Annual Report 2009

DKSH Holdings (Malaysia) Berhad

Think Asia. Think DKSH.

Contents

Notice of annual general meeting

Notice is hereby given that the Eighteenth Annual General Meeting of the Company will be held at the Conference Room, Ground Floor, 74 Jalan University, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, June 17, 2010 at 10.00 a.m. for the purpose of transacting the following business:

Agenda

As ordinary business

1. To receive and adopt the audited financial statements for the year ended December 31, 2009 and the reports of the directors and auditors thereon. **Resolution 1**

2. To approve the payment of a final gross dividend of 1.8 sen per ordinary share less 25% income tax and a final single tier dividend of 1.65 sen per ordinary share for the year ended December 31, 2009.
Resolution 2

3. To approve the payment of directors' fees of RM150,000 for the year ended December 31, 2009.
Resolution 3

4. To re-elect Michael Lim Hee Kiang who retires pursuant to Article 99 of the Company's Articles of Association.
Resolution 4

5. To re-elect Thon Lek who retires pursuant to Article 99 of the Company's Articles of Association.
Resolution 5

6. To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorize the directors to fix their remuneration.
Resolution 6

As special business

7. To consider and, if thought fit, to pass the following resolution:

   Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Shareholders' Mandate)

   "That, pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), the Company and/or its subsidiaries (the Group) be and are hereby authorized to enter into any of the recurrent transactions of a revenue or trading nature as set out in 2.4 of the Circular to Shareholders dated May 26, 2010 with the related parties mentioned therein which are necessary for the Group's day-to-day operations, subject further to the following:

   (a) the transactions are in the ordinary course of business and at arm's length basis on normal commercial terms which are consistent with the Group's normal business practices and policies and on terms not more favorable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company; and

   (b) disclosure of the aggregate value of the recurrent related party transactions conducted during the financial year will be disclosed in the Annual Report for the said financial year,

And that such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company ("AGM") at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier,

And that the Directors of the Company and/or any of them be and are hereby authorized to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give full ef-

fect to the aforesaid shareholders' mandate."
Resolution 7

8. To transact any other business of an Annual General Meeting for which due notice shall have been given.

By Order of the Board

Andre' Chai P'o-Lieng, ACIS
Company Secretary
(MAICSA 7062103)

Petaling Jaya
May 26, 2010

Notes

(a) Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy need not be a member of the Company.

(b) The Proxy Form must be signed by the appointer or his attorney duly authorized in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized. In the case of joint holdings, the signature of the first named holder is sufficient.

(c) If the Proxy Form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.

(d) If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.

(e) The original Proxy Form must be deposited at the Registered Office of the Company, 74 Jalan University, 46200 Petaling Jaya not less than forty-eight (48) hours before the time of holding the Meeting or any adjournment thereof.

Explanatory notes on special business

Ordinary Resolution 7
Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 7, if passed, will allow the Group to enter into the recurrent related party transactions in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek Shareholders' approval as and when such recurrent related party transactions occur, would not arise. This would reduce substantial administrative time, inconvenience, and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The Shareholders' mandate is subject to renewal on an annual basis.

Operating structure

DKSH Holdings (Malaysia) Berhad

100%	DKSH Malaysia Sdn Bhd
100%	Harpers Trading (Malaysia) Sdn Bhd
100%	DKSH Marketing Services Sdn Bhd
100%	DKSH Logistics Services Sdn Bhd
100%	Diethelm Central Services Sdn Bhd
100%	Diethelm Chemicals Malaysia Sdn Bhd
100%	The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn Bhd
51%	DKSH Transport Agencies (M) Sdn Bhd
100%	Texchem Consumers Sdn Bhd
100%	DKSH (B) Sdn Bhd (formerly known as Harpers Trading (B) Sdn Bhd)
100%	Macro Consolidators (M) Sdn Bhd

Directors' profile

Michael Lim Hee Kiang
Independent non-executive Chairman, member of the Audit Committee

Mr. Michael Lim Hee Kiang, aged 62, a Malaysian, is an independent non-executive Director and Chairman of DKSH Holdings (Malaysia) Berhad. He was appointed as Director of the Company on December 24, 1991 and as Chairman of the Board on January 1, 1999. He continued to serve as a member of the Audit Committee after he has relinquished his position as Chairman of the Audit Committee on December 10, 2004.

Mr. Michael Lim, an advocate and solicitor, was a Partner of Messrs Shearn Delamore & Co. for 30 years, and subsequently consultant before he retired from the firm. He graduated with a Bachelor of Laws (Hons.) degree in 1972 and obtained a Master of Laws degree with distinction from the Victoria University of Wellington, New Zealand in 1973. On returning to Malaysia in 1974, he was admitted to the High Court of Borneo and subsequently to the High Court of Malaya in 1978. Mr. Michael Lim was formerly a lecturer at the Law Faculty, University of Malaya for three years from 1975 to 1977. Mr. Michael Lim attended all the four Board meetings of the Company held in the financial year ended December 31, 2009. He also sits on the boards of Selangor Properties Berhad, Major Team Holdings Berhad, and Wawasan TKH Holdings Berhad. Mr. Michael Lim does not have any family relationship with any director and/or major shareholder of DKSH Holdings (Malaysia) Berhad, nor any personal interest in any business arrangement involving the Company with the exception that he was a consultant of the Company's principal solicitors, Messrs Shearn Delamore & Co. He has had no convictions for any offences within the past 10 years.

James Armand Menezes
Independent non-executive Director, Chairman of the Audit Committee

Mr. James Armand Menezes, aged 64, a Malaysian, was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on July 19, 2004. He was subsequently appointed as the Chairman of the Audit Committee on December 10, 2004.

Mr. Menezes, a qualified Certified Public Accountant (CPA) and Chartered Accountant, spent 25 years with Ernst & Young of which he was a partner for 13 years. He was the Managing Partner of the Kuala Lumpur office of Ernst & Whinney (now known as Ernst & Young) for five years before he retired from the firm on June 30, 1990. He was also a partner of Ernst & Young, Hong Kong, Singapore, Brunei, and Indonesia. Mr. Menezes represented those offices in Ernst & Young's international Technical Committee for five years and was also the Chairman of the Far East Technical & Training Committee. During his term of office there, he undertook quality control assignments at Ernst & Young's offices in other parts of the world. On his retirement from Ernst & Young in 1990, he set up a company under the name of JA Menezes & Associates Sdn Bhd. This Company was dissolved in 2001 when he fully retired from practice. During the 10 years from 1990 to 2000, Mr. Menezes held board positions in private and public listed companies in the United Kingdom, Australia, Singapore, Hong Kong, and Malaysia. He is presently a Director of Sphere Corporation Sdn Bhd and is an active council member and Chairman, on a voluntary basis, of Hospis Malaysia, a non-governmental organization limited by guarantee. Mr. Menezes attended all the four Board meetings of the Company held in the financial year ended December 31, 2009. He does not have any family relationship with any director and/or major shareholder of DKSH Holdings (Malaysia) Berhad, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Datuk Haji Abdul Aziz bin Ismail
Non-independent non-executive Director, member of the Audit Committee

Datuk Haji Abdul Aziz bin Ismail, aged 57, a Malaysian, is a non-independent non-executive Director and a member of the Audit Committee of DKSH Holdings (Malaysia) Berhad. He was appointed to the Board and Audit Committee of the Company on July 19, 2007.

Datuk Haji Abdul Aziz is the Deputy Chief Executive of Lembaga Tabung Angkatan Tentera (LTAT), a post he assumed since January 8, 2001. He graduated from Eastern Illinois University, United States of America, with a Master of Business Administration. He also holds an Advanced Diploma in Information Systems from the

Canberra University Australia. In 1993, he attended the Advanced Management Program at Wharton University of Pennsylvania, United States of America, and participated in the INSEAD Advanced Management Program at Fontainebleau, France, in July 2005. During his initial years with LTAT, he was the Assistant Chief Executive of LTAT heading the Administration and Finance Division. Datuk Haji Abdul Aziz was appointed as the General Manager of Ex-Servicemen Affairs Corporation (PERHEBAT), a subsidiary corporation of LTAT from January 1995 to December 2000. Prior to joining LTAT, he was attached to the Auditor-General's office of Malaysia from 1977 to May 1985. His last position was that of a Senior Auditor. He has more than 20 years of experience in general finance and management. He sits on the Board of Boustead Al-Hadharah Reits and various subsidiaries of LTAT Group. Datuk Haji Abdul Aziz attended all the four Board meetings of the Company held in the financial year ended December 31, 2009. He does not have any family relationship with any director and/or major shareholder of DKSH Holdings (Malaysia) Berhad, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Thon Lek
Independent non-executive Director

Mr. Thon Lek, aged 62, a Malaysian, is an independent non-executive Director of DKSH Holdings (Malaysia) Berhad. He was appointed to the Board of the Company on January 3, 2002.

Mr. Thon holds a Bachelor of Economics degree majoring in Applied Economics from the University of Malaya. He started his career with Harpers Trading (Malaysia) Sdn Bhd in 1971, holding various managerial positions until he was appointed as Managing Director in 1995. In 1999, Mr. Thon was appointed as Chief Operating Officer, Consumer Product Operations of DKSH Holdings (Malaysia) Berhad where he oversaw all consumer product operations of DKSH Malaysia Sdn Bhd and Harpers Trading (Malaysia) Sdn Bhd. He retired from this position in the middle of 2004 and remained on the Board as Executive Director to handle a number of special projects for the Company until December 31, 2005. Mr. Thon attended all the four Board Meetings of the Company held in the financial year ended December 31, 2009. Mr. Thon does not have any family relationship with any director and/or major shareholder of DKSH Holdings (Malaysia) Berhad, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Alexander Stuart Davy
Non-independent non-executive Director

Mr. Alexander Stuart Davy, aged 52, a United Kingdom national, is a non-independent non-executive Director of DKSH Holdings (Malaysia) Berhad. He was appointed to the Board of the Company on January 28, 2008.

