



**DXN HOLDINGS BHD.**  
**(Company No : 363120-V)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 29 FEBRUARY 2008**  
*(The figures have not been audited)*

	Unaudited INDIVIDUAL QUARTER CURRENT YEAR QUARTER 29-Feb-08 RM'000	Unaudited INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 28-Feb-07 RM'000	Unaudited CUMULATIVE QUARTERS CURRENT YEAR TO DATE 29-Feb-08 RM'000	Audited CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 28-Feb-07 RM'000
Revenue	67,183	50,108	230,253	199,459
Operating profit	9,228	7,416	32,962	29,590
Financing costs	(1,211)	(911)	(4,468)	(2,754)
Interest income	134	320	905	1,093
Share of profit of associate	76	91	305	256
Profit before taxation	8,227	6,916	29,704	28,185
Tax expense	(4,724)	1,912	(10,392)	(4,234)
Net profit for the period	3,503	8,828	19,312	23,951
Attributable To :				
-Equity holders of the parent	3,505	8,826	19,322	23,951
-Minority interest	(2)	2	(10)	-
Net profit for the period	3,503	8,828	19,312	23,951
Earnings per share (sen)				
-Basic (Based on RM 0.25 per ordinary share)	1.50	3.78	8.33	10.12
-Diluted (Based on RM 0.25 per ordinary share)	1.50	3.78	8.33	10.12

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.

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**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 29 FEBRUARY 2008**

	<b>As At End of Current Quarter 29-Feb-08 RM'000 (Unaudited)</b>	<b>As At Preceding Financial Year End 28-Feb-07 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	89,091	70,281
Prepaid lease payments	4,828	5,244
Investment properties	2,299	2,441
Land held for property development	1,416	1,416
Computer software	1,614	1,212
Investment in associates	1,368	1,063
Other investments	8,569	8,587
Goodwill on consolidation	1,815	1,815
Deferred tax assets	2,448	3,296
	113,448	95,355
<b>Current assets</b>		
Inventories	30,859	32,729
Property development cost	45,474	45,600
Trade receivables	40,493	33,280
Other receivables and prepayment	34,353	29,042
Current tax assets	5,407	2,530
Cash and cash equivalents	33,937	45,324
	190,523	188,505
<b>Total assets</b>	<b>303,971</b>	<b>283,860</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	60,191	60,191
Share premium	1,780	1,613
Exchange fluctuation reserve	(1,121)	(1,948)
Treasury shares	(5,063)	(6,921)
Retained profits	103,462	86,265
<b>Total equity attributable to shareholders of the Company</b>	<b>159,249</b>	<b>139,200</b>
Minority Interest	(10)	-
<b>Total Equity</b>	<b>159,239</b>	<b>139,200</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long-term borrowings	95,346	94,406
Deferred tax liabilities	755	896
	96,101	95,302
<b>Current liabilities</b>		
Trade payables	6,232	7,207
Other payables	22,889	28,514
Short-term borrowings	16,696	10,636
Current tax liabilities	2,814	902
Dividend payable	-	2,099
	48,631	49,358
<b>Total equity and liabilities</b>	<b>303,971</b>	<b>283,860</b>
Net assets per share (RM)	0.6837	0.6050

