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THE KLSE SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, CORPORATION OR OF ITS SECURITIES.

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THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF DXN AND THE OFFERORS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS OF DXN HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT FORECAST HAS BEEN PREPARED BASED ON ASSUMPTIONS MADE.

COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD BEING THE ADVISER, LEAD MANAGER AND MANAGING UNDERWRITER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFER FOR SALE AND PUBLIC ISSUE AND IS SATISFIED THAT THE PROFIT FORECAST (FOR WHICH THE DIRECTORS OF DXN ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAS BEEN STATED BY THE DIRECTORS OF DXN AFTER DUE AND CAREFUL ENQUIRY AND HAS BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of DXN on the KLSE is set out below:

Event	Date
Opening of Applications	28 August 2003
Closing of Applications	9 September 2003
Tentative Price Determination Date	10 September 2003
Tentative Balloting Date	13 September 2003
Tentative Date of Dispatch of Notices of Allotment to successful applicants	24 September 2003
Tentative Listing Date of DXN's entire enlarged issued and paid-up share capital on the Main Board of the KLSE	30 September 2003

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DEFINITIONS (CONT'D)

In this Prospectus, unless the context otherwise requires, the following abbreviations shall apply throughout:

“Acquisitions”	:	Acquisition of DIPL, Acquisition of DXN HK, Acquisition of DXN Singapore, Acquisition of PT Daxen and Acquisition of DXN Thailand collectively
“Acquisition of DIPL”	:	Acquisition of the entire issued and fully paid-up share capital of DIPL comprising 15,010 ordinary shares of USD1.00 each for a total purchase consideration of approximately RM1,726,033 to be satisfied by the issuance of 6,904,050 new DXN Shares at par
“Acquisition of DXN HK”	:	Acquisition of the entire issued and fully paid-up share capital of DXN HK comprising 2,500,000 ordinary shares of HKD1.00 each for a total purchase consideration of approximately RM145,896 to be satisfied by the issuance of 583,580 new DXN Shares at par
“Acquisition of DXN Singapore”	:	Acquisition of the entire issued and fully paid-up share capital of DXN Singapore comprising 2 ordinary shares of SGD1.00 each for a total purchase consideration of approximately RM291,870 to be satisfied by the issuance of 1,167,470 new DXN Shares at par
“Acquisition of DXN Thailand”	:	Acquisition of 36.75% of the issued and fully paid-up share capital of DXN Thailand comprising 73,500 ordinary shares of Baht100 each for a total purchase consideration of approximately RM106,950 to be satisfied by the issuance of 427,800 new DXN Shares at par
“Acquisition of PT Daxen”	:	Acquisition of the entire issued and fully paid-up share capital of PT Daxen comprising 700 ordinary shares of Rupiah14,500,000 each for a total purchase consideration of approximately RM2,021,546 to be satisfied by the issuance of 8,086,100 new DXN Shares at par
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“Application”	:	The application for the Offer/Issue Shares by way of Application Forms or by way of Electronic Share Application
“Application Form(s)”	:	The printed application form(s) for the application for the Offer/Issue Shares
“ATM”	:	Automated Teller Machine
“BNM”	:	Bank Negara Malaysia
“Bookbuilding Portion”	:	35,600,000 DXN Shares to be offered to institutional investors at the Institutional Price
“Bonus Issue”	:	Bonus issue of 122,000,000 new DXN Shares on the basis of 81.33 new DXN Shares for every 1 existing DXN Share held after the Share Split
“By-Laws”	:	By-Laws of the ESOS

DEFINITIONS (CONT'D)

“CDS”	:	Central Depository System
“CIMB”	:	Commerce International Merchant Bankers Berhad (<i>Company No.: 18417-M</i>)
“Daxen”	:	Daxen, Inc. (<i>Company No.: 2381741</i>)
“DGSB”	:	DXN Group Sdn Bhd (<i>Company No.: 511681-X</i>)
“DIH”	:	DXN International Holding Limited (<i>Company No.: 49088</i>), a wholly-owned subsidiary of DXN
“DIH Group”	:	DIH and its subsidiaries and associated company
“DIPL”	:	DXN International Private Ltd (<i>Company No.: LL01899</i>), a subsidiary of DIH
“DIPL Group”	:	DIPL and its subsidiaries
“DIPL Philippines Branch” or “Branch”	:	DIPL’s branch in the Philippines
“DISB”	:	DXN Industries (M) Sdn Bhd (<i>Company No.: 410731-D</i>)
“Divestment to LTAT”	:	Divestment of 20,847 existing ordinary shares of RM1.00 each in DXN by Leong Bee Ling to LTAT at an offer price of approximately RM264 per ordinary share which was arrived at based on a willing buyer-willing seller basis
“DKSB”	:	DXN (KL) Sdn Bhd (<i>Company No.: 469018-D</i>)
“DMSB”	:	DXN Marketing Sdn Bhd (<i>Company No.: 283904-P</i>)
“DPSB”	:	DXN (Penang) Sdn Bhd (<i>Company No.: 424601-A</i>)
“DXN” or “Company”	:	DXN Holdings Bhd (<i>Company No.: 363120-V</i>)
“DXN Canada Branch”	:	Daxen’s branch in Canada
“DXN Cyprus”	:	DXN (Cyprus) Limited (<i>Company No.: HE 126531</i>), a subsidiary of DIH
“DXN Group” or “Group”	:	DXN and its subsidiaries and associated company
“DXN Herbal”	:	DXN Herbal Manufacturing (India) Private Limited (<i>Registration No.: 59-001607 of 2001</i>), a subsidiary of DIPL
“DXN HK”	:	DXN International (Hong Kong) Limited (<i>Company No.: 626746</i>), a subsidiary of DIH
“DXN Mexico”	:	DXN Mexico, S.A. DE C.V. (<i>Registration No.: 5309061</i>), a subsidiary of Daxen
“DXN Pharma”	:	DXN Pharmaceutical Sdn Bhd (<i>Company No.: 410692-K</i>)
“DXN Plantation”	:	DXN Plantation Sdn Bhd (<i>Company No.: 365963-W</i>)