Mr. Davy graduated from the University of Bristol with a Bachelor of Science degree in Economics in 1978. He is a member of the Institute of Chartered Accountants (ACA) in United Kingdom with 30 years of experience in the finance field. After qualifying in the UK, he worked for Price Waterhouse in the United States of America and Hong Kong. He subsequently joined First Pacific Group for eight years; initially at its corporate office in Hong Kong for the first three years before he transferred to Berli Jucker, a listed company on the Stock Exchange of Thailand and served as its Chief Financial Officer for next five years. Mr. Davy joined the DKSH Group twelve years ago, with the first seven years as the Group Chief Financial Officer of Diethelm Thailand, the Group's largest operation and the last five years as the Group Chief Financial Officer based in the corporate office in Zurich. He was relocated to the DKSH Group Financial Center in Singapore in mid 2008. Mr. Davy attended three out of four Board meetings of the Company held in financial year ended December 31, 2009. Mr. Davy does not have any family relationship with any director and/or major shareholder of DKSH Holdings (Malaysia) Berhad, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Niels Johan Holm
Non-independent non-executive Director

Mr. Niels Johan Holm, aged 55, a Dane, was appointed as the Group Managing

Director of the Company on January 6, 2003. He continued to serve as a member of the Board after he has relinquished his position as the Group Managing Director on September 1, 2008. He was a member of the Audit Committee from June 12, 2003 to July 19, 2004.

Mr. Holm is a graduate from EAC/Copenhagen Business School majoring in Economics. He joined the Diethelm Group in March 1997 in Thailand and commands more than 30 years experience in distribution and logistics business in Hong Kong, Malaysia, Taiwan, Singapore, and Thailand. Mr. Holm attended all the four Board meetings of the Company held in the financial year ended December 31, 2009. He also sits on the boards of the various subsidiaries of DKSH Holdings (Malaysia) Berhad. He does not have any family relationship with any director and/or major shareholder of DKSH Holdings (Malaysia) Berhad, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

André Eugen Hägi
Group Finance Director

Mr. André Eugen Hägi, aged 61, a Swiss, was appointed as the Group Finance Director of the Company on November 12, 1997.

Mr. Hägi is a Swiss certified financial controller and obtained a post-graduate degree in Master of Business Administration from Brunel University of London. From 1981 to 1996, he worked with Ciba-Geigy of Switzerland as Head of Finance and Administration of their companies in Iran, Singapore, Turkey, as well as of Ciba Agro International Ltd in Switzerland. From 1996 to 1997 he was with the Swiss watch group SMH before joining DKSH Holdings (Malaysia) Berhad in November 1997. Mr. Hägi attended all the four Board meetings of the Company held in the financial year ended December 31, 2009 and he also sits on the boards of the various subsidiaries of DKSH Holdings (Malaysia) Berhad. Mr. Hägi does not have any family relationship with any director and/or major shareholder of DKSH Holdings (Malaysia) Berhad, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Chairman's report to the shareholders

On behalf of the board of directors, I would like to present to you the Annual Report and the audited accounts for the Company and the Group for the financial year ended December 31, 2009.

Review of results

DKSH Holdings (Malaysia) Berhad (the Group) is pleased to report much improved results for 2009. After three years of declining profits, 2009 showed a strong turn-around despite unfavorable economic conditions. The principal drivers for the better performance were a new orientation for the fast moving consumer goods business involving extensive cost cuts and a sizeable reduction of working capital.

These improvements were the result of the new management's determination to go for deep-rooted changes with the goal to re-affirm DKSH Holdings (Malaysia) Berhad as the premier Market Expansion Services company in Malaysia.

In 2009, the Group faced an uphill struggle, primarily because of three factors: the unfavorable economic conditions, the departure of a sizeable number of consumer suppliers in 2008 and early 2009, and a high staff turnover in some restructured businesses. The first two factors worked together to affect sales and contribution. However, although 2009 cumulative sales remain slightly behind 2008, the actual reduction was in low-margin businesses while the retained supplier portfolio performed very well indeed. The high staff turnover problem was addressed by the new management devoting considerable time and resources to changing the culture and attitudes of staff through meetings and training. This had the positive effect of staff transforming from passive spectators to active participants.

Cumulative sales in 2009 reached RM 3,560 million, a small decline of 1.7% from RM 3,623 million in 2008 but with an improvement in the margin overall due to better sales of higher margin products.

The full year profit before tax reached RM 31.1 million, the best result ever achieved by the Group since its going public in 1994. This represented an increase of RM 21.4 million over the RM 9.7 million in 2008. The Group performed much better throughout the year and the last quarter boosted profits because of strong business performance and the write-back of excess provisions made throughout 2009. It is worthwhile noting that the profit before tax is only 0.9% of sales but this should be seen in the context of the business model of the Group which sells supplier products at pre-determined prices with a fixed commission on the range of services required. These commissions are under constant pressure and the Group has to match them with productivity gains.

The Group significantly improved its balance sheet in 2009. Inventories were reduced from RM 344 million at the end of 2008 to RM 250 million at the end of 2009, a reduction of RM 94 million. At the same time, receivables came down from RM 603 million to now RM 553 million. These measures reduced the Group's borrowing costs by over RM 7 million. It is important to note that these balance sheet improvements did not negatively affect the Group's service level.

Earnings per share went up to RM 0.135 in 2009 and the net assets per share attributable to ordinary equity holders from RM 0.9163 to now RM 1.0288. Considering the share-price of the Group, which was RM 0.60 on December 31, 2009, this translates into a P/E ratio of about 4.4.

Trading and logistics segment

The largest segment, trading and logistics, reported cumulative sales in 2009 of RM 3,496 million, a decline of 1.6% over the 2008 sales of RM 3,551 million. The cumulative segmental contribution in 2009 was RM 35.9 million, an improvement of 55.8% over the RM 23 million achieved in 2008.

The two largest units in this segment are the consumer goods and healthcare businesses. Consumer Goods were the particular focus of management attention over the last year and a half and, before that, of a major restructuring project already discussed in various releases. For 2009, a real turn-around was achieved by establishing a new route-to-market, in streamlining processes, improving productivity, cutting cost, and motivating staff. All of these efforts have paid off in 2009, although, it must be stressed that this is only the beginning. In order to have a sustainable improvement in the consumer goods business, new suppliers need to be acquired because cost increases and structural adjustments in the Group's business model require volume growth. The healthcare activities had an excellent year in 2009 with many new suppliers and very few departures. This business primarily provides distribution services because virtually all large pharmaceutical companies have their own sales force and this is reflected in the commission earned.

The trading and logistics segment of DKSH Holdings (Malaysia) Berhad is the leading Market Expansion Services provider in Malaysia. As the term suggests, DKSH provides services to other companies and brands to grow their business in new or existing markets. The range of services offered is import, storage, marketing, sales, and distribution. Today, DKSH represents over 110 small and large, local and multinational brand owners and manufacturers. Some require the full range of services available and others just some of them. A precondition for this kind of business is the ability to place goods in the widest possible number of shops, supermarkets, outlets, pharmacies, and clinics throughout West and East Malaysia. The Group maintains sales outlets in all major towns: Johor Baru, Melaka, Seremban, Ipoh, Penang, Alor Setar, Kota Bharu, Kuantan, Temerloh, Kuching, Sibu, Bintulu, Miri, Labuan, Kota Kinabalu, Sandakan, Lahad Datu, Tawau, and also in Bandar Sri Begawan. Goods in West Malaysia are delivered directly from the two distribution centers in Bukit Kemuning and Petaling Jaya. East Malaysian supplies are still directed from individual warehouses attached to our sales outlets.

In the previous releases, the Group explained how it addressed a number of adverse developments from the previous years:

- Market hygiene: this refers to goods coming back from the trade and being charged to profit and loss. In 2008, the respective expenses were reduced by 33% from 2007, and in 2009, the Group achieved a further reduction of 30% from 2008. The Group pays close attention to this area because the trend can easily be reversed.
- Unrecoverable discounts: these are discounts to the trade paid by the Group and not the suppliers. In 2008, the respective expenses were reduced by 30% from 2007. In 2009, these expenses were virtually eliminated.
- Logistics expenses: primarily the cost of shipping the goods to customers. This expense increased by 7.7% in 2008, mostly caused by fuel price increases in the third quarter. In 2009, the Group reduced expenses by 10.5% over 2008.
- Doubtful debt provisions: this area turned into a real success story because the newly empowered and strengthened credit management, together with the focused sales force, reduced this charge by 78% from 2008.

As previously announced, in September 2008, the Group and an outside consulting Group developed a road-map for turning around the Consumer Goods business. It was considered a prerequisite to clearly determine upfront where the business needs to go because this ensures the required focus and the ability to react fast to deviations. The Group is pleased to note that, so far, the efforts have been successful and a turn-around of the consumer goods business was achieved in 2009. However, the work in this area is continuing as there are ample challenges to maintain this successful trend.

Chemicals segment

2008 had not been a good year for this segment, and, unfortunately, the same was the case in 2009. A tough economic environment and, again, changes in the organization adversely affected the business. Cumulative sales for the full year only reached RM 23 million, 30% below the RM 32.8 million in 2008. Accordingly, the segmental contribution dropped from RM 1.1 million in 2008 to RM 0.9 million in 2009.

This unit is a niche player in the chemicals market supplying chemical specialties and raw materials to Malaysian exporting industries. In addition, animal health products and feed supplements are an important activity.

Negative factors were the slow-down in the automotive industry and in petrochemicals. The lacking critical mass increased pressure on the cost base and this resulted in a lower segmental contribution although the decline was substantially reduced from the previous year.

Food segment

Cumulative sales amounted to RM 40.8 million, an increase of 6% over 2008. The segmental contribution was RM 6.4 million, 30.6% above the previous year.

The principal businesses in this segment is The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn Bhd chain, which progressed well in 2009 and strengthened its leadership position in the freshly baked cookie business with now just over 50 outlets throughout Malaysia.

Dividend

The Group had paid a dividend of 3 sen gross for the last three years and maintained this despite of a declining performance in 2007 and 2008. The 2009 results are on a record level and the board of Directors came to the conclusion to recommend a final gross dividend of 1.8 sen per ordinary share less 25% income tax and a final single tier dividend of 1.65 sen per ordinary share. Together they are equivalent to a gross dividend of 4 sen per ordinary share for the year ended December 31, 2009.

Acknowledgement

The directors appreciate the substantial contributions of management and staff of the DKSH Holdings (Malaysia) Berhad Group in this challenging year. They would like to thank everybody for their hard work and devotion.

Michael Lim Hee Kiang
Chairman

We help suppliers to grow their business.

Outlook

With the global economy gradually recovering, we remain cautiously optimistic for 2010. The Group's performance primarily thrives on trade volumes and private consumption. A growing Malaysian economy, with positive effects on employment income and, most importantly, disposable income, should clearly benefit the Group.

In the trading and logistics segment, the start into 2010 has so far been promising. As in the previous financial year, the main focus will remain on further strengthening the organization as well as the route-to-market commensurate with the Group's ambition to be the No.1 Market Expansion Services provider. The striving for further enhancements in the service offerings should be supportive in attracting new business, which, in combination with careful cost as well as balance sheet management, should lead to further improvements in the Group's financial performance.

