
XIII. STATUTORY AND OTHER INFORMATION

1. SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is only one class of shares in the Company, namely, ordinary shares of RM0.25 each, all of which rank *pari passu* with one another.
- (iii) Save for the Issue Shares reserved for the eligible Directors and employees, the registered distributors in Malaysia and suppliers of DXN and its subsidiaries as disclosed in Section III(2) of this Prospectus and the new DXN Shares to be issued pursuant to the ESOS, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries.
- (iv) Save as disclosed in Sections V(1) and V(4) of this Prospectus, no shares or debentures of the Company and its subsidiaries have been or are proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of registration of this Prospectus.
- (v) Save for the Issue Shares reserved for the eligible Directors and employees, the registered distributors in Malaysia and suppliers of DXN and its subsidiaries as disclosed in Sections III(2) of this Prospectus and save for the ESOS for eligible executives of the DXN Group, there is currently no other scheme for or involving the Directors and employees of the DXN Group in the share capital of the Company or its subsidiaries.
- (vi) Save as disclosed in Sections V(2) and X of this Prospectus, no options to subscribe for any shares, stocks or debentures of the Company or its subsidiaries have been granted to or exercised by the Directors of the Company during the last financial year.

2. ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Listing Requirements of KLSE, the Companies Act, 1965 (“Act”), the Rules of MCD (“Rules”) and the Company’s Articles of Association (“Articles”):

(i) Transfer of Securities

The provisions in the Articles of the Company, the Listing Requirements of KLSE, Act and the Rules in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:

Articles

Article 42 - Transfer of Securities

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security), shares in the Company which have been deposited with the MCD shall be transferable but every transfer shall be by way of book entry by the MCD in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to sub-section 107C(2) of the Act and any exemption that may be made from the compliance with sub-section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 43 - Form of Transfer

The transfer of any listed securities or class of listed securities of the Company shall be effected in accordance with the Act, the Central Depositories Act and the Rules and for such deposited securities, these Articles shall not be applicable to the extent that they are inconsistent with the relevant provisions of the Act, the Central Depositories Act and the Rules. Subject to the Act, the Central Depositories Act and the Rules and these Articles, any member may transfer all or any of his securities in such manner or form as may from time to time be approved by the KLSE.

Article 44 - Refusal to register Transfer

The MCD may in its absolute discretion refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

Article 45 - Suspension of Transfer

The Company may at the Directors' discretion require the MCD to suspend the registration of transfer at such times and for such periods as the Directors may from time to time determine, not exceeding in the whole 30 days in any calendar year. At least 12 market days' notice of such closure shall be given to the KLSE stating the period and the purpose of such closure. In this respect, the Company shall give notice in accordance with the Rules to MCD to enable MCD to prepare the appropriate Records of Depositors.

Article 46 - Restriction on Transfer

There shall be no restriction on the transfer of fully paid securities except where required by law.

Article 48 - Restriction on Transfer

No share shall be transferred to any partnership or unincorporated association or body, minor, bankrupt or person of unsound mind.

Article 49 - Renunciation

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

Listing Requirements of KLSE

The provisions of the Listing Requirements of KLSE on the transferability of securities are as follows:

Paragraph 7.13 – Transfers of Securities

The transfer of any securities or class of securities of the company, shall be by way of book entry by the MCD in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the company shall be precluded from registering and effecting any transfer of securities.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Paragraph 7.14 - Transmission of securities from foreign register

(1) Where:

- (a) the securities of a company are listed on a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) Exemption (No.2) Order, 1998 as may be amended, modified or altered from time to time ("Approved Market Place"); and
- (b) such company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place ("the Foreign Register"), to the register of holders maintained by the registrar of the company in Malaysia ("the Malaysian Register") subject to the following conditions:

- (i) there shall be no change in the ownership of such securities; and
- (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.

(2) For the avoidance of doubt, no company which fulfils the requirements of sub-paragraphs 1(a) and (b) above shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

Act

The provisions within the Act on the transferability of securities are as follows:

Section 103 - Instrument of transfer

- (1) Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.
- (1A) Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)***Section 107C - Transfer of securities is by way of book entry***

- (1) On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities.
- (2) Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

Rules

The rules within MCD on the transferability of securities are as follows:

Rule 8.01 (2) - Rejection of transfer

The MCD may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

Rule 8.05A - Transfers from the principal or nominee account

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this chapter.

