

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 NOVEMBER 2010

| | 30.11.2010 Unaudited RM'000 | 30.11.2009 Unaudited RM'000 |
|---|--|--|
| Cash flow from operating activities | | |
| Profit before taxation | 43,067 | 29,414 |
| Adjustments for: - | | |
| Non-cash items | 6,982 | 6,492 |
| Non-operating items | 285 | 2,803 |
| | <u>7,267</u> | <u>9,295</u> |
| Operating profit before changes in working capital | 50,334 | 38,709 |
| Changes in working capital: - | | |
| Net change in current assets | 12,381 | 6,608 |
| Net change in current liabilities | (805) | (3,206) |
| | <u>11,576</u> | <u>3,402</u> |
| Cash generated from operations | 61,910 | 42,111 |
| Income tax paid | (8,905) | (4,267) |
| <i>Net cash generated from operating activities</i> | 53,005 | 37,844 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment, net of proceeds | (2,460) | (4,999) |
| Purchase of intangible assets | (148) | (215) |
| Purchase of investment property, net of proceeds | - | (3,092) |
| Addition to land held for property development | - | (8,705) |
| Proceeds from disposal of investment property | 185 | - |
| Proceeds from disposal of prepaid lease payment | - | 2,030 |
| Net cash outflow on disposal of a subsidiary | - | (334) |
| Purchase of subsidiary, net of cash acquired | 2,057 | - |
| Repurchase of treasury shares | (119) | (2,723) |
| Interest Income | 404 | 701 |
| <i>Net cash used in investing activities</i> | <u>(81)</u> | <u>(17,337)</u> |
| Cash flow from financing activities | | |
| Borrowings | (43,751) | (12,367) |
| Withdrawal/(Placement) of pledged fixed deposits | 3,701 | (283) |
| Dividend paid | (6,958) | (3,453) |
| Interest paid | (689) | (3,504) |
| <i>Net cash used in financing activities</i> | <u>(47,697)</u> | <u>(19,607)</u> |
| Net increase in cash and cash equivalents | 5,227 | 900 |
| Cash and cash equivalents at beginning of the year | 32,107 | 38,288 |
| Effect of exchange differences on cash and cash equivalents | (1,085) | (15) |
| Cash and cash equivalents at end of the period | <u><u>36,249</u></u> | <u><u>39,173</u></u> |

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 | 27,674 | 43,061 |
| Fixed deposits with licensed banks | 10,812 | 7,136 |
| | <u>38,486</u> | <u>50,197</u> |
| Less: Pledged fixed deposits | (2,211) | (5,860) |
| Bank overdrafts | (26) | (5,164) |
| Cash and cash equivalents | <u><u>36,249</u></u> | <u><u>39,173</u></u> |

The selected explanatory notes form an integral part of, and should be read in conjunction with, this interim financial report.