In the chemicals segment, difficult economic conditions are expected to continue in those areas that affected the business negatively in 2009, whilst in the food segment a stable consumer demand for the Group's products is expected.

Overall, management and staff are committed to meet the challenges of 2010 and to strive for further improvements in the Group's financial performance.

André Eugen Hägi
Group Finance Director

Corporate information

Board of Directors	
Michael Lim Hee Kiang	Independent non-executive Chairman
James Armand Menezes	Independent non-executive Director
Datuk Haji Abdul Aziz bin Ismail	Non-independent non-executive Director
Thon Lek	Independent non-executive Director
Alexander Stuart Davy	Non-independent non-executive Director
Niels Johan Holm	Non-independent non-executive Director
André Eugen Hägi	Group Finance Director

Company secretary	
Andre' Chai P'o-Lieng, ACIS	MAICSA 7062103

Registered address	
74 Jalan University, 46200 Petaling Jaya, Selangor Darul Ehsan	Phone: +60 3 7966 0288 Fax: +60 3 7957 0829

Auditors	
PricewaterhouseCoopers	Chartered Accountants

Principal bankers	
Malayan Banking Berhad	
Deutsche Bank (Malaysia) Berhad	
Standard Chartered Bank Malaysia Berhad	
RHB Bank Berhad	
Affin Bank Berhad	
Public Bank Berhad	

Solicitors	
Shearn Delamore & Co	

Audit committee	
James Armand Menezes	Chairman of the Audit Committee
Michael Lim Hee Kiang	Member
Datuk Haji Abdul Aziz bin Ismail	Member

Share registrar	
Tricor Investor Services Sdn Bhd (118401-V) (formerly known as Tenaga Koperat Sdn Bhd)	Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur Phone: +60 3 2264 3883 Fax: +60 3 2282 1886 Email: is.enquiry@my.tricorglobal.com

Stock exchange listing	
Bursa Malaysia Securities Berhad - Main Board	Stock Code: 5908 Trustee Share Status

Corporate profile

History
DKSH Holdings (Malaysia) Berhad (formerly known as Diethelm Holdings (Malaysia) Berhad) was incorporated on December 24, 1991. On March 1, 1994, the Company became a public company and was listed on the Main Board of the Stock Exchange in Kuala Lumpur on December 13, 1994. Lembaga Tabung Angkatan Tentera (LTAT) has been the Company's Bumiputera partner since 1992 and remains a substantial shareholder of the Company with just under 15% of the shares.

International
DKSH Holdings (Malaysia) Berhad is majority-owned by the DKSH Group of Switzerland. DKSH is the No.1 Market Expansion Services Group with a focus on Asia, helping clients and customers to grow their businesses in new or exist-

Our main office in Petaling Jaya.

ing markets. DKSH is a Swiss company with headquarters in Zurich and over 140 years of company history in Asia. With 560 business locations in 35 countries – 20 of them in Europe and the Americas – and 21,000 specialized staff DKSH offers any combination of sourcing, marketing, sales, distribution, and after-sales services. The Company provides its partners with sound expertise and on-the-ground logistics based on a comprehensive network of unique size and depth. Business activities are organized into four highly specialized Business Units that mirror its fields of expertise: Consumer Goods, Healthcare, Performance Materials, and Technology. Ranked by sales and number of employees, DKSH is one of Switzerland's top 20 companies.

We are dynamic and proactive in finding tailor-made solutions for our business partners.

Business segments

Trading and logistics segment

The largest segment of the Group has its focus on providing distribution services to more than 110 international and Malaysian manufacturers and suppliers of consumer goods and healthcare products. Among the Group's largest agencies are (alphabetically) Abbott, Boehringer Ingelheim, Boh Tea, Brand's, Darlie, Ferrero, Fumakilla, Hoe Pharma, Indocafe, Maestro Swiss, Mars, Maxis, Novo Nordisk, Quaker, Roche, Sanofi-Aventis, Unicharm, and Wyeth. This segment has its own registered trademark "Morgan" in Malaysia and Singapore under class 7, 9, and 11 to market small home appliances.

The Group's key strength is market-access through a comprehensive network of 14 branches and four sales offices in key towns of West and East Malaysia and Brunei as well as through a live web-based "Manage Sales" system monitoring and tracking the lower trade retailers. Local sales and distribution teams ensure that products in care of the Group are widely available in hyper- and supermarkets, shops, kiosks, medical halls, pharmacies, and hospitals throughout the whole country. Branches are linked to the Head Office in Petaling Jaya by means of a nationwide dedicated network and orders are either processed in call centres or, in many cases, directly by sales personnel through pocket computers while they are with customers.

DKSH Holdings (Malaysia) Berhad operates two main distribution centres for its West Malaysian customers: Consumer goods are supplied from Bukit Kemuning near Klang where the Group has a capacity of 56,000 pallet storage slots for handling ambient, air-conditioned, chilled, and even frozen products. Healthcare products are delivered from a logistics center at Jalan University in Petaling Jaya, which is ISO 9001:2000 certified from SGS UK. In East Malaysia, all of the seven branches, as well as Brunei, have their own consumer goods warehouses, while Kuching and Kota Kinabalu also stock pharmaceutical products to ensure the fastest possible delivery of vital drugs.

DKSH Transport Agencies (M) Sdn Bhd is the forwarding agent of the Group, which also handles considerable third party business. DKSH Transport Agencies (M) Sdn Bhd, with independent offices located in major ports of Port Klang, Pasir Gudang, Port of Tanjung Pelepas, and Prai, offers a wide range of services which include a complete line of forwarding and customs clearance, freight forwarding, vessels clearance and husbanding, container haulage and conventional trucking service, as well as cargo consolidation service from Port Klang to all ports in East Malaysia. It is an authorized customer and brokerage agent approved by the Royal Malaysian Customs at all major clearance points in Malaysia.

Chemicals segment

This business segment markets, sells, and distributes chemicals raw materials, life sciences products, specialty chemicals, industrial supplies, and polymers. It represents agencies from the USA, United Kingdom, France, Japan, Taiwan, Korea, Thailand, as well as Malaysia. It serves a wide range of industrial customers, such as manufacturers of paint and ink, vinyl, rubber gloves, toiletries, pharmaceuticals, health food, herbal extracts, food packaging, automotive and auto parts as well as printers, plastic molders, and compounders. Apart from industrial supplies, the other principal activity is geared towards the animal care industry, where customers are mainly poultry and animal farmers, as well as feed millers. Experienced industry experts are on call to promote brand-owner products and to professionally service manufacturers. An efficient logistics and order processing system supports the marketing and sales team.

Food segment

The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn Bhd currently operates 52 outlets in West and East Malaysia and sells chocolate chip cookies as well as muffins, drinks, ice cream, and an extensive range of confectionery items. The chain is constantly expanding and has outlets at Kuala Lumpur International Airport and the airports of Johor Baru, Kuching, Miri, and Kota Kinabalu.

The food ingredients unit caters to manufacturers of beverage, confectionery and biscuits, as well as to fast food establishments. A dedicated team provides customers with expert advice and technical training.

Support services

Management services

The Group operates a small unit for services, which are more efficiently provided by one central organization instead of being duplicated in each entity. These comprise Information Technology, Finance & Administration, Internal Audit, and Corporate Support.

Since May 1, 2006, the Group's ERP system is hosted and maintained at the DKSH Corporate Shared Services Center in Technology Park Malaysia on the outskirts of Kuala Lumpur. This unit is directly owned by the majority shareholder of DKSH Holdings (Malaysia) Berhad, the international DKSH Group, and is also the IT service provider for all country operations of DKSH. At the same time, Lotus Notes, other peripheral IT solutions, and Business Process Engineering were also taken over by them. The benefit to the DKSH Holdings (Malaysia) Berhad in obtaining IT services from such a multi-country service provider are economies of scale, technological excellence, state-of-the-art know-how, 24/7 support, and considerably cheaper charges than in an own SAP 4.7 infrastructure.

The remaining Malaysian IT organization has been greatly reduced and now exclusively focuses on business solutions, PC support, networks, and IT projects.

Finance & Administration comprises Group Control, Group Treasury, Taxation, as well as service units for property management and purchasing.

Loading area in our warehouse in Bukit Kemuning.

Sales representative at work.

In our Healthcare warehouse.

Corporate governance statement

The Board of Directors requires high standards of corporate governance throughout DKSH Holdings (Malaysia) Berhad. It monitors the comprehensive application of all Principles in Part 1 of the revised 'Malaysian Code on Corporate Governance (revised 2007)' and compliance with best practices recommended in Part 2 of the same Code. For 2009, the Board reports the following status:

Part 1 – Principles of Corporate Governance

A Directors

The Board consists of seven directors. Three are independent non-executive, three are non-independent non-executive and one is an executive director. (See also Part 2, sections VI and XII).

The Board receives comprehensive information to allow a thorough assessment of the Company's performance and of the four quarterly releases to shareholders.

Appointments to the Board are discussed and subject to board members' approval. All directors submit themselves for re-election every two to three years (see also Part 2, section VIII)

B Directors' remuneration

The Board had participated in the Annual Survey 2007 of Malaysian Directors' Remuneration to ensure that compensation for non-executive directors is in line with best practices. The compensation of executive directors is set according to the international standards prepared by the majority shareholder, the DKSH Group of Switzerland. Director remuneration is disclosed in this Annual Report (see also Part 2, section XXIV).

C Shareholders

The Company welcomes the visit of institutional shareholders for discussions on performance and plans. The Group Finance Director is available for such meetings. The Annual General Meeting is the principal means of communication with private investors.

D Accountability and audit

The Board is determined to present a balanced and understandable assessment of the Company's business and expectations and, as outlined under 'Internal Controls', it monitors their comprehensive application. The independent board members regularly meet with the auditors, both alone and together with the executive management.

I Financial reporting:
The Board is responsible for ensuring that the financial statements of the Company give a true and fair view of the state of the affairs of the Company and of the Group as at December 31, 2009. The Board discusses and approves quarterly and annual assessments of the Group's position and prospects, which are released to Bursa Malaysia in a timely manner.

II Internal controls:
Please see the detailed Internal Control Statement on page 20.

III Relationship with the auditors:
The Audit Committee reviews and discusses the annual findings with the external auditors, PricewaterhouseCoopers. In doing so, the Company has a transparent procedure with the auditors to meet the auditors' professional requirements. From time to time, the auditors highlight to the Audit Committee matters, which require the Board's attention.