Rule 9.03(2) - Documents to lodge

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors ("the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than the Depositor's spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Take-overs and Mergers 1987;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the SC;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

(ii) Remuneration of Directors

The provisions in the Company's Articles dealing with the remuneration of Directors are as follows:

Article 115 - Remuneration of Directors

The fees of the Directors shall from time to time be determined by the Company in General Meeting but the remuneration of the executive Directors shall from time to time be determined by the Board of Directors. The fees payable to the Directors shall not be increased except pursuant to a resolution passed at the General Meeting when notice of the proposed increase has been given in the notice convening the meeting. The fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover and the remuneration payable to executive Directors may not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

Article 117 - Special remuneration

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:

- (1) render any special or extra services to the Company; or
- (2) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

(iii) Voting and borrowing powers of Directors

The provisions in the Company's Articles dealing with the voting and borrowing powers of the Directors in proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

Article 128 - Directors' borrowing powers

The Directors may exercise all the powers of the Company to borrow any sum or sums of money from any person, bank, firm or company and to mortgage or charge its undertaking, property and uncalled capital, and any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its wholly owned subsidiaries or of any related corporation. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or of any subsidiary corporation.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 129 - Restrictions on borrowing

The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 150 - Where no casting vote

When 2 Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only 2 Directors are competent to vote on the question at issue, shall not have a casting vote.

Article 154 - Disqualification from voting

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (1) any arrangement for giving him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries;
- (2) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

(iv) Changes in the share capital and variation of rights

The provisions in the Company's Articles as to the changes in the share capital and variation of rights which are as stringent as those provided in the Act are as follows:

Article 11 - Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:

- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or
- (2) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be 2 persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 12 - No deemed variation

Subject to Section 65 of the Act, the rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in any respect pari passu with that class.

Article 66 - Conversion to stock

The Company in general meeting may by ordinary resolution, convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

Article 70 - Consolidation division and cancellation

The Company may by ordinary resolution:

- (1) consolidate and divide all or any of its share capital into shares of larger amount;
- (2) (subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;
- (3) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 73 - Reduction of capital

The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law.

Article 74 - Resolution to increase capital

Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors of DXN are set out in the Corporate Directory section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors of the Company have any existing or proposed service contracts with the Company or its subsidiaries which are not terminable by notice without payment of compensation (other than statutory compensation) within 1 year.
- (iv) Save as disclosed in Sections VIII(1) and (2) of this Prospectus, none of the Directors or substantial shareholders of DXN has any interest in any contract or arrangement which is significant in relation to the business of the Group subsisting at the date of this Prospectus.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

(v) Based on the Register of Substantial Shareholders as at the date hereof, the substantial shareholders and their respective beneficial interests in the shares of the Company, before and after the Offer for Sale and Public Issue, are as follows:

Name	←-----Before the Offer for Sale and Public Issue-----→			←-----After the Offer for Sale and Public Issue-----→		
	Direct	Indirect	Percentage of issued and paid-up share capital %	Direct	Indirect	Percentage of issued and paid-up share capital %
	No. of DXN Shares	No. of DXN Shares	%	No. of DXN Shares	No. of DXN Shares	%
Dr. Lim Siow Jin	24,189,045	⁽¹⁾ 137,135,000	59.62	-	⁽¹⁾ 122,400,000	51.00
Leong Bee Ling	8,675,955	⁽¹⁾ 137,135,000	59.62	-	⁽¹⁾ 122,400,000	51.00
DGSB	137,135,000	-	59.62	122,400,000	-	51.00
Gelombang Jasa Sdn Bhd	50,000,000	-	21.74	50,000,000	-	20.83
Tengku Farith bin Rithauddeen	-	⁽²⁾ 50,000,000	21.74	-	⁽²⁾ 50,000,000	20.83
Azmi bin Ahmad	-	⁽²⁾ 50,000,000	21.74	-	⁽²⁾ 50,000,000	20.83
Aimi Aizal bin Nasharuddin	-	⁽²⁾ 50,000,000	21.74	-	⁽²⁾ 50,000,000	20.83

Notes:

(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.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

(vi) According to the Register of Directors' Shareholdings as at the date hereof, the direct and indirect interests of the Directors in the shares of the Company, before and after the Offer for Sale and Public Issue, are as follows:

	←-----Before the Offer for Sale and Public Issue-----→			←-----After the Offer for Sale and Public Issue-----→		
	Direct	Indirect	Percentage of issued and paid-up share capital %	Direct	Indirect	Percentage of issued and paid-up share capital %
	No. of DXN Shares	No. of DXN Shares		No. of DXN Shares	No. of DXN Shares	
Dr. Lim Siow Jin	24,189,045	⁽¹⁾ 137,135,000	10.52	-	⁽¹⁾ 122,400,000	51.00
Lim Boon Yee	-	-	-	*2,992,500	-	1.25
Lim Yew Lin	-	-	-	*900,000	-	0.38
Leong Bee Ling	8,675,955	⁽¹⁾ 137,135,000	3.77	-	⁽¹⁾ 122,400,000	51.00
Tengku Farith bin Rithauddin	-	⁽²⁾ 50,000,000	-	-	⁽²⁾ 50,000,000	20.83
Tengku Dato' Abdul Hamid Thani Ibni Sultan Badlishah	-	-	-	-	-	-
Foo Ah An	-	-	-	-	-	-
Ooi Soo Kok	-	-	-	-	-	-

Notes:

* 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 his interest in Gelombang Jasa Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

4. GENERAL

- (i) The nature of DXN's business is described in Section V of this Prospectus. As at 16 August 2003 there are no other corporations which are deemed to be related to DXN by virtue of Section 6 of the Companies Act, 1965.
- (ii) The times of the opening and closing of the applications of the Offer for Sale and Public Issue are set out in the Indicative Timetable section, Section III(3) and Section XV of this Prospectus.
- (iii) The amount payable in full on application in respect of the Retail Offering is RM0.63 per DXN Share.
- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section XV of this Prospectus.
- (v) Save as disclosed in Sections VI(1.3) and X of this Prospectus, no amount or benefit has been paid or given within the 2 years preceding the date of this Prospectus, nor is it intended to be paid or given, to any promoter, Director and substantial shareholder.
- (vi) As at 16 August 2003, the Group has not established a place of business outside Malaysia save for DIPL Philippines Branch, DXN Canada Branch and its subsidiaries and associated company, namely DXN Singapore, PT Daxen, DXN Herbal, Daxen, DXN HK, DXN Cyprus, DXN UK, DXN SA, DXN Mexico and DXN Thailand in Philippines, Canada, Singapore, Indonesia, India, US, Hong Kong, Cyprus, United Kingdom, South Africa, Mexico and Thailand, respectively, details of which are set out in Section V(4) of this Prospectus.
- (vii) Save as disclosed in Section X of this Prospectus, the financial conditions and operations of DXN and its subsidiaries are not affected by any of the following:
 - (a) Known trends, demands, commitments, events or uncertainties that have had or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the Group;
 - (b) Material capital expenditure commitments;
 - (c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group and the extent to which the financial performance, position and operations of the Group was so affected;
 - (d) Substantial increase in revenue and the extent to which the increase is attributable to prices, volume of goods or services being sold, the introduction of new products or services or any other factors; and
 - (e) Known events, circumstances, trends, uncertainties and commitments that will result in or are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

Save as disclosed in Section IV of this Prospectus, as far as the Directors are aware, the Group is not vulnerable to any specific factor or event of a particular nature other than normal commercial risks experienced during the normal course of business.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- (viii) Save as disclosed in Section IV of this Prospectus, the Directors are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.
- (ix) Save as disclosed in Sections IX(2) and X of this Prospectus, as at 16 August 2003, there is no loan capital outstanding or mortgages and charges in relation to the Group.
- (x) The names and addresses of the Auditors and Reporting Accountants of the Company are set out in the Corporate Directory section of this Prospectus.

5. EXPENSES AND COMMISSIONS

- (i) Underwriting commission is payable by the Company to the Managing Underwriter at the rate of 0.5% of the Retail Price and the Underwriters at the rate of 2.0% of the Retail Price of RM0.63 for each of the 10,000,000 Issue Shares being underwritten. The underwriting and selling commission relating to the 35,600,000 DXN Shares under the Bookbuilding Portion and the selling commission relating to the 12,000,000 DXN Shares reserved for subscription by Bumiputera investors approved by the MITI, is payable by the Offerors at a maximum rate of 2.75% of the Institutional Price and the Retail Price respectively.
- (ii) Brokerage is payable by the Offerors and the Company at the rate of 1% of the Final Retail Price for the Retail Offering and 1% of the Institutional Price for the Institutional Offering in respect of successful applications which bear the stamps of CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or the MIH.
- (iii) The estimated expenses and fees incidental to the 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 KLSE amounting to RM2.50 million will be borne by DXN.
- (iv) Save as disclosed above, no commission, discounts, brokerage or other special terms were granted by the Company within the 2 years immediately preceding the date of this Prospectus in connection with the issue or sale of any capital of the Company or its subsidiaries.

