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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MAY 2007

	31-May-07 RM'000	31-May-06 RM'000
Cash flow from operating activities		
Profit before taxation	6,993	6,716
Adjustments for: -		
Non-cash items	531	1,278
Non-operating items	824	224
	1,355	1,502
Operating profit before changes in working capital	8,348	8,218
Changes in working capital: -		
Net change in current assets	(5,967)	(4,849)
Net change in current liabilities	(783)	(395)
	(6,750)	(5,244)
Cash generated from operations	1,598	2,974
Income tax paid	(2,451)	(2,465)
Net cash (used in)/generated from operating activities	(853)	509
Cash flow from investing activities		
Purchase of property, plant and equipment	(11,751)	(4,887)
Purchase of software costs	(142)	(111)
Purchase of land held for development	-	(136)
Proceeds from disposal of other investment	23	718
Repurchase of shares	(13)	(106)
Dividend received	1	-
Interest Income	243	159
Net cash used in investing activities	(11,639)	(4,363)
Cash flow from financing activities		
Borrowings	1,059	7,887
Placement of pledged fixed deposits	(127)	(10,349)
Interest paid	(1,068)	(383)
Dividend paid	(2,099)	(2,142)
Net cash used in financing activities	(2,235)	(4,987)
Net decrease in cash and cash equivalents	(14,727)	(8,841)
Cash and cash equivalents at beginning of the period	40,644	42,024
Effect of foreign exchange rate changes on cash balances	(59)	(504)
Cash and cash equivalents at end of the period	25,858	32,679

Note :
<u>Cash and cash equivalents</u>

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

	RM'000	RM'000
Cash and bank balances	23,140	26,556
Fixed deposits with licensed banks	8,945	23,569
	32,085	50,125
Less : Pledged fixed deposits	(4,575)	(17,443)
Bank overdraft	(1,652)	(3)
Cash and cash equivalents	25,858	32,679

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.