies Act, 1965. None of the treasury shares held were resold or cancelled during the quarter.

8. Dividends paid

The interim dividend of 5% less 28% tax per share amounting to RM2.142 million in respect of the financial year ended 28 February 2006 was paid on 21 March 2006.

The final dividend of 5% less 28% tax per share amounting to RM2.140 million in respect of the financial year ended 28 February 2006 was paid on 10 October 2006.

The interim dividend of 5% less 27% tax per share amounting to RM2.099 million in respect of the financial year ended 28 February 2007 was paid on 05 April 2007.

9. Segment revenue and results

The business segmental information has been prepared as follow:-

	Multi level marketing RM'000	Property developments RM'000	Investment holdings and others RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue					
Total external revenue	192,913	2,304	4,446	-	199,663
Inter segment revenue	82,989	-	18,639	(101,628)	-
Total segment revenue	<u>275,902</u>	<u>2,304</u>	<u>23,085</u>	<u>(101,628)</u>	<u>199,663</u>
Operating Profit	<u>27,521</u>	<u>10,435</u>	<u>6,396</u>	<u>(14,405)</u>	<u>29,947</u>

10. Valuation of property, plant and equipment

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

The valuations of land and building have been brought forward without amendment from the previous audited financial statements.

11. Material post balance sheet events

There were no material post balance sheet events subsequent to the end of the current interim period.

12. Changes in Group's composition

There were no changes in the composition of the Group for the current financial year to-date other than the following: -

i) DXN Holdings Bhd. had on 9 May 2006 incorporated a 97.6% owned subsidiary in Dominican Republic, Daxen Inc. Dominicana S.A through its wholly owned sub-subsidiary, Daxen Inc. The authorized and paid up share capital of Daxen Inc. Dominicana S.A. are RD500,000 respectively;

ii) DXN Holdings Bhd. had on 14 July 2006 incorporated a wholly-owned subsidiary in Pakistan, DXN International Pakistan (Private) Limited, through its wholly owned subsidiary, DXN International Holding Limited. The authorized and paid up share capital of DXN International Pakistan (Private) Limited is Rs 5,000,000 and Rs 3,000,000 respectively;

iii) DXN Holdings Bhd. had on 19 July 2006 through its wholly-owned subsidiary, DXN Oleochemicals Sdn. Bhd. ("DOSB")(formerly known as Future Nutri Sdn. Bhd.), entered into a deed of termination with Green Diesel Corporation ("GDC") and DXN Biofuels Sdn. Bhd. ("DBSB")(formerly known as Ewin Resources Sdn. Bhd.). Pursuant to the deed of termination, the parties have agreed to terminate, revoke and rescind the earlier shareholders' agreement, and the subscription and founders' agreement dated 26 January 2006 (collectively the "SSFA") and to release and discharge each other from the rights, liabilities and obligations contained in the SSFA. Pursuant thereto, GDC shall, among others, transfer the 1 ordinary share of RM1 each in DBSB to DOSB for a cash consideration of RM1. Upon the completion of share transfer, DBSB will become a wholly-owned subsidiary of DOSB;

12. Changes in Group's composition (Cont'd)

iv) DXN Holdings Bhd. had on 11 August 2006 incorporated a wholly-owned subsidiary, Yiked-DXN Stargate Sdn. Bhd., through its wholly owned subsidiary, DXN Land Sdn. Bhd. The authorized and paid up share capital of Yiked-DXN Stargate Sdn. Bhd. are RM100,000 and RM2 respectively;

v) DXN Holdings Bhd. had on 11 October 2006 through its wholly-owned subsidiary, DXN International Holding Limited, acquired 1,000 ordinary shares of KSH100 each, representing the entire issued and paid up share capital of DXN International (Kenya) Limited for a total cash consideration of KSH 100,000 (approximately equivalent to RM5,086);

vi) DXN Holdings Bhd. had on 29 December 2006 made an announcement for the reorganisation of the group structure. The proposed group structure is to transfer the entire equity interest of two wholly-owned subsidiaries of DXN Oleochemicals Sdn Bhd, namely DXN Biofuels Sdn Bhd and Eco Tank Sdn Bhd to DXN Holdings Bhd. effective from 1 January 2007; and

vii) DXN Holdings Bhd. had on 17 April 2007 incorporated a 65% owned subsidiary, Borneo Biobest (Sabah) Sdn. Bhd. ("BBSB") for the purpose of undertaking a Joint Venture with Korporasi Pembangunan Desa ("KPD"), whereby KPD will own the remaining 35% of equity stake of BBSB. BBSB is involved in the cultivation of Shitake and other species of mushrooms and production of its by-product. The authorized and paid up share capital of BBSB are RM1,000,000 and RM1,000 respectively.