6. PUBLIC TAKE-OVERS

During the last financial year and the current financial year, there were no:

- (i) public take-over offers by third parties in respect of the Company's shares; and
- (ii) public take-over offers by the Company in respect of other companies' shares.

7. 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 do 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.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

8. MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by DXN or its subsidiaries during the 2 years preceding the date of this Prospectus:

- (i) A Deed of Assignment dated 23 September 2001 between DMSB and DISB whereby in consideration of the sum of RM1,128,204.10 paid pursuant to the Sale and Purchase Agreement dated 27 July 1999 made between the same parties, DMSB, with the consent of Kedah State Development Corporation ("PKNK"), assigned absolutely to DISB, all its rights, title and interest in a 60-year lease of the property known as Lots 1, 2 and 3, Bukit Kayu Hitam Industrial Estate, Mukim of Sungai Laka, District of Kubang Pasu, Kedah which DISB had previously acquired from PKNK;
- (ii) An Inter-Corporate Deposit Agreement dated 6 September 2001 between DXN Herbal and Daehsan Trading (India) Private Limited ("Daehsan India") whereby Daehsan India agreed to advance the sum of up to Rupee 500 million to DXN Herbal by placing the same as inter-corporate deposit with DXN Herbal at the deposit interest rate equivalent to a 3-year term deposit rate prescribed by the State Bank of India plus 1%. The entire deposit is to be repaid by DXN Herbal in 36 equal monthly installments commencing from 1 October 2002;
- (iii) Conditional Share Sale Agreement dated 6 January 2003 between DXN and the vendor of DIPL, Dr. Lim Siow Jin to acquire 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;
- (iv) Conditional Share Sale Agreement dated 6 January 2003 between DXN and the vendors of PT Daxen, Dr. Lim Siow Jin and Leong Bee Ling to acquire 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;
- (v) Sale and Purchase Agreement dated 8 August 2003 between DXN and Dr. Lim Siow Jin and Leong Bee Ling to acquire the pieces of land known as Lot No. PT 4546, PT 4547, PT 4548, PT 4549, PT 4550, PT 4551, PT 4552 and PT 4553, all of Mukim Pumpung, District of Kota Setar, Kedah Darul Aman held under titles H.S(M) 199, H.S(M) 200, H.S(M) 201, H.S(M) 202, H.S(M) 203, H.S(M) 204, H.S(M) 205 and H.S(M) 206 respectively for a total cash consideration of RM2,220,000; and
- (vi) Underwriting Agreement dated 18 August 2003 between DXN, CIMB as the Managing Underwriter and Underwriter, and Affin-UOB Securities Sdn Bhd as the Underwriter for the underwriting of 10,000,000 Issue Shares for an underwriting commission and managing underwriting commission of 2.0% and 0.5% respectively of the Retail Price of RM0.63 per Issue Share.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)**9. MATERIAL AGREEMENTS**

Saved as disclosed below, DXN and its subsidiaries do not have any other material agreements including but not limited to shareholders' agreements, agreements underlying the basis of their business, supplier agreements, customer agreements and directors' service agreements:

- (i) Supplier Agreement dated 2 May 2003 between DISB and Dan Kaffe (Malaysia) Sdn Bhd ("DKM") whereby DISB agreed to purchase and DKM agreed to supply a minimum quantity of 20 tonnes per month of instant coffee powder during the 2-year period of the agreement commencing from the date of the agreement, subject to any extension or renewal thereof by the parties;
- (ii) DXN and its subsidiaries have purchased material insurance policies from various insurers as follows:
 - (a) Various insurance policies from Allianz General Insurance Malaysia for an aggregate sum insured of RM42.25 million for the insurance coverage of the following:
 - fire insurance for DMSB's four storey terrace building and renovation at 43, Jalan SS 22/23 Damansara Jaya, Selangor;
 - group personal accident insurance for DMSB's employees;
 - product liability insurance for DXN, DMSB, DISB and DXN Pharma's territorial limits of Malaysia, Singapore, Brunei, Indonesia, Hong Kong, Thailand, Australia, New Zealand, Taiwan, Bangladesh, India, Canada, Philippines and US;
 - fire insurance for DXN Pharma's buildings and 12 Ganoderma sheds at H.S. (M) 376, P.T. 1307, Alor Nipan, Mukim of Malau, District of Kubang Pasu, 06000 Kedah;
 - fire insurance for DXN Pharma's single storey detached building occupied as "GMP factory", renovation and electrical installation located at H.S. (M) 375, P.T. 1306, Alor Nipan, Mukim of Malau, District of Kubang Pasu, 06000 Kedah;
 - fire insurance for DXN Pharma's stock-in-trade, the property contained in the Mycelium factory, machinery, equipment and utensils, furniture, fixtures and fittings H.S. (M) 295, P.T. 1304, Mukim of Malau, District of Kubang Pasu, 06000 Kedah;
 - fire insurance for DXN Pharma's stock-in-trade, the property contained in the farm and 20 Ganoderma sheds held at H.S. (M) 295, P.T.1304 Mukim of Malau, District of Kubang Pasu, 06000 Kedah;
 - fire insurance for DXN Pharma's 2 units of single storey building occupied as "Mycelium factory", renovation and electrical installation at H.S. (M) 295, P.T. 1304 Mukim of Malau, District of Kubang Pasu, 06000 Kedah;
 - fire insurance for DXN Pharma's stock-in-trade, Ganoderma plants, steamer, cold rooms, machinery, equipment and utensils, furniture, fixtures and fittings at H.S. (M) 376 P.T. 1307, Mukim of Malau, 06000 Jitra, Kedah;

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- fire insurance for DXN Pharma's stock-in-trade consisting of raw materials including Lingzhi (RG/GL), carton boxes, finished and unfinished products, the property contained in the "GMP factory", machinery, equipment and utensils, furniture, fixtures and fittings in the "GMP factory" at H.S. (M) 375 P.T. 1306, Mukim of Malau, 06000 Jitra, Kedah; and
 - fire insurance for DISB's stock-in-trade, the property contained in the Lingzhi coffee/cocozi factory, bodyfoam/shampoo factory, toothpaste factory and warehouse, machinery, equipment and utensils including furniture, fixtures, fittings and office equipment in the factory and warehouse at H.S. (M) 376, P.T.1307, Alor Nipan, Mukim of Malau, District of Kubang Pasu, 06000 Kedah.
- (b) The insurance policies from United India Insurance Co. Ltd for an aggregate sum insured of Rupee93.00 million for the insurance coverage of the following:
- fire and special perils insurance for DXN Herbal's assets at R.s. No141/4 and 142/5, Whirlpool Road, Thiruvandar Koil, Mannadipet Commune, Pondicherry District, Pondicherry, India; and
 - fire and special perils insurance for DXN Herbal's stock of raw material, packaging material and finished goods at 141/4 and 142/5, Whirlpool Road, Thiruvandar Koil, Mannadipet Commune, Pondicherry, India.
- (c) An insurance policy from Evanston Insurance Company for the insurance coverage of general liability and product liability insurance for Daxen for an aggregate sum insured of USD2.00 million with a limit of USD1.00 million per occurrence.
- (d) Commercial insurance policy from Lloyd's Underwriters for DXN Canada Branch covering inter alia, landlord's and tenant's liability of up to CAD2.35 million.
- (e) The insurance policies from Allianz Utama Indonesia Insurance for an aggregate sum of Rupiah24,015 million for the insurance coverage of the following:
- property all risks against and/or including fire, lightning, explosion, impact of aircraft and riot, strike, malicious damage, impact of vehicle, civil commotion, flood, windstorm, tempest and water damage, burglary and theft on pharmaceutical factory of PT Daxen, located in Jalan Pancasila IV (Tritunggal), Kec. Gunung Putri, Bogor;
 - property all risks against physical losses or damages to the insured property from any cause (subject to policy exclusion) excluding earthquake and volcanic eruption and tsunami on warehouse building and stock of PT Daxen located in Kawasan Industri Jababeka Blok B – 11B, Cikarang - Wangunharja, Bekasi; and
 - property all risks against and/or including fire, lighting, explosion, impact of aircraft and riot, strike, malicious damage and civil commotion, flood, windstorm, tempest and water damage, burglary and theft on building, equipment and stock of PT Daxen located in Gedung Indra Sentral, Cempaka Putih, Unit M-Q, A-D, Jalan Letjen. Suprpto, No. 60, Jakarta 10520.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