DEFINITIONS (CONT'D)

“DXN Singapore”	:	DXN (Singapore) Pte Ltd (<i>Registration No.: 199701418D</i>), a subsidiary of DIH
“DXN SA”	:	Daehsan (South Africa) (Proprietary) Limited (<i>Company No.: 2002/004231/07</i>), a subsidiary of DIH
“DXN Share(s)”	:	Ordinary share(s) of RM0.25 each in DXN
“DXN Thailand”	:	DXN International (Thailand) Co., Ltd (<i>Registration No.: (2) 564/2541</i>), an associated company of DIH
“DXN UK”	:	DXN International (UK) Limited (<i>Company No.: 4454617</i>), a subsidiary of DIH
“Electronic Share Application”	:	The application for the Offer/Issue Shares through a Participating Financial Institution’s ATM
“EPS”	:	Earnings per share
“ESOS”	:	Executive Share Option Scheme
“FIC”	:	Foreign Investment Committee
“Final Retail Price”	:	The final price per DXN Share to be paid by applicants in the Retail Offering as determined in accordance with Section III(7) of this Prospectus
“GL”	:	Ganocelium or the Mycelium of Ganoderma
“Ganoderma”	:	Mushroom scientifically known as Ganoderma Lucidium
“Institutional Offering”	:	35,600,000 DXN Shares to be offered to identified institutional investors
“Institutional Price”	:	The price per DXN Share to be paid by investors in the Institutional Offering
“Issue Share(s)”	:	10,000,000 new DXN Shares to be issued pursuant to the Public Issue, subject to the terms and conditions of this Prospectus
“KLSE”	:	Kuala Lumpur Stock Exchange (<i>Company No.: 30632-P</i>)
“Listing”	:	The admission to the Official List and the listing of and quotation for 240,000,000 DXN Shares representing the entire enlarged issued and paid-up share capital of DXN on the Main Board of the KLSE
“LTAT”	:	Lembaga Tabung Angkatan Tentera
“MCD”	:	Malaysian Central Depository Sdn Bhd (<i>Company No.: 165570-W</i>), a subsidiary of the KLSE
“MIH”	:	Malaysian Issuing House Sdn Bhd (<i>Company No.: 258345-X</i>)
“MITI”	:	Ministry of International Trade and Industry
“Mycelium”	:	Scientific name for the root of Ganoderma
“NTA”	:	Net tangible assets

DEFINITIONS (CONT'D)

“Offer for Sale” : Offer for sale by the Offerors of 47,600,000 DXN Shares comprising:

- (i) 12,000,000 DXN Shares to Bumiputera investors approved by the MITI at the Retail Price, payable in full on application; and
- (ii) 35,600,000 DXN Shares to institutional investors at the Institutional Price to be determined by way of bookbuilding

“Offerors” : The existing shareholders of DXN who are offering for sale the Offer Shares are as follows:

Name	No. of Offer Shares	Percentage of the enlarged share capital %
Dr. Lim Siow Jin	24,189,045	10.08
Leong Bee Ling	8,675,955	3.61
DGSB	14,735,000	6.14
	47,600,000	19.83

“Offer Share(s)” : 47,600,000 DXN Shares to be offered pursuant to the Offer for Sale, subject to the terms and conditions of this Prospectus

“Participating Financial Institution(s)” : The participating financial institution(s) for Electronic Share Application as listed in Section XV(5)(ii)(o) of this Prospectus

“PAT” : Profit after taxation

“PBT” : Profit before taxation

“PE Multiple(s)” : Price earnings multiple(s)

“Prescribed Security” : Ordinary shares of a company prescribed by the KLSE to be deposited into the CDS

“Price Determination Date” : Tentatively 10 September 2003, the date on which the Institutional Price shall be determined