Part 2 - Best practices in Corporate Governance

I Principal responsibilities of the Board

As in previous years, the Board has not covered two of the six identified principal responsibilities. The Board is of the opinion that no action is required in these two areas because of the following reasons:

- 'Succession planning': The Company is majority-owned by the international DKSH Group, which practices a world-wide management development program covering succession planning.
- 'Investor relations': The Board issues the quarterly releases to Bursa Malaysia Securities Berhad (Bursa Malaysia) as the principal information to shareholders and welcomes Institutional investors for a dialogue.

II Chairman

The Chairman is an independent non-executive director.

III Board balance
The Board complies with the requirement to have at least one third independent directors. All members have a solid professional background.

IV Size of non-executive participation
The Board is of the opinion that its current composition is reasonably representative of the investments in the Company.

V Largest shareholder is a majority shareholder
The largest shareholder holds the majority of the shares.

VI Independent directors
With effect from 2008, the number of independent directors increased to 43% of the Board, i.e. three out of seven directors are independent. The largest shareholder has three and the second largest shareholder has one director (see also Part 1, section A).

VII Ombudsman
Shareholders can address concerns to the independent non-executive Chairman.

VIII Appointments to the Board
The Board is responsible for the appointment of directors and evaluates each nomination. The Board is of the opinion that its small size does not require a separate nomination committee and that its broad experience allows effective assessments (see also Part 1, section A).

IX Quality and effectiveness of the Board
The Company has an experienced Board with each director having more than 20 years of relevant experience and knowledge required to successfully manage, direct, and supervise the Company's business activities.

X Annual assessment
The Board has not conducted an annual assessment of the effectiveness of the board as a whole, of its Audit Committee, and of its individual directors. This is a new requirement established in 2007. The Board had stated that it would conduct such an exercise in 2009, however, this was not possible because of time constraints. The Board will initiate the necessary steps to comply in 2010.

XI Services of the company secretary
Directors have unrestricted access to the company secretary at all times.

XII Size of Boards
In early 2008, the size of the Board was increased to seven members. The Board is regularly assessing its size and composition.

XIII Directors' training
For the year under review, all Directors attended training sessions and these included risk action planning, leadership programs, finance, non-executive director development, corporate governance and enhancing corporate governance. The Board will evaluate and determine the training needs of the Directors on a continuous basis in an effort to fulfil the Continuing Education Program (CEP) as prescribed by the Main Market Listing Requirements of Bursa Malaysia.

XIV Board structures and procedures
The Board and its members met as follows in 2009:

Board structures and procedures

Directors	Status	Board Meetings attended	%
Michael Lim Hee Kiang	Chairman of the Board, independent non-executive	4 of 4	100
James Armand Menezes	Chairman of the Audit Committee, independent non-executive	4 of 4	100
Thon Lek	Independent non-executive	4 of 4	100
Datuk Haji Abdul Aziz bin Ismail	Non-independent non-executive	4 of 4	100
Alexander Stuart Davy	Non-independent non-executive	3 of 4	75
Niels Johan Holm	Non-independent non-executive	4 of 4	100
André Eugen Hägi	Executive, Group Finance Director	4 of 4	100

XV Board prerogatives
The formal schedule of matters specifically reserved for the Board's decision is forwarded to its members prior to all meetings.

XVI Relationship of the Board to management
The Company has formal Limits of Authority for the management. The Board approves the annual budgets, including capital expenditure, of the Company.

XVII Quality of information
The Board receives comprehensive historical, planning and market information to arrive at its conclusions.

XVIII Agenda for Board meetings
The Chairman of the Board, the Chairman of the Audit Committee, and the Group Finance Director jointly organize the information required for the Board to deal with the agenda.

XIX Access to information
There are no restrictions on Company information for directors.

XX Access to advice
There are no restrictions for directors to obtain independent professional advice at the Company's expense in furtherance of their duties.

XXI Access to the company secretary
All directors have access to the advice and services of the company secretary.

XXII Quality of company secretary
The Company appointed a new company secretary because the previous holder of this position retired on March 31, 2010. The new company secretary, who is also the legal manager, has fully qualified for this new additional position.

XXIII Use of Board committees
The Board established the Audit Committee in 1994. Its terms of reference and report for 2009 are on pages 21 and 22.

XXIV Remuneration committees
The Board is of the opinion that a remuneration committee is not required because the Company is majority-owned by the international DKSH Group of Switzerland, which has its own world-wide remuneration policy for executive directors (see also Part 1, section B).
The Board proposed the fees payable to non-executive directors based on the results of the Malaysian Board Remuneration Survey. These fees are approved each year by the shareholders at the annual general meeting. During the financial year ended December 31, 2009, the remuneration of non executive and executive directors is indicated in the table below:

Other information

Sanctions and/or penalties imposed
There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

Non-audit fees
During the year under review, non-audit fees paid to the external auditors of the Company amounted to approximately RM 103,090.

Depository receipt programme
During the year under review, the Company did not sponsor any Depository Receipt Programme.

Share buy-back
During the year under review, the Company did not have any share buy-back exercise.

Options, warrants, or convertible securities
During the year under review, the Company did not have any exercise on options, warrants, or convertible securities.

Amount - RM	Executive Directors	Non-Executive Directors
50,000 and below		6
800,000 to 850,000	1	

Variation in results
On March 9, 2010, the Company announced to Bursa Malaysia that a variation of RM 3,171,000, equivalent to 11.4 % of the profit before tax of the consolidated income statement for the period ended December 31, 2009 was due to the original estimate of provisioning of staff payments being substantantially in excess of what was actually required when the payment was made in February 2010.

Profit guarantees
The Company does not have any profit guarantees.

Material contracts
The directors are not aware of any material contracts between the Company and its directors and shareholders.

Recurrent Related Party Transactions of a Revenue or Trading Nature (RRPT)
At the Annual General Meeting of June 18, 2009, the shareholders of DKSH Holdings (Malaysia) Berhad granted approval for the Company to enter into recurrent related party transactions with DKSH Corporate Shared Services Center Sdn Bhd ("CSSC") for the provision of information technology and consulting services and for the Company to enter into recurrent related party transaction with DKSH Smollan Field Marketing (Malaysia) Sdn Bhd (formerly known as DKSH Field Marketing Sdn Bhd) for the provision of merchandising services for DKSH products at outlets selected by DKSH Malaysia Sdn Bhd. The mandate will expire on June 17, 2010 when the Company holds its Annual General Meeting.

The details of the RRPT entered into during the financial year 2009 pursuant to the shareholders' mandate are indicated in the table below.

Employees' Share Option Scheme (ESOS)
During the year under review, the Company did not have any Employees' Share Option Scheme.

Corporate Social Responsibility (CSR)
The Company established an in-house clinic which commenced operations on June 18, 2008. It is conveniently located in its head office in Petaling Jaya and caters to all the employees of the Group in the Klang Valley, including visiting employees from the branches. This in-house clinic, aimed at saving employees' travelling time and costs, is well patronized by the staff.

During the year under review, the Company continued for the third year with its "DKSH Management Trainee Program". This development program has an objective to attract and groom fresh Malaysian graduates into future managers for the DKSH Group. The trainees from this program will be included in the succession plan with career opportunities to be promoted to managerial positions based on technical competencies and career opportunities within the Group.

Nature of transactions	Party transacting with DKSH Holdings (Malaysia) Berhad	Transacted value (RM'000)	Relationship of interested related party
Cost			
Provision of information technology and consulting services	DKSH Corporate Shared Services Center Sdn Bhd ("CSSC")	9,693	CSSC is a wholly-owned subsidiary of DKSH Holding Ltd
Provision of merchandising services for DKSH products at outlets selected by DKSH Malaysia Sdn Bhd	DKSH Smollan Field Marketing (Malaysia) Sdn Bhd (formerly known as DKSH Field Marketing Services Sdn Bhd) ("DKSH Smollan")	6,423	DKSH Smollan is a subsidiary of DKSH Holding Ltd
Revenue			
Provision of payroll services by DKSH Group	CSSC	116	CSSC is a wholly-owned subsidiary of DKSH Holding Ltd
Provision of payroll services by DKSH Group	DKSH Smollan	112	DKSH Smollan is a subsidiary of DKSH Holding Ltd

Internal control statement

Introduction

The Board considers internal controls an essential requirement for the operation of every company of the Group. Internal controls are an on-going process to ensure that the assets of the Group are well managed and protected.

Responsibility

The Board confirms that it is responsible for the Group's system of internal controls. However, it should be noted that such systems are geared towards managing and minimizing rather than eliminating risks. Any system can provide only reasonable but not absolute assurances against material misstatement or loss.

The Group has an ongoing process for identifying, evaluating, and managing significant risks throughout the year. The process is regularly reviewed by the Board.

Risk management framework

The Board has established the organizational structure of the Group with clearly defined lines of accountability and transparent limits of authority as part of its risk management framework. Business risk assessments are an integral part of the annual strategic planning cycle.

Key elements of internal controls

- In 2009, the Internal Audit Department reviewed for the second time the comprehensive documentation of internal controls of the principal risk areas in compliance with a requirement of Swiss legislation for Swiss majority-controlled companies both in Switzerland and abroad. This documentation had been prepared in 2007 and this initiative aims at strengthening internal controls, a more reliable financial reporting, better transparency, and a clearer responsibility of management. The underlying documentation is constantly updated and reviewed to reflect the current status of internal controls.
- Transparent and unambiguous limits of authority are available for each managerial position in DKSH Holdings (Malaysia) Berhad.
- The Internal Audit Department, reporting to the Audit Committee of the Board, checks on operational units and branches and conducts ad-hoc investigations of incidents.
- Management receives regular and prompt financial information as well as overviews of their key performance indicators.
- Group Treasury receives and settles all monetary transactions of the Group.
- Controlling units are attached to all operational divisions to ensure that all business decisions properly reflect financial considerations and that the administrative processing is timely and efficient.
- Central credit control units are attached to the main operational units assuring a close follow-up of outstanding receivables.
- The Central Warehouse in Bukit Kemuning has its own integrity and control organization with professional management.
- Except for DKSH Transport Agencies (M) Sdn Bhd and Macro Consolidators (M) Sdn Bhd, all companies and units of the Group apply the same standardized business processes on SAP R/3. The ERP is operated and maintained by the DKSH Corporate Shared Services Center Sdn Bhd in Technology Park, Kuala Lumpur, and a wholly-owned company of the majority shareholder.
- DKSH Holdings (Malaysia) Berhad is part of the DKSH Group. Executive Management from Corporate Center as well as world-wide Heads of Business Units regularly visit Malaysia to obtain current and detailed information on the performance of the businesses.
- On a monthly basis, comprehensive financial reports have to be sent to the Corporate Center, which exercises strict control over financial matters of the Group.
- Corporate Center is closely involved in the annual strategic planning cycle and the target setting as well as in the coordination and supervision of the annual review and the extension of the medium-term business plans.
- In 2009, the Group completed an exercise to overhaul all user access rights with material risks to SAP R/3 and this ensures that authorized personnel can only access tasks relevant for their specific job functions. In the same clean-up exercise, conflicting roles were eliminated thus avoiding that a person can initiate and approve transactions.