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2008**

	<b>29-Feb-08</b> <b>RM'000</b>	<b>Audited</b> <b>28-Feb-07</b> <b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	29,704	28,185
Adjustments for: -		
Non-cash items	5,047	(5,840)
Non-operating items	3,562	1,660
	<u>8,609</u>	<u>(4,180)</u>
Operating profit before changes in working capital	38,313	24,005
Changes in working capital: -		
Net change in current assets	(10,437)	(52,146)
Net change in current liabilities	(6,600)	6,222
	<u>(17,037)</u>	<u>(45,924)</u>
Cash generated from/(used in) operations	21,276	(21,919)
Income tax paid	(10,688)	(9,214)
Proceeds from disposal of land under compulsory acquisition	-	16,300
<i>Net cash generated from/(used in) operating activities</i>	10,588	(14,833)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(22,525)	(20,773)
Purchase of software costs	(798)	(753)
Purchase of investment properties	-	(213)
Proceeds from disposal of investment properties	55	-
Proceeds from disposal of prepaid lease payment	182	-
Proceeds from disposal of treasury shares	2,117	-
Purchase of other investment	-	(3,500)
Proceeds from disposal of other investment	23	1,229
Repurchase of shares	(92)	(4,958)
Dividend received	1	1
Interest Income	905	1,093
<i>Net cash used in investing activities</i>	<u>(20,132)</u>	<u>(27,874)</u>
<b>Cash flow from financing activities</b>		
Borrowings	1,731	45,985
(Placement)/Withdrawal of pledged fixed deposits	(1,278)	2,646
Interest paid	(4,468)	(2,754)
Dividend paid	(4,224)	(4,282)
<i>Net cash (used in)/from financing activities</i>	<u>(8,239)</u>	<u>41,595</u>
Net decrease in cash and cash equivalents	(17,783)	(1,112)
Cash and cash equivalents at beginning of the year	40,644	42,024
Effect of exchange differences on cash and cash equivalents	824	(268)
Cash and cash equivalents at end of the year	<u><u>23,685</u></u>	<u><u>40,644</u></u>

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	27,148	24,575
Fixed deposits with licensed banks	6,789	20,749
	<u>33,937</u>	<u>45,324</u>
Less : Pledged fixed deposits	(5,726)	(4,449)
Bank overdraft	(4,526)	(231)
Cash and cash equivalents	<u><u>23,685</u></u>	<u><u>40,644</u></u>

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.

**DXN HOLDINGS BHD.**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2008**

	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 2007	60,191	1,613	(1,948)	(6,921)	86,265	139,200	-	139,200
Issuance of share capital - Other issue of shares	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	19,322	19,322	(10)	19,312
Exchange differences on translation of foreign entities	-	-	827	-	-	827	-	827
Disposal of treasury share	-	167	-	1,950	-	2,117	-	2,117
Less : Treasury shares	-	-	-	(92)	-	(92)	-	(92)
Less : Dividend	-	-	-	-	(2,125)	(2,125)	-	(2,125)
As at 29 February 2008	<u>60,191</u>	<u>1,780</u>	<u>(1,121)</u>	<u>(5,063)</u>	<u>103,462</u>	<u>159,249</u>	<u>(10)</u>	<u>159,239</u>

**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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,102</u>	<u>11,102</u>	<u>-</u>	<u>11,102</u>
As at 1 March 2006 (Restated balance)	60,191	1,613	(267)	(1,963)	66,553	126,127	-	126,127
Net profit for the year	-	-	-	-	23,951	23,951	-	23,951
Exchange differences on translation of foreign entities	-	-	(1,681)	-	-	(1,681)	-	(1,681)
Less : Treasury shares	-	-	-	(4,958)	-	(4,958)	-	(4,958)
Less : Dividend	-	-	-	-	(4,239)	(4,239)	-	(4,239)
As at 28 February 2007	<u>60,191</u>	<u>1,613</u>	<u>(1,948)</u>	<u>(6,921)</u>	<u>86,265</u>	<u>139,200</u>	<u>-</u>	<u>139,200</u>

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**DXN HOLDINGS BHD.**  
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**Notes to the Interim Financial Report**  
**Period Ended 29 February 2008**

**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 2007.

**2. Changes in accounting policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements of the year ended 28 February 2007 except for the adoption of the following applicable new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 March 2007:

FRS 117 Lease  
FRS 124 Related Party Disclosure

The adoption of FRS 117 and FRS 124 does not have a significant financial impact on the Group. The principal change in classification resulted from the adoption of FRS 117 is as follows:

*FRS 117: Lease*

Prior to 1 March 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of lease of land. Leasehold land held for own use is now classified as operating lease and the up-front payment made represents prepaid land lease payments and are amortized on a straight-line basis over the lease term.