“PT Daxen” : PT Daxen Indonesia (*Company No.: TDP10071302125*), a subsidiary of DIH

“Public Ballot Portion” : 1,200,000 new DXN Shares available for application by the Malaysian public

“Public Issue” : Public issue of 10,000,000 new DXN Shares at the Retail Price, payable in full on application comprising:

- (i) 1,200,000 new DXN Shares to the Malaysian public; and
- (ii) 8,800,000 new DXN Shares to eligible Directors and employees, the registered distributors in Malaysia and the suppliers of DXN and its subsidiaries

DEFINITIONS (CONT'D)

“Retail Offering”	:	22,000,000 DXN Shares to be offered/issued to the Bumiputera investors approved by the MITI, Malaysian public and the eligible Directors and employees, the registered distributors in Malaysia and the suppliers of DXN and its subsidiaries
“Retail Price”	:	The initial price of RM0.63 per DXN Share to be paid by applicants in accordance with Section III(6) of this Prospectus
“R&D”	:	Research and development
“RG”	:	Reishi Gano, Ganoderma mushroom essence
“Rights Issue”	:	Rights issue of 89,331,000 new DXN Shares at par payable in full upon acceptance on the basis of approximately 6.35 new DXN Shares for every 10 DXN Shares held after the Acquisitions
“SC”	:	Securities Commission
“SC Guidelines”	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC
“Share Split”	:	Sub-division of par value for every existing ordinary share in DXN from RM1.00 to RM0.25 and upon completion of the Share Split the issued and paid-up share capital of DXN amounted to 1,500,000 DXN Shares
“Spire”	:	Spire Research Sdn Bhd (<i>Company No.: 531562-K</i>)
“Transfers”	:	Transfer of DXN Cyprus, Transfer of DXN SA and Transfer of DXN UK, collectively
“Transfer of DXN Cyprus”	:	Transfer of the entire issued and fully paid-up share capital of DXN Cyprus comprising 10,000 ordinary shares of CYP1.00 each held by DXN to DIH, its wholly-owned subsidiary, to be satisfied via inter company advances
“Transfer of DXN SA”	:	Transfer of the entire issued and fully paid-up share capital of DXN SA comprising 100 ordinary shares of Rand1.00 each held by DXN to DIH, its wholly-owned subsidiary, to be satisfied via inter company advances
“Transfer of DXN UK”	:	Transfer of the entire issued and fully paid-up share capital of DXN UK comprising 1,000 ordinary shares of £1.00 each held by DXN to DIH, its wholly-owned subsidiary, to be satisfied via inter company advances
“sq. ft.”	:	Square feet
“US”	:	United States of America
“Baht”	:	Thailand Baht
“CAD”	:	Canadian Dollar
“CYP”	:	Cyprus Pound
“HKD”	:	Hong Kong Dollar

DEFINITIONS (CONT'D)

“MXN”	:	New Mexican Peso
“Pesos”	:	Philippine Peso
“Rand”	:	South Africa Rand
“RM”	:	Malaysian Ringgit
“Rupee”	:	Indian Rupee
“Rupiah”	:	Indonesia Rupiah
“SGD”	:	Singapore Dollar
“USD”	:	United States Dollar
“£”	:	Pound Sterling

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I. CORPORATE DIRECTORY**DIRECTORS**

The Board of Directors of DXN is as follows:

Name	Address	Profession	Nationality
Dr. Lim Siow Jin <i>(Executive Chairman/ Chief Executive Officer)</i>	185, Taman Seri Abadi Off Jalan Kuala Kedah 06600 Alor Setar Kedah Darul Aman	Company Director	Malaysian
Lim Boon Yee <i>(Managing Director)</i>	116, Taman Sinaran Jalan Kilang Tebu 05050 Alor Setar Kedah Darul Aman	Company Director	Malaysian
Lim Yew Lin <i>(Executive Director)</i>	2028, Taman Bahagia Fasa III 05050 Alor Setar Kedah Darul Aman	Company Director	Malaysian
Leong Bee Ling <i>(Non-Independent Non-Executive Director)</i>	185, Taman Seri Abadi Off Jalan Kuala Kedah 06600 Alor Setar Kedah Darul Aman	Company Director	Malaysian
Tengku Farith bin Rithauddeen <i>(Non-Independent Non-Executive Director)</i>	41, Jalan Wangsa 9 Taman Wangsa Ukay 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian
Tengku Dato' Abdul Hamid Thani Ibni Sultan Badlishah <i>(Independent Non-Executive Director)</i>	94, Jalan Leong Yew Koh Taman Tun Dr. Ismail 60000 Kuala Lumpur	Company Director	Malaysian
Poo Ah An <i>(Independent Non-Executive Director)</i>	2 Taman Kenanga Jalan Perak 05150 Alor Setar Kedah Darul Aman	Company Director	Malaysian
Ooi Soo Kok <i>(Independent Non-Executive Director)</i>	1917-M Taman Stadium 05100 Alor Setar Kedah Darul Aman	Company Director	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Ooi Soo Kok	Chairman of the Committee	Independent Non-Executive
Lim Yew Lin	Member of the Committee	Executive
Poo Ah An	Member of the Committee	Independent Non-Executive