13. Changes in contingent liabilities and assets

i) DXN Herbal Manufacturing (India) Pvt. Ltd. ("DXN Herbal"), a wholly-owned sub-subsidiary of DXN Holdings Bhd. in India, had on 10 February 2006 received 2 notices of demand in respect of year assessments 2003-04 and 2004-05, for a total amount of Rs.52,885,711 (equivalent to approximately RM4,193,950) from the Commissioner of Income Tax, Pondicherry ("COIT"), in relation to the dispute of DXN Herbal's tax status. Save as disclosed above, no notice of demand has been received for other assessment years as at to-date.

In respond to the notice of the demand, DXN Herbal has appealed the matter to the COIT on 22 March 2006 and order from COIT was received by 17 August 2006 to dismiss the appeal. DXN Herbal had subsequently filed another appeal together with a stay application to the next higher authority, Income Tax Appellate Tribunal ("ITAT"), Chennai on 04 October 2006. DXN Herbal had attended the hearing fixed by ITAT on 2 January 2007 and the final order passed on 25 January 2007 by ITAT was not in favour of DXN Herbal.

Subsequently, DXN Herbal had filed an appeal to the Honourable High Court against the order from ITAT on 21 February 2007. The Honourable High Court admitted the appeal from DXN Herbal. However, the hearing date has yet to be fixed. Having relied on the opinion from the legal counsel that the company has a reasonable case to argue, the Directors are of the opinion that no provision is necessary at this juncture.

13. Changes in contingent liabilities and assets (Cont'd)

ii) DXN Herbal is in dispute with the custom authorities in India regarding the payment of custom and excise duty for certain products imported. While DXN Herbal continued to pay the differential custom and excise duty under protest, a civil appeal has been filed by DXN Herbal before the Honourable Supreme Court. The Honourable Supreme Court has on 6 March 2006 issued a notice ordering the matter remanded back to Tribunal as certain crucial factual aspects were not properly noticed by the Tribunal. As at to-date the Company has not receive any notice from the Tribunal and Honourable Supreme Court.

Based on the opinion received from DXN Herbal's legal counsel, the Directors are of the opinion that the subsidiary has a reasonable ground in their appeal to recover the custom and excise duty paid under protest which is currently recorded as other receivables in the financial statements. No provision is deemed necessary by the Directors as the customers of DXN Herbal have agreed in principle to bear the amount in the event that the appeal do not turn out to be favourable.

Other than the status of the contingent liabilities as disclosed above, there were no other contingent liabilities and assets applicable to the Group.

14. Review of performance of the Company and its principal subsidiaries for the current quarter and year-to-date

The Group recorded RM50.1 million revenue for current quarter ended 28 February 2007, representing an increase of 16.0% as compared to RM43.2 million in the corresponding quarter ended 28 February 2006. The overall increased in revenue was mainly due to higher health food supplements sales of RM6.0 million contributed from overseas market such as Philippines, Australia and India, whereas another RM0.9 million was contributed from property development segment in the current quarter.

The Group recorded a higher profit before tax ("PBT") of RM7.0 million for the current quarter ended 28 February 2007 as compared to the corresponding quarter ended 28 February 2006 of RM 5.7 million. However, the Group's PBT margin increased from 13.2% in the corresponding quarter ended 28 February 2006 to 13.8% in current quarter ended 28 February 2006. The increase in the profit margin was mainly due to the exceptional gain from the compulsory acquisition of a piece of land from property development segment.

15. Variation of results against preceding quarter

The Group reported a lower revenue of RM50.1 million in the current quarter ended 28 February 2007 as compared to RM51.8 million in the preceding quarter ended 30 November 2006. The Group's PBT for the quarter under review was RM7.0 million as compared to preceding quarter of RM 6.8 million. The Group's PBT margin increase from 13.1% in preceding quarter to 13.8% in current quarter The increase in the profit margin was mainly due to the exceptional gain from the compulsory acquisition of a piece of land from property development segment.

16. Current year prospects

Barring any unforeseen circumstances, the Directors anticipate that the performance of the Group for the financial year ending 28 February 2008 to remain satisfactory.

17. Variance of profit forecast

Not applicable for this reporting.

18. Tax expense

	Current year quarter ended 28 Feb 2007 RM'000	Current Year-to-date 28 Feb 2007 RM'000
Current tax expense		
-Based on results for the period	1,131	7,111
Deferred tax expense	(3,043)	(2,444)
	<u>(1,912)</u>	<u>4,667</u>

The Group's effective tax rate for the year is lower than the effective tax rate applied in prior year mainly due to the tax-exempt exceptional gain arising from the compulsory acquisition of a piece of land by the government this is however neutralized the tax impact of the expiry of the pioneer status in respect of Reishi Gano ("RG") and Gano Celium ("GL").

19. Profit/(Loss) on sale of unquoted investments and/or properties for current quarter and financial year-to-date

There were no sale of unquoted investments and properties for the current quarter ended 28 February 2007 under review.