The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively, with the comparatives restated to conform with the current period’s presentation.

**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 financial year ended 29 February 2008 except for an exceptional gain of RM 450,000 arising from the disposal of the timber concession right.

**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) Treasury Shares

There were no share buy back for the current quarter ended 29 February 2008. However, 163,500 shares with the total cash consideration of RM 91,599 have been repurchased during the financial year ended 29 February 2008 and it 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.

There were no disposal of treasury shares in the open market during the current quarter ended 29 February 2008. However in the financial year ended 29 February 2008, the Company has resold 3,000,000 treasury shares in the open market at an average resale price of RM 0.71 per share for an aggregate net proceeds of RM 2,116,999. The disposal proceeds has been utilised for working capital purposes.

Details of the treasury shares disposed off during financial year ended 29 February 2008 were as follows :

<u>Date</u>	<u>No. of Treasury Share Sold</u>	<u>Sales Price</u>			<u>Proceeds (RM)</u>
		<u>Highest Price (RM)</u>	<u>Lowest Price (RM)</u>	<u>Average Price (RM)</u>	
24 July 2007	1,620,000	0.74	0.70	0.71	1,154,425
25 July 2007	337,000	0.72	0.69	0.69	233,258
26 July 2007	925,000	0.71	0.70	0.70	647,914
28 July 2007	118,000	0.70	0.70	0.69	81,402

Other than the above, there were no cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial year ended 29 February 2008.

## 8. Dividends paid

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 5 April 2007.

At the Annual General Meeting held on 28 August 2007, the shareholders approved a final dividend of 5% less 27% tax per share amounting to RM 2,125 million in respect of the financial year ended 28 February 2007. The dividend was paid on 22 October 2007.

## 9. Segment revenue and results

The business segmental information has been prepared as follow:-

	Multi-level marketing RM'000	Property development RM'000	Investment holdings RM'000	Energy RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Segment Revenue</b>							
Total External Revenue	199,872	26,219	-	-	4,162	-	230,253
Inter Segment Revenue	-	4,862	20,999	-	1,470	(27,331)	-
Total segment Revenue	199,872	31,081	20,999	-	5,632	(27,331)	230,253
<b>Operating profit/(loss)</b>	34,180	2,981	12,645	(496)	(1,106)	(15,242)	32,962

## 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 financial year ended 29 February 2008 other than as disclosed below: -

i) DXN Holdings Bhd. had on 17 April 2007 incorporated a 65% owned subsidiary, Borneo Bio Best (Sabah) Sdn. Bhd. ("BBBSSB") for the purpose of undertaking a Joint Venture with Korporasi Pembangunan Desa ("KPD"), whereby KPD will own the remaining 35% of equity stake of BBSD. BBSD 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 BBSD are RM1,000,000 and RM1,000 respectively ;

ii) DXN Holdings Bhd. had on 17 December 2007 through its wholly-owned subsidiary, DXN Land Sdn. Bhd., acquired one million (1,000,000) ordinary shares of RM1 each, representing the entire issued and paid up share capital of Bio Synergy Engineering Sdn Bhd (formerly known as Jaguh Kuasa Sdn Bhd) ("Bio Synergy") for a total cash consideration of RM1,009,780 ;

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

iii) DXN Holdings Bhd. had on 28 December 2007 through its wholly owned sub-subsidiary, DXN (Singapore) Pte. Ltd. incorporated a subsidiary in Mongolia, known as DAXEN LLC. The initial authorized and paid up share capital is USD10,000 (approximately equivalent to RM 33,445) respectively; and

iv) DXN Holdings Bhd. had on 02 February 2008 announced that DXN (Cyprus) Limited ("DXN Cyprus"), a wholly owned subsidiary of DXN International Holdings Limited, which in turn is a wholly-owned subsidiary of DXN Holdings Bhd, had commenced its member's voluntary winding-up pursuant to Cap 113, Section 203 of the Companies Law in Cyprus. The member's voluntary winding-up of DXN Cyprus is to streamline the DXN Group structure.