I. CORPORATE DIRECTORY (CONT'D)

COMPANY SECRETARY Lam Voon Kean (MIA 4793)
9 Reservoir, 5th Avenue
11500 Penang

REGISTERED OFFICE Suite 2-1, 2nd Floor
Menara Penang Garden
42-A, Jalan Sultan Ahmad Shah
10050 Penang
Tel: 04 2294390
Fax: 04 2265860
e-mail: mcsvpg@tm.net.my

HEAD OFFICE Wisma DXN
213 Lebuhraya Sultan Abdul Halim
05400 Alor Setar
Kedah Darul Aman
Tel: 04 7723388
Fax: 04 7721188
Website: www.dxnmalaysia.com

PRINCIPAL BANKERS United Overseas Bank (Malaysia) Berhad (*Company No.: 271809-K*)
449, Jalan Raja
05000 Alor Setar
Kedah Darul Aman

OCBC Bank (Malaysia) Berhad (*Company No.: 295400-W*)
380, Jalan Raja
05000 Alor Setar
Kedah Darul Aman

Bumiputra-Commerce Bank Berhad (*Company No.: 13491-P*)
1787-A-H, Jalan Teluk Wanjah
05200 Alor Setar
Kedah Darul Aman

AUDITORS AND REPORTING ACCOUNTANTS KPMG (AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang

REGISTRAR AGRITEUM Share Registration Services Sdn Bhd
(*Company No.: 578473-T*)
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
Tel: 04 2282321
Fax: 04 2272391

I. CORPORATE DIRECTORY (CONT'D)

SOLICITORS	Salina, Lim Kim Chuan & Co. Advocates and Solicitors (Corporate Division) 51-15-C2, Menara BHL Jalan Sultan Ahmad Shah 10050 Penang
ISSUING HOUSE	Malaysian Issuing House Sdn Bhd (<i>Company No.: 258345-X</i>) 27th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
MARKET RESEARCH COMPANY	Spire Research Sdn Bhd (<i>Company No.: 531562-K</i>) Unit 322, Level 3, Block A Kelana Centre Point No. 3 Jalan SS 7/19, Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan
ADVISER, LEAD MANAGER AND MANAGING UNDERWRITER	Commerce International Merchant Bankers Berhad (<i>Company No.: 18417-M</i>) 7th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Wilayah Persekutuan
UNDERWRITER	Affin-UOB Securities Sdn Bhd (<i>Company No.: 431338-P</i>) Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur
LISTING SOUGHT	Main Board of the KLSE

II. INFORMATION SUMMARY

THIS SECTION OF THE PROSPECTUS REPRESENTS ONLY A SUMMARY OF THE SALIENT INFORMATION IN RELATION TO THE DXN GROUP AND INVESTORS SHOULD READ AND UNDERSTAND THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE OFFER/ISSUE SHARES.

1. HISTORY AND BUSINESS

DXN was incorporated in Malaysia under the Companies Act, 1965 on 11 October 1995 as a private limited company under the name of Magcure Marketing Sdn Bhd. Subsequently, on 3 August 1998, the Company changed its name from Magcure Marketing Sdn Bhd to DXN Holding Sdn Bhd and on 21 June 2002, the Company changed its name from DXN Holding Sdn Bhd to DXN Holdings Sdn Bhd. It was subsequently converted into a public limited company on 16 July 2002. The principal activities of the Company are investment holding and provision of management services whilst the principal activities of its subsidiaries, branches and associated company are as follows:

Subsidiaries	Principal Activities
DMSB	Sale of health supplements and other products on direct sales basis
DISB	Manufacture of health food supplements and other products
DXN Pharma	Cultivation of Ganoderma and Mycelium and the manufacturing of health supplements and other products
DXN Plantation	Dormant
DPSB	Dormant
DKSB	Dormant
DIH	Investment holding and provision of management services
Subsidiaries of DIH	
DIPL	Trading of health food, traditional medicine, all kinds of confectioneries and other food products and investment holding
DXN HK	Multi-level marketing of health care products
DXN Singapore	Trading in health products
PT Daxen	Sale of traditional medicines, cosmetics, beverages and cleaning materials
DXN Cyprus	Dormant
DXN UK	Dormant
DXN SA	Dormant