10. LETTERS OF CONSENT

The written consents of the Adviser, Lead Manager and Managing Underwriter, Underwriter, Principal Bankers, Solicitors, Registrar, Auditors and Reporting Accountants, Company Secretary, Market Research Company and the Issuing House to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report, letters relating to the consolidated profit forecast of the DXN Group for the financial year ending 29 February 2004 and the proforma consolidated balance sheets of DXN as at 28 February 2003 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours for a period of 12 months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of DXN;
- (ii) The Accountants' Report and Directors' Report as included in Sections X and XII of this Prospectus respectively;
- (iii) The Reporting Accountants' letter on the consolidated profit forecast of the DXN Group for the financial year ending 29 February 2004 referred to in Section IX(3) of this Prospectus;
- (iv) The Reporting Accountants' letter on the proforma consolidated balance sheets of DXN as at 28 February 2003 referred to in Section IX(8) of this Prospectus;
- (v) The audited financial statements of DXN for the past 5 financial years ended 28 February 2003;
- (vi) The audited financial statements of DMSB for the past 5 financial years ended 28 February 2003;
- (vii) The audited financial statements of DISB for the 5 financial years ended 28 February 2003;
- (viii) The audited financial statements of DXN Pharma for the 5 financial years ended 28 February 2003;
- (ix) The audited financial statements of DXN Plantation for past 5 financial years ended 28 February 2003;
- (x) The audited financial statements of DPSB for the 5 financial years ended 28 February 2003;
- (xi) The audited financial statements of DKSB for the financial period from 17 September 1998 (date of incorporation) to 28 February 1999 and the 4 financial years ended 28 February 2003;
- (xii) The audited financial statements of DIH for the financial period from 11 April 2002 (date of incorporation) to 28 February 2003;

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- (xiii) The audited financial statements of DIPL for the financial period from 8 March 1999 (date of incorporation) to 29 February 2000 and the 3 financial years ended 28 February 2003;
- (xiv) The audited financial statements of Daxen for financial period from 4 October 2001 (date of incorporation) to 28 February 2002 and the financial year ended 28 February 2003;
- (xv) The audited financial statements of DXN Herbal for the financial period from 30 July 2001 (date of incorporation) to 28 February 2002 and the financial year ended 28 February 2003;
- (xvi) The audited financial statements of DXN Mexico for the financial period from 1 November 2002 (date of incorporation) to 28 February 2003;
- (xvii) The audited financial statements of DXN Singapore for the financial period from 5 March 1997 (date of incorporation) to 30 April 1998, the financial period from 1 May 1998 to 28 February 1999 and the 4 financial years ended 28 February 2003;
- (xviii) The management accounts of PT Daxen for the financial period from 5 August 1998 (date of incorporation) to 31 December 1998 and the 2 financial years ended 31 December 2000 and the audited financial statements of PT Daxen for the financial year ended 31 December 2001 and the financial period from 1 January 2002 to 28 February 2002 and the financial year ended 28 February 2003;
- (xix) The audited financial statements of DXN HK for the financial period from 17 October 1997 (date of incorporation) to 28 February 1999 and the 4 financial years ended 28 February 2003;
- (xx) The audited financial statements of DXN Cyprus for the financial period from 31 December 2001 (date of incorporation) to 28 February 2003;
- (xxi) The audited financial statements of DXN UK for the financial period from 5 June 2002 (date of incorporation) to 28 February 2003;
- (xxii) The audited financial statements of DXN SA for the financial period from 22 February 2002 (date of incorporation) to 28 February 2003;
- (xxiii) The audited financial statements of DXN Thailand for the financial period from 25 June 1998 (date of incorporation) to 28 February 1999 and the 4 financial years ended 28 February 2003;
- (xxiv) The material contracts referred to in Section XIII(8) of this Prospectus;
- (xxv) The material agreements referred to in Section XIII(9) of this Prospectus; and
- (xxvi) The consent letters referred to in Section XIII(10) of this Prospectus.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

12. RESPONSIBILITY

CIMB 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 the DXN Group and is satisfied that profit forecast of the DXN Group for the financial year ending 29 February 2004, for which the Directors of DXN are solely 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.

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.

[The remainder of this page is intentionally left blank]