Weaknesses in internal controls that result in material losses

In 2009, a number of minor internal control weaknesses were identified. For all of them, follow-up actions were decided and implemented. None of the weaknesses has resulted in material losses, contingencies or uncertainties which would require a mentioning in this Annual Report.

Audit committee report

Size, composition and attendance at meetings

Chairman:	James Armand Menezes	Independent, non-executive Director	(4/4)
Members:	Michael Lim Hee Kiang	Independent, non-executive Director	(4/4)
	Datuk Haji Abdul Aziz bin Ismail	Non-independent, non-executive Director	(4/4)

The Audit Committee consists of three members, two of which are independent non-executive directors and one is a non-independent non-executive director. The Chairman, James Armand Menezes, is a Certified Public Accountant (CPA) and a chartered accountant.

All members have more than 20 years business experience in various management and audit functions and they are financially literate.

Meetings of the Audit Committee are scheduled prior to the full Board meetings. All Board members and the Group Finance Director and the external auditors are invited to attend.

Duties and responsibilities

The Audit Committee of DKSH Holdings (Malaysia) Berhad was established by the Board of Directors in September 1994.

- The Audit Committee of the Company consists of three directors, two of whom are independent.
- The main functions and responsibilities of the Audit Committee are:
  - Assisting to establish an environment in which controls can operate effectively.
  - Overseeing the monitoring of the Group's systems of financial reporting, and internal control to obtain early warning of systems weaknesses.
  - Reviewing the Group's accounting policies and reporting requirements, including budgetary preparation and controls.
  - Reviewing the Group's procedures established to ensure compliance with all statutory and disclosure requirements.
  - Assessing the adequacy of management reporting in relation to quality and timeliness.
  - Recommending the appointment and remuneration of the external auditors and the terms and scope of the audit engagement.
  - Reviewing all reports issued by the internal and external auditors and following up the implementation of recommendations made by them.
  - Reviewing the quarterly interim results and annual financial statements of the Company and the Group before submission to the Board of Directors for approval and to ensure that they are prepared in a timely and accurate manner complying with all accounting and regulatory requirements.
  - Reviewing any related party transactions and conflict of interest situations that may arise within the Company and the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
  - Considering other issues referred to the Committee by the Board of Directors from time to time.

Activities in 2009

During the financial year, the Audit Committee conducted its activities in line with the above described functions and responsibilities, which included:

- Quarterly meetings to review and approve the quarterly results for submission to the Board,
- Review of the results of the interim and the final audit by external auditors,
- Assessment of the effectiveness of the system of internal controls in force,
- Examination of the internal audit reports and the work of the internal auditors, and
- Discussion and approval of the internal annual audit plan for the year.

- The Group's external auditors were present at three Audit Committee meetings in 2009. The Head of Internal Audit and the Group Finance Director

attended the four meetings by invitation. In 2009, the members of the Audit Committee met twice with the external auditors without any executive directors being present.
- There were neither restrictions on the investigations by the Audit Committee nor on resources or on access to information.
- The Audit Committee met four times in 2009 and the agenda was sent out at least one week ahead. The Audit Committee meetings were held on February 24, May 19, August 13 and November 19, 2009.

Details of attendance are indicated in the table on page 21.
- Throughout the year, the Chairman of the Audit Committee has been in continuous contact with senior management and the internal and external auditors.

Internal Audit Function
- The Company has an internal audit function since it obtained a listing on Bursa Malaysia in 1994 which reports directly to the Audit Committee of the Board.
- Each year, Internal Audit prepares a detailed programme of its planned activities which is discussed and approved by the Audit Committee. Efforts are made to ensure a rotating system of reviews is performed so that every unit of the group's activities is covered at least once every two years. Units with particular risk profiles are reviewed every year. These plans are then sent to the DKSH Global Group Internal Audit Function in Singapore which oversees all internal audit activities of the worldwide DKSH Group.
- Focal points are:
  1. Review of specific areas as requested by the Audit Committee,
  2. Review of the Internal Control System
  3. Review of user access rights to the Group's ERP
  4. Review of operations in the various units of the Group
  5. Review of branch operations in Malaysia
  6. Investigations into fraud, theft and criminal breach of trust cases
  7. Cooperation and coordination with the DKSH Group's Internal Audit Function as and when required. This may involve assignments to audits in other DKSH Group companies outside of Malaysia
- In 2009, Internal Audit completed eighteen audits in the various units of the Group, notably; they reviewed branch operations, sales and distribution, operating expenditure and two peripheral group companies. They found some exceptions to DKSH standard operating procedures requiring corrective actions. None of the findings were material or would have significantly impacted Group results. All investigations into fraud, theft and criminal breach of trust cases were reported to the police.
- All internal auditors are certified accountants, who have worked in internal audit functions in other companies as well as in external audit firms before joining DKSH Holdings (Malaysia) Berhad. The Company is also a member of the Institute of Internal Auditors Malaysia (IIAM).
- The DKSH Global Group Internal Audit Function also performs audit work in DKSH Holdings (Malaysia) Berhad units in cooperation with the Internal Audit Function. In 2009, such audit assignments were limited to follow-up work on the Internal Control System (ICS).
- The Internal Audit function of DKSH Holdings (Malaysia) Berhad incurred cost of RM 346,351 for the financial year ended December 31, 2009.

List of properties as at December 31, 2009

Location and description	Net book value (RM'000)	Approximate area (Sq. feet)	Approximate age of building (No. of years)
Lot 52, Section 13, Petaling Jaya Selangor Darul Ehsan Warehouse, factory, and office complex situated on leasehold land expiring in 2061. * The last revaluation was in 1997	30,927	258,746	47
Lot 7, Section 13, Petaling Jaya Selangor Darul Ehsan Office and warehouse situated on leasehold land expiring in 2066. * The last revaluation was in 1997	8,871	83,171	49

* The Group's Revaluation Policy is disclosed in Note 2.4 on pages 44 and 45 of the Annual Report.

Analysis of shares as at April 29, 2010

Authorized share capital:	RM 500,000,000
Issued and paid-up capital:	RM 157,658,076
Voting rights:	1 vote per ordinary share

Class of Shares

Ordinary share of RM 1.00 each fully paid up:	RM 157,658,076

Distribution of shareholders

Size of holdings	No. of holders	%	No. of shares	%
1 - 99	13	0.520	401	0.000
100 - 1,000	1,390	55.666	1,364,349	0.865
1,001 - 10,000	940	37.645	3,423,250	2.171
10,001 - 100,000	133	5.326	3,861,800	2.449
100,001 - 7,882,902*	19	0.760	8,206,200	5.205
7,882,903 and above**	2	0.080	140,802,076	89.308
Total	2,497	100.00	157,658,076	100.000

Remark: * Less than 5% of issued shares ** 5% and above of issued shares

Substantial shareholders

Name	No. of shares	%
1. DKSH RESOURCES (MALAYSIA) SDN.BHD.	117,155,076	74.309
2. LEMBAGA TABUNG ANGKATAN TENTERA	23,647,000	14.998

Directors' interests in shares in the Company **Direct**
(as per the Register of Directors' Shareholdings)

Name	No. of shares	%
1. Michael Lim Hee Kiang	10,000	0.006
2. James Armand Menezes	-	-
3. Datuk Haji Abdul Aziz bin Ismail	-	-
4. Thon Lek	5,000	0.003
5. Alexander Stuart Davy	-	-
6. Niels Johan Holm	331,000	0.209
7. André Eugen Hägi	-	-

30 largest shareholders

No	Name	Holdings	%
1	DKSH RESOURCES (MALAYSIA) SDN.BHD.	117,155,076	74.309
2	LEMBAGA TABUNG ANGKATAN TENTERA	23,647,000	14.998
3	PERMODALAN NASIONAL BERHAD	3,265,000	2.070
4	CIMSEC NOMINEES (ASING) SDN BHD WERNER ALEX KEICHER	1,650,000	1.046
5	BEH CHUN CHUAN	379,400	0.240
6	NIELS JOHAN HOLM	331,000	0.209
7	FOH CHONG & SONS SDN BHD	290,000	0.183
8	TING WEE JINN	285,000	0.180
9	LEONG YUET LING	252,000	0.159
10	SUMUR VENTURES SDN BHD	225,000	0.142
11	EGON ARTHUR HELDNER	202,000	0.128
12	MCLAREN SAKSAMA (MALAYSIA) SDN BHD	196,000	0.124
13	LIAU CHOON HWA & SONS SDN BHD	165,500	0.104
14	LIM POW TOON	148,000	0.093
15	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR LIAU THAI MIN (40-00088-000)	144,400	0.091
16	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	120,000	0.076
17	LIM CHAI KEE @ LIM GAIK KEE	117,000	0.074
18	HDM NOMINEES (ASING) SDN BHD UOB KAY HIAN PTE LTD FOR SAW TZE CHOON	111,000	0.070
19	LIM HIANG CHIAP	109,500	0.069
20	GOH JAK LAN	109,400	0.069
21	TEH CHEE CH`NG	106,000	0.067
22	AMERJEET SINGH A/L NAIB SINGH	100,000	0.063
23	GULAM RASUL EBRAHIM NALLA	100,000	0.063
24	NG YEW CHIN	100,000	0.063
25	TING KIAN	100,000	0.063
26	SOH LEAN HIN @ SOH LIP HING	98,100	0.062
27	LIAU THAI MIN	81,400	0.051
28	NG CHIN TIONG	81,000	0.051
29	FOH CHONG & SONS SDN BHD	80,000	0.050
30	LIM BEE HONG	77,000	0.048
Total		149,825,776	95.032

Financial highlights

Consolidated results of DKSH Holdings (Malaysia) Berhad Group (RM'000)

	2005	2006	2007	2008	2009
Turnover	3,027,615	2,988,296	3,371,767	3,622,586	3,559,678
Profit before tax	28,005	17,081	10,595	9,711	31,057
Net profit attributable to shareholders	18,610	8,607	1,446	1,056	21,286
Total assets employed	1,008,170	1,109,849	1,228,353	1,116,950	969,558
Shareholders' equity	142,499	148,510	146,908	144,464	162,203

Statement of directors' responsibility in respect of the audited financial statements

The Directors are required by the Companies Act 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the statement of affairs of the Company and the Group at the end of the financial year and the profit or loss of the Company and the Group for the financial year. As required by the Act and the Main Marketing Listing Requirements of Bursa Malaysia, the financial statements have been prepared in accordance with the MASB approved accounting standards in Malaysia and the provisions of the Act.