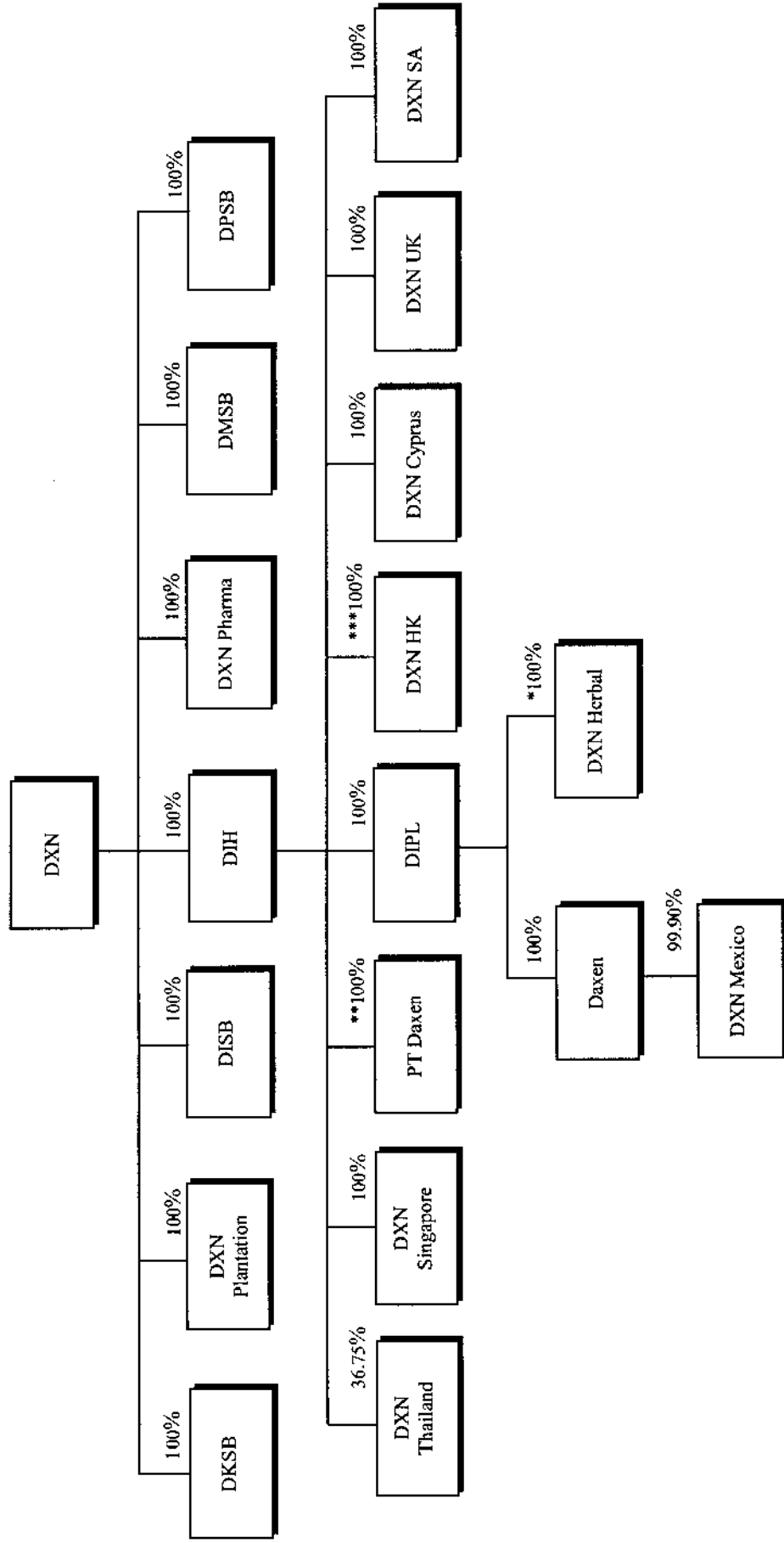
II. INFORMATION SUMMARY (CONT'D)

Subsidiaries (cont'd)	Principal Activities
Subsidiaries of DIPL	
Daxen	Trading of health food, traditional medicine, all kinds of confectioneries and other food products
DXN Herbal	Manufacturing, production and processing of herbal health care products, herbal beverages and health care instruments
Branch of DIPL	
DIPL Philippines Branch	Trading of health food, traditional medicine, all kinds of confectioneries and other food products
Subsidiary of Daxen	
DXN Mexico	Sale, purchase, import, export and distribution of natural food and vitamin supplements
Branch of Daxen	
DXN Canada Branch	Distribution of natural health products through multi-level marketing
Associated Company of DIH	
DXN Thailand	Import and distribution of consumable health and nutrition products

For further details on the principal activities of the subsidiaries, branches and associated company of the Group, please refer to Sections V(4) of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

The group structure of the DXN Group is as follows:



Notes:

- * Out of which 1 share is held by DIH in trust for DIPL.
- ** Out of which 99% is held by DIH and 1% held by DXN.
- *** Out of which 1 share is held by DXN in trust for DIH.

II. INFORMATION SUMMARY (CONT'D)

2. OWNERSHIP AND MANAGEMENT

The management team of the DXN Group is headed by its Executive Chairman/Chief Executive Officer, Dr. Lim Siow Jin who is the founder of DMSB, the first company incorporated in the DXN Group and has more than 10 years of experience in the herbal products industry. The key management team of the DXN Group comprises people with proven capabilities in their respective fields including production, quality control, R&D, finance, marketing, human resource and business development.