## 13. Changes in contingent liabilities and assets

### i) Income Tax dispute

a) 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 RM4,507,433) from the Commissioner of Income Tax, Pondicherry ("COIT"), in relation to the dispute of DXN Herbal's tax status.

In response 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. As at to-date, 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.

b) DXN Herbal had on 13 August 2007 received a notice of demand in respect of year assessments 2005-06, for a total amount of Rs.22,418,258 (equivalent to approximately RM1,910,701) from the COIT, in relation to the dispute of DXN Herbal's tax status. In response to the notice of the demand, DXN Herbal has appealed the matter to the COIT on 17 October 2007.

Save as disclosed above, no notice of demand has been received for other assessment years as at to-date.



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

#### **ii) Excise Duty Dispute**

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 up until financial year 2007, which is recorded as other receivables in the financial statements. No provision for the amount paid under protest up to financial year 2007 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 RM67.2 million revenue for current quarter ended 29 February 2008, representing an increase of 34.1% as compared to RM50.1 million in the corresponding quarter ended 28 February 2007. The increased in revenue was mainly due to higher contribution from property development segment resulted from its new launched Star Gate Project and the increased sale in multi level marketing segment from its overseas market in the current quarter.

The Group recorded a higher profit before tax ("PBT") of RM 8.2 million with PBT margin of 12.2% for the current quarter ended 29 February 2008 as compared to the corresponding quarter ended 28 February 2007 of RM 6.9 million with PBT margin of 13.8%. The declined in the Group's PBT margin was mainly due to lower PBT margin generated from property development segment.

### **15. Variation of results against preceding quarter**

The Group reported higher revenue of RM67.2 million in the current quarter ended 29 February 2008 as compared to RM55.1 million in the preceding quarter ended 30 November 2007. The increased in revenue was mainly contributed from property development segment and multi level marketing segment. The Group's PBT for the quarter under review was RM8.2 million as compared to preceding quarter of RM 7.0 million. The Group's PBT margin decreased slightly from 12.6% in preceding quarter to 12.2% in current quarter.

### **16. Current year prospects**

Barring any unforeseen circumstances, the Directors anticipate that the performance of the Group for the financial year ending 28 February 2009 to remain satisfactory.

### **17. Variance of profit forecast**

Not applicable for this reporting.

## 18. Taxation

	Current Year Quarter Ended 29 February 2008 RM'000	Current Year-to-date 29 February 2008 RM'000
Current tax	3,721	9,689
Deferred tax	1,003	703
	<u>4,724</u>	<u>10,392</u>

The Group's effective tax rate of 57.4% for the current quarter is higher than the Malaysian statutory tax rate of 26% were mainly due to the higher profit generating from Philippine that generally paying a higher tax rate of 35% and business losses in certain subsidiaries that are not adjusted for deferred tax assets.

## 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 and financial year-to-date except as disclosed below:-

Disposal of properties

	Current Year Quarter Ended 29 February 2008 RM'000	Current Year-to-date 29 February 2008 RM'000
Gain on disposal	<u>133</u>	<u>1,070</u>

## 20. Purchase or disposal of quoted securities

i) Total sales of quoted securities for the current quarter ended 29 February 2008 is as follows:-

	Current Year Quarter Ended 29 February 2008 RM'000	Current Year-to-date 29 February 2008 RM'000
Disposal (proceeds)	(23)	(23)
Gain on disposal	<u>4</u>	<u>4</u>

ii) Investments in quoted securities as at 29 February 2008:-

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investment	<u>180</u>	<u>69</u>	<u>69</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