The Directors consider that in preparing the financial statements for the year ended December 31, 2009, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group which enable them to ensure that the financial statements comply with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act 1965. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Directors' report

The Directors are pleased to submit their report together with the audited financial statements of the Group and Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the Group consist of general trading, warehousing and distribution of consumer, pharmaceutical, bio-medical, chemical and industrial products and also sale of the Famous Amos chocolate chip cookies. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit from ordinary activities after tax	25,159	7,491
Minority interests	(3,873)	0
Net profit for the financial year	21,286	7,491

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 December 2008 were as follows:

	RM'000
In respect of the financial year ended 31 December 2008, a final gross dividend of 3 sen per share, less income tax of 25%, as shown in the Directors' report of that year, on 157,658,076 shares, paid on 19 August 2009	3,547

The Directors now recommend the payment of a final gross dividend of 1.8 sen per share on 157,658,076 ordinary shares, less income tax of 25%, amounting to RM2,128,384 and a final single-tier dividend of 1.65 sen per share on 157,658,076 ordinary shares, amounting to RM2,601,358 which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors' report

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Niels Johan Holm
Michael Lim Hee Kiang
André Eugen Hägi
James Armand Menezes
Thon Lek
Datuk Haji Abdul Aziz Ismail
Alexander Stuart Davy

In accordance with Article 99 of the Company's Articles of Association, Michael Lim Hee Kiang and Thon Lek will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits as disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain Directors received remuneration from the immediate holding company.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company are as follows:

	Number of ordinary shares of RM1 each in the Company			
	At 1.1.2009	**Bought**	**Sold**	**At 31.12.2009**
Niels Johan Holm	318,000	9,000	0	327,000
Michael Lim Hee Kiang	10,000	0	0	10,000
Thon Lek	5,000	0	0	5,000

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares in or debentures of the Company or its related corporations.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Directors' report

In the opinion of the Directors:

(a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

The Directors regard Diethelm Keller Holding AG, a company incorporated in Switzerland, as the ultimate holding company of the Company.

GENERAL INFORMATION

The immediate and intermediate holding companies of the Company are DKSH Resources (Malaysia) Sdn. Bhd. and Diethelm Holdings (Asia) Sendirian Berhad respectively, both of which are incorporated in Malaysia.

The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

74, Jalan University, 46200 Petaling Jaya, Selangor Darul Ehsan

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 7 April 2010.

STUART DAVY
Director

ANDRÉ EUGEN HÄGI
Group Finance Director

Consolidated income statement

for the financial year ended 31 December 2009

	Note	2009 RM'000	2008 RM'000
Revenue	5	3,559,678	3,622,586
Other operating income		11,401	12,382
Changes in inventories of finished goods		(94,174)	45,618
Finished goods purchased		(3,145,295)	(3,319,185)
Staff costs	6	(122,075)	(136,567)
Warehousing and logistics expenses		(41,196)	(45,096)
Allowance for doubtful debts		(866)	(14,477)
Rental		(22,417)	(22,584)
Amortisation of prepaid land lease rentals		(503)	(502)
Depreciation of property, plant and equipment		(10,372)	(12,166)
Travelling and entertainment expenses		(13,444)	(16,761)
IT and communication expenses		(15,211)	(17,644)
Utilities, upkeep, repairs and maintenance costs		(12,595)	(13,665)
Office expenses		(3,134)	(3,788)
Other selling, advertising and promotional expenses		(34,026)	(35,138)
Other operating expenses		(12,623)	(13,982)
Finance cost	8	(12,091)	(19,320)
Profit before tax	9	31,057	9,711
Tax - expense	10	(5,898)	(3,972)
Profit for the financial year		25,159	5,739
Attributable to:			
Equity holders of the Company		21,286	1,056
Minority interests		3,873	4,683
Profit for the financial year		25,159	5,739
Earnings per share attributable to ordinary equity holders of the Company			
- basic (sen)	11	13.50	0.67
Dividends per ordinary share in respect of the financial year (sen)	12	3.0	3.0

Company income statement

for the financial year ended 31 December 2009

	Note	2009 RM'000	2008 RM'000
Revenue	5	12,759	7,436
Other operating expenses		(485)	(406)
Finance cost	8	(2,258)	(2,527)
Profit before tax	9	10,016	4,503
Tax - expense	10	(2,525)	(1,243)
Profit for the financial year		7,491	3,260
Dividends per ordinary share in respect of the financial year (sen)	12	3.0	3.0

Balance sheets

as at 31 December 2009

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	28,881	35,422	0	0
Prepaid land lease rentals	14	28,761	29,264	0	0
Interests in subsidiaries					
- investments	15	0	0	90,349	90,349
- advances	15	0	0	202,350	159,554
Intangible assets	16	10,838	11,813	0	0
Other investments	17	58	62	0	0
Deferred tax assets	18	11,022	9,534	0	0
		79,560	86,095	292,699	249,903
CURRENT ASSETS					
Short term investments	19	0	0	0	0
Inventories	20	249,667	344,029	0	0
Receivables					
- trade and other receivables	21	551,314	598,955	86	84
- amounts receivable from immediate holding company	21	0	479	0	0
- amounts receivable from subsidiaries	21	0	0	195	15,995
- amounts receivable from other related companies	21	41	134	1	0
Tax recoverable		1,529	3,005	22	558
Deposits, bank and cash balances	27	87,447	84,253	11,458	8,959
		889,998	1,030,855	11,762	25,596
LESS: CURRENT LIABILITIES					
Payables	22	543,189	559,692	577	584
Borrowings					
- others	23	150,242	319,412	0	0
Current tax liabilities		1,631	1,328	0	0
		695,062	880,432	577	584
NET CURRENT ASSETS		194,936	150,423	11,185	25,012

Balance sheets
as at 31 December 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
LESS: NON-CURRENT LIABILITIES					
Borrowings					
- advances from intermediate holding company	23	21,412	20,675	0	0
- advances from immediate holding company	23	31,893	26,267	0	0
- subsidiaries	23	0	0	113,879	88,854
- term loans	23	25,000	11,667	0	0
- finance lease	23	99	57	0	0
Post-employment benefits obligation	24	9,896	9,692	0	0
Provision for other liabilities	28	319	264	0	0
Deferred tax liability	18	7,477	7,536	0	0
		96,096	76,158	113,879	88,854
		178,400	160,360	190,005	186,061
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	25	157,658	157,658	157,658	157,658
Share premium		24,514	24,514	24,514	24,514
Revaluation reserve		13,505	13,505	0	0
(Accumulated losses)/retained earnings	26	(33,474)	(51,213)	7,833	3,889
		162,203	144,464	190,005	186,061
MINORITY INTERESTS		16,197	15,896	0	0
TOTAL EQUITY		178,400	160,360	190,005	186,061

Consolidated statement of changes in equity

for the financial year ended 31 December 2009

		Attributable to equity holders of the Company						
	Note	Share capital RM'000	Share premium on ordinary shares RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 January 2009		157,658	24,514	13,505	(51,213)	144,464	15,896	160,360
Profit for the financial year		0	0	0	21,286	21,286	3,873	25,159
Dividends for financial year ended 31 December 2008:								
- by the Company	12	0	0	0	(3,547)	(3,547)	0	(3,547)
- by a subsidiary		0	0	0	0	0	(3,572)	(3,572)
At 31 December 2009		157,658	24,514	13,505	(33,474)	162,203	16,197	178,400
At 1 January 2008		157,658	24,514	13,505	(48,769)	146,908	11,996	158,904
Profit for the financial year		0	0	0	1,056	1,056	4,683	5,739
Dividends for financial year ended 31 December 2007:								
- by the Company	12	0	0	0	(3,500)	(3,500)	0	(3,500)
- by a subsidiary		0	0	0	0	0	(783)	(783)
At 31 December 2008		157,658	24,514	13,505	(51,213)	144,464	15,896	160,360

Company statement of changes in equity

for the financial year ended 31 December 2009

	Note	Share capital RM'000	Non-distributable Share premium on ordinary shares RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 January 2009		157,658	24,514	3,889	186,061
Profit for the financial year		0	0	7,491	7,491
Dividends for financial year ended:					
- 31 December 2008	12	0	0	(3,547)	(3,547)
At 31 December 2009		157,658	24,514	7,833	190,005
At 1 January 2008		157,658	24,514	4,129	186,301
Profit for the financial year		0	0	3,260	3,260
Dividends for financial year ended:					
- 31 December 2007	12	0	0	(3,500)	(3,500)
At 31 December 2008		157,658	24,514	3,889	186,061

Cash flow statements

for the financial year ended 31 December 2009

	Note	Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES					
Profit for the financial year		21,286	1,056	7,491	3,260
Adjustments for non-cash items:					
Property, plant and equipment:					
- depreciation		10,372	12,166	0	0
- write-offs		12	79	0	0
- net gain on disposal		(380)	(678)	0	0
Amortisation of prepaid land lease rentals		503	502	0	0
Loss on disposal of unquoted share		2	0	0	0
Inventories:					
- write-offs		9,109	15,084	0	0
- allowances/(writeback)		1,032	(1,034)	0	0
Net doubtful debts allowance		866	14,477	0	0
Interest income		(370)	(331)	(7,793)	(6,321)
Interest expense		12,091	19,320	2,258	2,527
Dividend received (gross)		0	0	(4,957)	(1,102)
Net unrealised exchange (gain)/losses		(425)	342	0	0
Tax expense		5,898	3,972	2,525	1,243
Minority interests		3,873	4,683	0	0
Accruals for post-employment benefits obligation		1,349	1,476	0	0
Amortisation of trademark		975	977	0	0
		66,193	72,091	(476)	(393)
Changes in working capital:					
Inventories		84,091	(35,193)	0	0
Receivables		47,232	103,744	15,961	(15,655)
Payables		(14,601)	(21,148)	123	15,939
Cash from operations		182,915	119,494	15,608	(109)
Dividend received (net)		0	0	3,718	815
Interest received		370	331	7,629	6,238
Interest paid		(12,762)	(19,320)	(2,388)	(2,364)
Tax paid		(5,666)	(6,977)	(750)	(1,381)
Post-employment benefit obligation paid		(1,145)	(1,259)	0	0
Net cash flow from operating activities		163,712	92,269	23,817	3,199