Save as disclosed below, none of the Directors, promoters, substantial shareholders and key management, has any shareholding, direct or indirect, in DXN after the Offer for Sale and Public Issue:

	Designation(s)	←-----Direct-----→		←-----Indirect-----→	
		No. of DXN Shares	Percentage of issued and paid-up share capital %	No. of DXN Shares	Percentage of issued and paid-up share capital %
Directors					
Dr. Lim Siow Jin	Executive Chairman/ Chief Executive Officer	-	-	⁽¹⁾ 122,400,000	51.00
Lim Boon Yee	Managing Director	*2,992,500	1.25	-	-
Lim Yew Lin	Executive Director	*900,000	0.38	-	-
Leong Bee Ling	Non-Independent Non-Executive Director	-	-	⁽¹⁾ 122,400,000	51.00
Tengku Farith bin Rithaudeen	Non-Independent Non-Executive Director	-	-	⁽²⁾ 50,000,000	20.83
Tengku Dato' Abdul Hamid Thani Ibni Sultan Badlishah	Independent Non- Executive Director	-	-	-	-
Poo Ah An	Independent Non- Executive Director	-	-	-	-
Ooi Soo Kok	Independent Non- Executive Director	-	-	-	-
Promoters					
DGSB	-	122,400,000	51.00	-	-
Dr. Lim Siow Jin	Executive Chairman/ Chief Executive Officer	-	-	⁽¹⁾ 122,400,000	51.00
Leong Bee Ling	Non-Independent Non-Executive Director	-	-	⁽¹⁾ 122,400,000	51.00

II. INFORMATION SUMMARY (CONT'D)

	Designation(s)	←-----Direct-----→		←-----Indirect-----→	
		No. of DXN Shares	Percentage of issued and paid-up share capital %	No. of DXN Shares	Percentage of issued and paid-up share capital %
Substantial shareholders					
DGSB	-	122,400,000	51.00	-	-
Dr. Lim Siow Jin	Executive Chairman/ Chief Executive Officer	-	-	⁽¹⁾ 122,400,000	51.00
Leong Bee Ling	Non-Independent Non-Executive Director	-	-	⁽¹⁾ 122,400,000	51.00
Gelombang Jasa Sdn Bhd	-	50,000,000	20.83	-	-
Tongku Farith bin Rithauddeen	Non-Independent Non-Executive Director	-	-	⁽²⁾ 50,000,000	20.83
Azmi bin Ahmad	-	-	-	⁽²⁾ 50,000,000	20.83
Aimi Aizal bin Nasharuddin	-	-	-	⁽²⁾ 50,000,000	20.83
Key Management					
Tan Young Tat	Head of Corporate Finance	*120,000	0.05	-	-
Goh Kok Seng	International Business Coordinator	*20,000	@	-	-
Triono Untung Piryadi	Farm Manager	*40,000	0.02	-	-
Ooi Chaw Ying	International Information Technology Manager	*100,000	0.04	-	-
Loh Pau Loon	Production Manager	*60,000	0.03	-	-
Heng Hau Tong	Factory Manager	*40,000	0.02	-	-
Teoh Thean Yong	Internal Audit Senior Manager	*60,000	0.03	-	-

Notes:

@ Less than 0.01%.

* Being the Issue Shares allocated as part of the pink form allocation to eligible Directors and employees of DXN and its subsidiaries and assuming that they subscribe in full for their respective allocations.

(1) Deemed interested by virtue of their interest in DGSB pursuant to Section 6A of the Companies Act, 1965.

(2) Deemed interested by virtue of their interest in Gelombang Jasa Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

Further details of the Directors, substantial shareholders, promoters, and key management are set out in Section VI of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

3. FINANCIAL HIGHLIGHTS

The table below sets out a summary of the proforma consolidated income statement of the DXN Group for the past 5 financial years ended 28 February 2003 prepared based on the assumption that the current structure of the DXN Group has been in existence throughout the period under review. The proforma consolidated income statement are presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Section X of this Prospectus:

	← Years ended 28/29 February →				
	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000	2003 RM 000
Turnover	54,589	64,473	77,329	118,598	132,461
Consolidated profit before interest, depreciation, share of associated company's results, exceptional item and taxation	18,157	16,953	8,185	20,958	25,509
Interest expense	(225)	(409)	(379)	(812)	(814)
Depreciation	(1,263)	(2,335)	(2,709)	(2,891)	(4,211)
Share of associated company's results	(110)	-	-	-	-
Exceptional item	-	-	(4)298	-	-
Consolidated PBT	16,559	14,209	5,395	17,255	20,484
Taxation ⁽⁵⁾	(21)	(4,151)	(1,993)	(3,562)	(3,526)
Consolidated PAT	16,538	10,058	3,402	13,693	16,958
No. of ordinary shares assumed in issue (000) ⁽¹⁾	140,669	140,669	140,669	140,669	140,669
Gross EPS (sen) ⁽²⁾	11.77	10.10	3.84	12.27	14.56
Net EPS (sen) ⁽³⁾	11.76	7.15	2.42	9.73	12.06