	Current Year quarter ended 28 Feb 2007 RM'000	Current Year-to-date 28 Feb 2007 RM'000
Disposal (proceeds)	(500)	(1,218)
Gain on disposal	-	22

20. Purchase or disposal of quoted securities

i) There were no sale of quoted securities for the current quarter ended 28 February 2007 under review.

	Current Year quarter ended 28 Feb 2007 RM'000	Current Year-to-date 28 Feb 2007 RM'000
Disposal (proceeds)	-	(11)
Gain on disposal	-	2

ii) Investments in quoted securities as at 28 February 2007:-

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investment	<u>196</u>	<u>87</u>	<u>87</u>

21. Status of corporate proposals

There are no corporate proposals announced but not completed as at the date of this announcement.

22. Group borrowings and debts securities

	28 Feb 2007 RM'000
Current	
Secured	
- Ringgit Malaysia	9,363
- Foreign Currencies	1,346
	<u>10,709</u>
Non-current	
Secured	
- Ringgit Malaysia	94,336
- Foreign Currencies	-
	<u>94,336</u>

23. Off balance sheet financial instruments

During the financial period to date, the Group did not enter into any contracts involving off balance sheet financial instruments.

24. Changes in material litigation

The Group was not engaged in any material litigation for the current financial period.

25. Proposed dividend

Subject to shareholders' approval, the directors proposed a final dividend of 5% less 27% tax in respect of the year ended 28 February 2007. (Previous year ended 28 February 2006: 5% less 28% tax)

26. Earnings per share

The calculation of earnings per share for the current quarter and corresponding quarter preceding year are based on the net profit attributable to ordinary shareholders of RM8,828,000 and RM 3,708,000 respectively.

Basic earnings per share

Weighted average number of ordinary shares

	Current year quarter ended 28 Feb 2007 RM'000	Preceding year quarter ended 28 Feb 2006 RM'000
Issued ordinary shares at beginning of the period	237,131	238,564
Effect of shares issued during the period	-	-
Effect of shares buy-back during the period	(3,509)	(474)
Weighted average number of ordinary shares	<u>233,622</u>	<u>238,090</u>

26. Earnings per share (Cont'd)

Diluted earnings per share Weighted average number of ordinary shares	Current year quarter ended 28 Feb 2007 RM'000	Preceding year Quarter ended 28 Feb 2006 RM'000
Weighted average number of ordinary shares	233,622	238,090
Effect of ESOS	-	-
Weighted average number of ordinary shares	<u>233,622</u>	<u>238,090</u>

As all the ESOS option holders has surrendered their exercise rights to the Company, therefore the calculation of diluted earnings per share is not applicable to the Group for the current quarter ended 28 February 2007.

27. Capital commitments

	28 Feb 2007 RM'000
Contracted but not provided for	23,436
Approved but not contracted for	<u>-</u>

28. Related party transactions

There were no non-recurring related party transactions during the period under review except for Richmond Sapphire Sdn Bhd ("RSSB"), a wholly-owned sub-subsidiary of DXN Holdings Bhd. ("DXN") who had in the ordinary course of business as property developers, entered into sale and purchase agreements with the following directors of DXN and persons connected with a director of DXN:-

i) RSSB has on 20 October 2006 signed the sale and purchase agreement with the directors of DXN namely, Dato' Dr Lim Siow Jin and Datin Leong Bee Ling, to sell a unit of 3-storey Landed Link House property in its Richmond Residences Project in Jelutong, Penang for a total consideration of RM721,100.

ii) RSSB has on 20 October 2006 signed the sale and purchase agreement with DXN Development Sdn Bhd ("DDSB") to sell 3 units of 3-storey Landed Link House property in its Richmond Residences Project in Jelutong, Penang for a total consideration of RM1,994,000. Dato' Dr Lim Siow Jin, Datin Leong Bee Ling are the major shareholders of DDSB and Mr. Lim Boon Yee is the substantial shareholder and Executive Chairman of DDSB and his spouse, Madam Kee Yew Oi is the director of DDSB, whilst Dato' Seri Tunku Abdul Hamid Thani Ibni Almarhum Sultan Badishah is a director of DDSB.

iii) RSSB has on 20 October 2006 signed the sale and purchase agreement with Mr Poo Teng Soo and his spouse Ms Kong Yen Lai, the son and daughter-in-law of Mr Poo Ah An, a director of DXN, to sell a unit of 3-storey Landed Link House property in its Richmond Residences Project in Jelutong, Penang for a total consideration of RM669,200.

28. Related party transactions (Cont'd)

The non-recurring related party transactions described above are carried out in the ordinary course of business of RSSB and are under normal commercial terms and conditions which are not materially different from those generally made available to the customers. This announcement was made on 20 October 2006.

BY ORDER OF THE BOARD

Lam Voon Kean

Company Secretary

Dated this 25 April 2007