Cash flow statements (continued)

for the financial year ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		421	1,111	0	0
Proceeds from disposal of unquoted share		2	0	0	0
Purchase of property, plant and equipment	A	(4,401)	(6,279)	0	0
Advances to subsidiaries		0	0	(42,796)	(50,563)
Net cash flow from investing activities		(3,978)	(5,168)	(42,796)	(50,563)
FINANCING ACTIVITIES					
Dividends paid		(7,119)	(4,283)	(3,547)	(3,500)
Repayment of borrowings		(169,155)	(169,208)	0	0
Drawdown of term loan		13,333	68,334	0	0
Advance from intermediate holding company		5,626	809	0	0
Advance from immediate holding company		737	7,340	0	0
Advances from subsidiaries		0	0	25,025	32,793
Net cash flow from financing activities		(156,578)	(97,008)	21,478	29,293
CHANGE IN CASH AND CASH EQUIVALENTS		3,156	(9,907)	2,499	(18,071)
CURRENCY TRANSLATION DIFFERENCES		38	73	0	0
CASH AND CASH EQUIVALENTS AT START OF FINANCIAL YEAR		84,253	94,087	8,959	27,030
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	27	87,447	84,253	11,458	8,959

Note A: Non-cash transaction

The principal non-cash transactions for the Group is in respect of purchase of property, plant and equipment of which RM205,304 (2008: RM722,016) have not been paid at the financial year end.

Notes to the financial statements

31 December 2009

1 PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of the Group consist of general trading, warehousing and distribution of consumer, pharmaceutical, bio-medical, chemical and industrial products and also sale of the Famous Amos chocolate chip cookies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRS"), the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 to the financial statements.

(a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company and are effective

There are no new accounting standards, amendments to published standards and Interpretation Committee ("IC") Interpretations to existing standards effective for the financial year beginning 1 January 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company, but not yet effective and not been early adopted

The Group and Company will apply the following new standards, amendments to standards and interpretations:

- Effective for annual periods beginning on or after 1 January 2010:

• The revised FRS 101 "Presentation of financial statements" prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. 'Non-owner changes in equity' are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). It is not expected to have a material impact on the Group and Company's financial statements.

  Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.

• FRS 139 "Financial Instruments: Recognition and Measurement" establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted under strict circumstances. The amendments to FRS 139 provide further guidance on eligible hedged items. The amendment provides guidance for two situations. On the designation of a one-sided risk in a hedged item, the amendment concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations. The improvement to FRS 139 clarifies that the scope exemption in FRS 139 only applies to forward contracts but not options for business combinations that are firmly committed to being completed within a reasonable timeframe.

• FRS 7 "Financial instruments: Disclosures" provides information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of the income statement.

• FRS 8 "Operating Segments" requires a 'management approach', under which segment information is reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The improvement to FRS 8 (effective from 1 January 2010) clarifies that entities that do not provide information about segment assets to the chief operating decision-maker will no longer need to report this information. Prior year comparatives must be restated.

• IC Interpretation 9 "Reassessment of Embedded Derivatives" requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The improvement to IC Interpretation 9 (effective from 1 July 2010) clarifies that this interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture.

• FRS 107 "Statement of cash flows" clarifies that only expenditure resulting in a recognised asset can be categorised as a cash flow from investing activities. It is not expected to have a material impact on the Group's financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- FRS 110 "Events after the balance sheet date" reinforces existing guidance that a dividend declared after the reporting date is not a liability of an entity at that date given that there is no obligation at that time. It is not expected to have an impact on the Group's financial statements.
- FRS 116 "Property, plant and equipments" (consequential amendment to FRS 107 "Statement of cash flows") requires entities whose ordinary activities comprise of renting and subsequently selling assets to present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to FRS 107 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. It is not expected to have an impact on the Group's financial statements.
- FRS 117 "Leases" clarifies that the default classification of the land element in a land and building lease is no longer an operating lease. As a result, leases of land should be classified as either finance or operating, using the general principles of FRS 117.
- FRS 118 "Revenue" provides more guidance when determining whether an entity is acting as a 'principal' or as an 'agent'. It is not expected to have an impact on the Group's financial statements.
- FRS 127 "Consolidated and separate financial statements" clarifies that where an investment in a subsidiary that is accounted for under FRS 139 is classified as held for sale under FRS 5, FRS 139 would continue to be applied.
- FRS 136 "Impairment of assets" clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment before the aggregation of segments with similar economic characteristics. The improvement also clarifies that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value in use should be made.
- FRS 138 "Intangible Assets" improvement effective from 1 January 2010 clarifies that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. This means that an expense will be recognised for mail order catalogues when the entity has access to the catalogues and not when the catalogues are distributed to customers. It confirms that the unit of production method of amortisation is allowed.

- Effective for annual periods beginning on or after 1 July 2010:

- The revised FRS 3 "Business combinations" continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair vale or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.
- The revised FRS 127 "Consolidated and separate financial statements" requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.
- The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the following standards and interpretations on the financial statements of the Group.
  - FRS 7 and Improvement to FRS 7
  - FRS 139, Amendments to FRS 139 on eligible hedged items, Improvement to FRS 139 and IC Interpretation 9

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Standards, amendments to published standards and interpretations to existing standards that are not yet effective or are not relevant to the Group and Company

- Effective for annual periods beginning on or after 1 January 2010:
- • FRS 4 Insurance Contracts
- • FRS 5 Non-Current Assets Held for Sale and Discontinued Operations
- • FRS 119 Employee Benefits
- • FRS 120 Accounting for Government Grants
- • FRS 123 Borrowing Costs
- • FRS 128 Investments in Associates
- • FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures (consequential amendments to FRS 132 Financial Instruments: Presentation and FRS 7 Financial Instruments: Disclosure)
- • FRS 129 Financial Reporting in Hyperinflationary Economies
- • FRS 134 Interim Financial Reporting
- • FRS 140 Investment Property
- • Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- • Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
- • Amendments to FRS 132 Financial instruments: Presentation and FRS 101(revised) Presentation of financial statements - Puttable financial instruments and obligations arising on liquidation
- • IC Interpretation 10 Interim Financial Reporting and Impairment
- • IC Interpretation 11 FRS 2 Group and Treasury Share Transactions
- • IC Interpretation 13 Customer Loyalty Programmes
- • IC Interpretation 14 FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

- Effective for annual periods beginning on or after 1 July 2010:
- • IC Interpretation 12 Service Concession Arrangements
- • IC Interpretation 15 Agreements for Construction of Real Estates
- • IC Interpretation 16 Hedges of A Net investment in A Foreign Operation
- • IC Interpretation 17 Distribution of Non-Cash Assets to Owners

2.2 Economic entities in the Group

(a) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Economic entities in the Group (continued)

Subsidiaries are consolidated using the purchase method. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See the accounting policy Note 2.3 (a) on goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Minority interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the consolidated income statement.

(b) Transactions with minority interests

For purchases of a subsidiary's equity shares from minority interests for cash consideration and the purchase price is established at fair value, the accretion of the Group's interests in the subsidiary is treated as purchase of equity interest under the acquisition method of accounting. The identifiable assets and liabilities acquired are adjusted to their fair values, with the resulting difference being attributed to goodwill or negative goodwill.

Disposals of equity shares to minority interests for cash consideration and at fair value result in gains and losses for the Group and are recorded in the income statement. The gain or loss is the difference between the Group's share of net assets immediately before and immediately after the disposal and a ratable portion of goodwill is realised.

For purchases or disposals from or to minority interests for consideration other than cash and not at fair value, the accretion or dilution of the Group's interests is treated as an equity transaction between the subsidiary and its shareholders. The difference between the Group's share of net assets immediately before and immediately after the change in stake and any consideration received or paid is adjusted to or against the Group's reserves.

All other changes in stakes and changes in composition of the Group are treated as equity transactions between the Group and its majority and minority shareholders. The difference between the Group's share of net assets before and after the change, and any consideration received or paid is adjusted to or against the Group's reserves.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill on acquisition of subsidiaries occurring on or after 1 January 2006 are included in the balance sheet.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. See accounting policy Note 2.6 on impairment of assets.

(b) Trademark

Acquired trademark is shown at historical cost. Trademark has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademark over its estimated useful life of 10 years.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of assets.

2.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, with the exception of certain buildings which are stated at valuation less subsequent depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. The subsidiaries' assets stated at valuation were last revalued by the Directors in 1997 based on open market valuations carried out by independent firms of professional valuers. For those property, plant and equipment that are stated at valuation, all subsequent additions are stated at cost. The Directors have applied the transitional provisions issued by FRS No. 116: Property, plant and equipment which allows the buildings to be stated at their last revalued amounts less subsequent depreciation. Accordingly, these valuations have not been updated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against revaluation reserve to the extent of a previous surplus held in revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Buildings and renovations	3 - 35 years
Plant and machinery	3 - 10 years
Furniture, fittings and equipment	3 - 5 years
Motor vehicles	5 years

Depreciation on assets under construction commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

2.5 Investments

Investments in subsidiaries are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 2.6 to the financial statements on impairment of assets.

Investments in other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

2.6 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the financial statements

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Impairment of assets (continued)

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

2.7 Leases

(a) Finance lease

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the estimated useful life of the asset and the lease term.

(b) Operating lease

Leases of assets where a significant portion of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) are charged to the income statement on the straight line basis over the lease period.

In the case of a lease of land, the up-front payment represents prepaid lease rentals and are amortised on a straight line basis over the lease term.

2.8 Inventories

Inventories comprise raw materials, work in progress and finished goods. Inventories are stated at the lower of cost and net realisable value.

Cost is principally determined on a weighted average basis and comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Trade receivables

Trade receivables are carried at invoice amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

2.10 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

(b) Share issue costs

Incremental external costs directly attributable to the issue of new shares are shown as a deduction from the share premium account.

(c) Dividends to shareholders of the Company

Dividends are recognised as a liability in the financial year in which they are declared.