Notes:

- (1) Being the number of ordinary shares assumed in issue before the Rights Issue, Offer for Sale and the Public Issue.
- (2) The gross EPS is computed based on the consolidated PBT divided by the number of ordinary shares assumed in issue.
- (3) The net EPS is computed based on the consolidated PAT divided by the number of ordinary shares assumed in issue.
- (4) The exceptional item is in respect of insurance compensation received by DXN Plantation.
- (5) The under/overprovision of taxation has been adjusted to the relevant financial years concerned.

DXN and its subsidiaries' audited financial statements for the past 5 years have not been subjected to any audit qualifications.

Detailed information on the financial performance of the DXN Group is set out in Section IX of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

4. SUMMARY PROFORMA CONSOLIDATED BALANCE SHEETS

The proforma consolidated balance sheets as set out below are prepared for illustrative purposes only to show the effects on the financial statements of DXN as at 28 February 2003 had the Divestment to LTAT, Share Split, Bonus Issue, Acquisitions, Transfers, Rights Issue, Offer for Sale, Public Issue and the listing of and quotation for the entire enlarged issued and paid-up share capital of DXN on the Main Board of the KLSE, the utilisation of proceeds and the ESOS been completed on that date and should be read with the notes and assumptions to the proforma consolidated balance sheets as set out in Section IX of this Prospectus.

	Proforma I	Proforma II	Proforma III	Proforma IV	Proforma V	Proforma VI	Proforma VII	Proforma VIII
	Audited as at 28 February 2003 RM 000	After Divestment to LTAT and Share Split RM 000	After Proforma I and Bonus Issue RM 000	After Proforma I, II and Acquisitions and Transfers RM 000	After Proforma I, II, III and Rights Issue RM 000	After Proforma I, II, III, IV and Offer for Sale RM 000	After Proforma I, II, III, IV, V, VI and utilisation of proceeds RM 000	After Proforma I, II, III, IV, V, VI, VII and ESOS RM 000
Property, plant and equipment	24,988	24,988	24,988	34,723	34,723	34,723	42,223	42,223
Investment in an associate	-	-	106	106	106	106	106	106
Other investments	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269
Current assets	9,870	9,870	23,370	23,370	23,370	23,370	23,370	23,370
Inventories	32,299	32,299	27,422	27,422	27,422	27,422	27,422	27,422
Trade and other receivables	910	910	826	826	826	826	826	826
Tax refundable	6,721	6,721	11,888	34,221	34,221	40,521	24,866	39,986
Cash and cash equivalents	49,800	49,800	63,506	85,839	85,839	92,139	76,484	91,604
Current liabilities	20,823	20,823	27,808	27,808	27,808	27,808	27,808	27,808
Trade and other payables	9,028	9,028	9,125	9,125	9,125	9,125	7,919	7,919
Borrowings	29,851	29,851	36,933	36,933	36,933	36,933	35,727	35,727
Net current assets	19,949	19,949	26,573	48,906	48,906	55,206	40,757	55,877
Net assets	46,206	46,206	62,671	85,004	85,004	91,304	84,355	99,475

II. INFORMATION SUMMARY (CONT'D)

	Audited as at 28 February 2003 RM 000	Proforma I After Divestment to LTAT and Share Split RM 000	Proforma II After Proforma I and Bonus Issue RM 000	Proforma III After Proforma I, II and Acquisitions and Transfers RM 000	Proforma IV After Proforma I, II, III and Rights Issue RM 000	Proforma V After Proforma I, II, III, IV and Offer for Sale RM 000	Proforma VI After Proforma I, II, III, IV, V and Public Issue RM 000	Proforma VII After Proforma I, II, III, IV, V, VI and utilisation of proceeds RM 000	Proforma VIII After Proforma I, II, III, IV, V, VI, VII and ESOS RM 000
Financed by:									
Share capital	375	375	30,875	35,167	57,500	57,500	60,000	60,000	66,000
Share premium	-	-	-	-	-	-	3,800	1,300	10,420
Retained profits	35,582	35,582	5,082	5,082	5,082	5,082	5,082	5,082	5,082
	35,957	35,957	35,957	40,249	62,582	62,582	68,882	66,382	81,502
Negative goodwill	3,943	3,943	3,943	11,432	11,432	11,432	11,432	11,432	11,432
Borrowings	5,667	5,667	5,667	10,351	10,351	10,351	10,351	5,902	5,902
Deferred taxation	639	639	639	639	639	639	639	639	639
	46,206	46,206	46,206	62,671	85,004	85,004	91,304	84,355	99,475
NTA per ordinary share (RM)	95.89	23.97	0.29	0.29	0.27	0.27	0.29	0.28	0.31