		29 February 2008 RM'000
Current		
Secured		
- Ringgit Malaysia		16,247
- Foreign Currencies		449
		<u>16,696</u>
Non-current		
Secured		
- Ringgit Malaysia		10,346
- Foreign Currencies		-
Unsecured		
- Ringgit Malaysia		85,000
- Foreign Currencies		-
		<u>95,346</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 except for:-

### i) Sales Forward Contract

Currency	Contracted Amount	Reference Rate	Transaction Date	Delivery Date
US Dollars	200,000	3.2222	20 Feb 2008	02 May 2008 to 15 May 2008
US Dollars	200,000	3.2030	03 Mar 2008	15 May 2008 to 30 May 2008
US Dollars	200,000	3.2027	03 Mar 2008	02 June 2008 to 13 June 2008
US Dollars	200,000	3.2037	03 Mar 2008	01 July 2008 to 15 July 2008
US Dollars	200,000	3.2063	03 Mar 2008	01 Aug 2008 to 29 Aug 2008
US Dollars	200,000	3.2082	03 Mar 2008	02 Sept 2008 to 30 Sept 2008
US Dollars	100,000	3.2025	11 Mar 2008	15 July 2008 to 14 Aug 2008
US Dollars	100,000	3.1965	11 Mar 2008	14 May 2008 to 13 June 2008
US Dollars	100,000	3.1981	11 Mar 2008	16 June 2008 to 14 July 2008
US Dollars	200,000	3.2000	17 Mar 2008	15 July 2008 to 29 Aug 2008
US Dollars	200,000	3.2020	17 Mar 2008	15 Aug 2008 to 30 Sept 2008
US Dollars	200,000	3.2051	17 Mar 2008	15 Sept 2008 to 31 Oct 2008
US Dollars	200,000	3.2068	17 Mar 2008	15 Oct 2008 to 28 Nov 2008
US Dollars	100,000	3.2006	21 Mar 2008	1 Aug 2008 to 15 Sept 2008
US Dollars	100,000	3.2036	21 Mar 2008	1 Sept 2008 to 15 Oct 2008
US Dollars	300,000	3.2062	21 Mar 2008	1 Oct 2008 to 14 Nov 2008

### ii) Currency Option - Target Sale Forward Deal

Currency	Contracted Amount	Reference Rate	Trade Date	Expiry Date
US Dollars	300,000	3.1840	18 Mar 2008	30 June 2008
US Dollars	200,000	3.1750	16 Apr 2008	14 July 2008

The hedging instruments were entered into with a reputable financial institution to limit the credit risk exposure of the Group. All gains and losses arising from forward foreign contracts are accounted for in the Income Statement upon maturity.

#### 24. Changes in material litigation

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

#### 25. Proposed dividend

No dividend was proposed for the current quarter ended 29 February 2008.

#### 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 RM 3,503,000 and RM 8,828,000 respectively.

Basic earnings per share

Weighted average number of ordinary shares

	Current Year Quarter Ended 29 February 2008 RM'000	Preceding Year Quarter Ended 28 February 2007 RM'000
Issued ordinary shares at beginning of the period	232,903	237,131
Effect of shares issued during the period	-	-
Effect of shares buy-back during the period	-	(3,509)
Effect of disposal of treasury shares during the period	-	-
Weighted average number of ordinary shares	<u>232,903</u>	<u>233,622</u>

Diluted earnings per share

No ESOS has been granted to the eligible employee therefore the calculation of diluted earnings per share is not applicable to the Group for the current quarter ended 29 February 2008.

#### 27. Capital commitments

	29 February 2008 RM'000
Contracted but not provided for	7,793
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:-

i) DXN Pharmaceutical Sdn Bhd ("DPSB"), a wholly-owned subsidiary of DXN Holdings Bhd. has on 8 June 2007 signed the Sale and Purchase Agreement with Tastiway Sdn Bhd, to sell a piece of vacant land for a total consideration of RM500,000.

#### BY ORDER OF THE BOARD

Lam Voon Kean

Company Secretary

Dated this 29 April 2008