II. INFORMATION SUMMARY (CONT'D)

5. RISK FACTORS

Applicant for the Offer/Issue Shares should carefully consider the following risk factors (which may not be exhaustive) summarised from Section IV of this Prospectus, in addition to the other information contained elsewhere in this Prospectus, before applying to subscribe for the Offer/Issue Shares:

- (i) No prior market for DXN Shares;
- (ii) Control by substantial shareholders;
- (iii) Business risks;
- (iv) Operational risks;
- (v) Political and economic considerations;
- (vi) Foreign market risk and foreign currency fluctuations risk;
- (vii) Competition;
- (viii) Dependence on key personnel;
- (ix) Dependence on suppliers;
- (x) Cultivation of Ganoderma;
- (xi) Government regulations;
- (xii) Brand loyalty;
- (xiii) Dependence on particular products and markets;
- (xiv) Dependence on foreign third party distributors with multi-level marketing licences;
- (xv) Domestic borrowings;
- (xvi) Adequacy of insurance coverage on the Group's assets;
- (xvii) Restrictive covenants under credit facility agreements;
- (xviii) Landed properties of the DXN Group;
- (xix) Profit forecast;
- (xx) Failure/Delay in the listing exercise; and
- (xxi) Forward looking statements.

II. INFORMATION SUMMARY (CONT'D)

6. PRINCIPAL STATISTICS**(i) Share Capital****RM***Authorised*400,000,000 ordinary shares of RM0.25 each 100,000,000*Issued and fully paid-up as at the date of this Prospectus*

230,000,000 ordinary shares of RM0.25 each 57,500,000

*To be issued pursuant to the Public Issue*10,000,000 ordinary shares of RM0.25 each 2,500,00060,000,000*To be offered pursuant to the Offer for Sale*47,600,000 ordinary shares of RM0.25 each 11,900,000**(ii) Classes of shares and ranking**

There is only one class of shares in the Company, being ordinary shares of RM0.25 each. The Offer/Issue Shares will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and will be entitled to all rights and dividends and distribution that may be declared subsequent to the date of this Prospectus.

(iii) Retail Price for the Retail Offering*

RM0.63

Note:

* *The Final Retail Price will be fixed upon the completion of the bookbuilding exercise.*

(iv) Proforma Group NTA as at 28 February 2003

Proforma Group NTA (RM 000) RM66,382
(after deducting total estimated listing expenses amounting to RM2.500 million)

Proforma Group NTA per share RM0.28
(based on the enlarged issued and paid-up share capital of 240,000,000 DXN Shares)

(v) Consolidated profit forecast for the financial year ending 29 February 2004**RM 000**

Consolidated PBT 22,618

Taxation (4,834)

Consolidated PAT 17,784

Pre-acquisition profit before taxation (2,584)Taxation 710Pre-acquisition profit after taxation (1,874)Consolidated PAT attributable to shareholders 15,910

II. INFORMATION SUMMARY (CONT'D)**(v) Consolidated profit forecast for the financial year ending 29 February 2004 (cont'd)**

Gross EPS (sen) ⁽¹⁾	9.42
Net EPS (sen) ⁽²⁾	7.41
Gross PE Multiple (times) [@]	6.69
Net PE Multiple (times) [@]	8.50

Notes:

[@] Based on the Retail Price of RM0.63.

(1) Computed based on the consolidated PBT divided by the enlarged issued and paid up share capital of 240,000,000 DXN Shares.

(2) Computed based on the consolidated PAT divided by the enlarged issued and paid up share capital of 240,000,000 DXN Shares.

(vi) Dividend forecast for the financial year ending 29 February 2004

Gross dividend per ordinary share	1.25 sen
Gross dividend yield (based on the Retail Price of RM0.63)	1.98%
Net dividend yield (based on the Retail Price of RM0.63)	1.43%
Net dividend cover	8.23 times

7. PROCEEDS FROM THE RIGHTS ISSUE AND PUBLIC ISSUE AND THE UTILISATION THEREOF

The gross proceeds receivable by DXN from the Rights Issue and Public Issue of RM22.333 million and RM6.300 million respectively, will be utilised as follows:

	RM 000
Repayment of bank borrowings	5,654
Acquisition of DXN's corporate headquarters	3,000
Construction of DISB's factory building	3,500
Acquisition of plant and machinery	1,000
Working capital	12,979
Estimated listing expenses	2,500
	28,633

Details of the utilisation of the gross proceeds receivable from the Rights Issue and Public Issue are set out in Section III(8) of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

8. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 16 August 2003, the Directors are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

Save as disclosed in Section IX(2)(iv) of this Prospectus, as at 16 August 2003, the Directors are not aware of any capital commitments which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

9. MATERIAL LITIGATION

As at 16 August 2003, neither DXN nor its subsidiaries are engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of DXN or its subsidiaries and the Board of Directors of DXN does not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of DXN or its subsidiaries.

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