2.11 Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Employee benefits

(a) Short term employee benefits

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(b) Post-employment benefits

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

(i) National defined contribution plan

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. The Group's contributions are charged to the income statement. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Other defined contribution plan

The Group accrues an additional 3% to 4% (2008: 4%) per annum based on respective eligible employee's annual gross salary, commencing from the date of employment. The Group also accrues interest on the accumulated balance annually, at the current interest rate for savings accounts plus 1%. These additional contributions are expensed to the income statement in the financial year to which they relate. The post-employment benefits will be paid to eligible employees upon their retirement or resignation, after a minimum of 5 years service. Once the contributions have been accrued, the Group has no further liabilities.

(c) Accruals for retrenchment benefits

Retrenchment benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises retrenchment benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide retrenchment benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits held at call with banks, short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous Contracts

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

2.15 Revenue recognition

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyers, net of sales taxes and discounts, and after eliminating sales within the Group.

Revenue from rendering of services is recognised upon performance.

Other revenue earned by the Group is recognised on the following basis:

Interest, rental and commission income	-	as it accrues unless collectibility is in doubt.
Dividend income	-	when the Group's right to receive payment is established.

2.16 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Foreign currencies (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.17 Financial instruments

(a) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(b) Financial instruments recognised on the balance sheet

The particular recognition methods adopted for financial instruments recognised on the balance sheet are disclosed in the individual policy statements associated with each item.

(c) Financial instruments not recognised on the balance sheet

The Group is a party to financial instruments that comprise foreign currency forward contracts. These instruments are not recognised in the financial statements on inception.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Financial instruments (continued)

Foreign currency forward contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses on contracts are recognised when settled at which time they are included in the measurement of the transaction hedged.

(d) Fair value estimation for disclosure purposes

In assessing the fair value of financial instruments, the Group uses the estimated discounted value of future cash flows and makes assumptions that are based on market conditions existing at each balance sheet date to determine the fair value.

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

2.18 Segment reporting

Segment reporting is presented for enhanced assessment of the Group’s risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group’s results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

3.1 Critical accounting estimates and assumptions (continued)

(a) Valuation of trademarks

The Group valued the trademark using the premium pricing model. This valuation requires significant judgment. In making this judgment, the Group evaluates, among other factors, the price premium, discount rate and future use of the trademark.

(b) Estimated impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

The recoverable amounts of cash generating units were determined based on the value in use calculations.

(c) Deferred tax asset

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, in the areas of foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall financial risk management objective is to ensure that the Group is adequately protected. Financial risk management involves risk reviews, internal control systems and adherence to the Diethelm Keller SiberHegner ('DKSH') Group financial risk management policies.

(a) Foreign currency exchange risk

The Group's foreign exchange control policies were established to protect the Group from foreign currency risks. The Group covers all foreign currency payables through foreign currency forward contracts, except in those cases where the suppliers assume the risks.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposures arise from the Group's borrowings. They are managed through the use of a mixture of fixed and floating rate debts.

(c) Credit risk management

The Group is exposed to credit related risks. With regards to trade receivables, the Group operates several credit management units closely linked to the selling divisions to enable a fast and complete follow-up. Credit is only made available to customers after proper credit reviews and each customer is imposed a credit limit.

(d) Liquidity risk

The Group policy is to ensure that adequate borrowing facility is available at all times.

5 REVENUE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sale of goods	3,530,685	3,592,068	0	0
Rendering of services	28,993	30,518	0	0
Commission income	0	0	9	13
Interest income from subsidiaries	0	0	7,502	6,102
Finance income	0	0	291	219
Dividend income (gross)				
- unquoted investment	0	0	4,957	1,102
	3,559,678	3,622,586	12,759	7,436

6 STAFF COSTS

	Group	
	2009 RM'000	2008 RM'000
Wages, salaries and bonus	80,302	90,982
Post-employment benefits obligation:		
- national defined contribution plan	11,769	13,181
- other defined contribution plan (Note 24)	1,349	1,476
Retrenchment benefit	1,433	4,049
Other employee benefits	27,222	26,879
	122,075	136,567

Staff costs include the remuneration of Executive Directors (Note 7).

7 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year were as follows:

<u>Non-executive Directors</u>

Michael Lim Hee Kiang
James Armand Menezes
Thon Lek
Datuk Haji Abdul Aziz Ismail
Alexander Stuart Davy
Niels Johan Holm

Notes to the financial statements

31 December 2009

7 DIRECTORS' REMUNERATION (continued)

Executive Director

André Eugen Hägi

The aggregate amount of emoluments receivable by Directors of the Company during the financial year was as follows:

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Non-executive Directors:				
- fees	162	162	150	150
Executive Directors:				
- salaries and bonus	643	1,900	0	0
- other defined contribution plan	63	173	0	0
- other benefits	119	754	0	0
	825	2,827	0	0
	987	2,989	150	150

8 FINANCE COST

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Interest expense:				
- bank overdrafts	8	16	0	0
- bankers' acceptances	2,129	7,675	0	0
- promissory notes	1,042	999	0	0
- term loans	6,148	8,027	0	0
- intercompany advances from holding companies	2,359	2,139	2,239	2,506
- others	405	464	19	21
	12,091	19,320	2,258	2,527

9 PROFIT BEFORE TAX

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax is arrived at after charging/(crediting) the following:				
Auditors' remuneration:				
- fees for statutory audit	498	509	64	64
Property, plant and equipment:				
- write-offs	12	79	0	0
- net gain on disposal	(380)	(678)	0	0
Net exchange (gains)/losses:				
- realised	(1,132)	(1,338)	0	0
- unrealised	(425)	342	0	0
Loss on disposal of unquoted share	2	0	0	0
Cost of contract workers	2,081	2,406	0	0
Amortisation of trademark	975	977	0	0
Inventories:				
- write-offs	9,109	15,084	0	0
- allowances/(writeback)	1,032	(1,034)	0	0
Rental income	(516)	(516)	0	0
Interest income	(370)	(331)	(7,793)	(6,321)
Trade debtors				
- allowance for pre-finance debts	613	3,449	0	0
- writeback of doubtful debts	(1,967)	(756)	0	0
- allowance for trade debts	2,279	11,784	0	0
- write off	(59)	0	0	0

10 TAX

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax:				
- Malaysian tax	7,445	5,860	2,525	1,243
Deferred tax (Note 18)	(1,547)	(1,888)	0	0
Tax expense	5,898	3,972	2,525	1,243
Current tax				
Current year	7,051	5,887	2,554	1,241
Under/(over) accrual in prior year (net)	394	(27)	(29)	2
	7,445	5,860	2,525	1,243
Deferred tax				
Origination and reversal of temporary differences	(931)	(1,460)	0	0
Under accrual in prior years (net)	(616)	(428)	0	0
	(1,547)	(1,888)	0	0
	5,898	3,972	2,525	1,243
The explanation of the relationship between tax expense and profit before tax is as follows:				
Numerical reconciliation between tax expenses and the product of accounting profit multiplied by the Malaysian tax rate				
Profits before tax	31,057	9,711	10,016	4,503
Tax calculated at the Malaysian tax rate of 25% (2008 : 26%)	7,745	2,524	2,504	1,171
Tax effects of:				
- expenses not deductible for tax purposes	1,928	2,867	50	70
- changes in unrecognised deferred tax asset	(2,253)	(355)	0	0
- utilisation of previously unrecognised tax losses	(1,300)	(1,199)	0	0
- change in tax rate	0	590	0	0
	6,120	4,427	2,554	1,241
(Over)/under accrual in prior years (net)	(222)	(455)	(29)	2
Tax expense	5,898	3,972	2,525	1,243

11 EARNINGS PER SHARE - BASIC

The earnings per share is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2009	2008
	RM'000	RM'000
Net profit for the financial year (RM'000)	21,286	1,056
Weighted average number of ordinary shares in issue ('000)	157,658	157,658
Basic earnings per share (sen)	13.50	0.67

12 DIVIDENDS

Dividends paid in respect of ordinary shares for the financial year are as follows:

	Group and Company			
	2009		2008	
	Gross dividend per share	Amount of dividends, net of 25% tax	Gross dividend per share	Amount of dividends, net of 26% tax
	Sen	RM'000	Sen	RM'000
Final dividends:				
- for financial year ended 31 December 2008 paid on 19 August 2009	3.0	3,547	0	0
- for financial year ended 31 December 2007 paid on 13 August 2008	0	0	3.0	3,500
Dividends in respect of the year	3.0	3,547	3.0	3,500

At the forthcoming Annual General Meeting, a final gross dividend of 1.8 sen per share on 157,658,076 ordinary shares, less income tax of 25%, amounting to RM2,128,384 and a final single-tier dividend of 1.65 sen per share on 157,658,076 ordinary shares, amounting to RM2,601,358 will be proposed for shareholders' approval. These financial statements do not reflect this proposed final dividend and the dividend will be accounted for in the financial year ended 31 December 2010 when approved by shareholders.

Notes to the financial statements

31 December 2009

13 PROPERTY, PLANT AND EQUIPMENT

Group	Buildings and renovations RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation						
At 1 January 2009	41,770	15,649	65,740	5,073	125	128,357
Additions	444	251	2,153	411	625	3,884
Disposals	(2)	(1,154)	(293)	(1,162)	0	(2,611)
Write-offs	0	(1)	(888)	0	(4)	(893)
Reclassification	0	0	102	0	(102)	0
At 31 December 2009	42,212	14,745	66,814	4,322	644	128,737
Accumulated depreciation						
At 1 January 2009	23,947	10,856	53,682	4,450	0	92,935
Depreciation charge	3,599	1,337	5,069	367	0	10,372
Disposals	(1)	(1,151)	(259)	(1,159)	0	(2,570)
Write-offs	0	(1)	(880)	0	0	(881)
At 31 December 2009	27,545	11,041	57,612	3,658	0	99,856
Net book value at 31 December 2009	14,667	3,704	9,202	664	644	28,881
Cost/Valuation						
At 1 January 2008	40,286	13,537	67,455	7,154	83	128,515
Additions	1,307	325	5,119	153	97	7,001
Disposals	(105)	(53)	(2,501)	(1,290)	0	(3,949)
Write-offs	(382)	(13)	(2,812)	(3)	0	(3,210)
Intercompany transfer	664	1,858	(1,581)	(941)	0	0
Reclassification	0	(5)	60	0	(55)	0
At 31 December 2008	41,770	15,649	65,740	5,073	125	128,357
Accumulated depreciation						
At 1 January 2008	20,524	8,061	52,773	6,054	0	87,412
Depreciation charge	3,426	1,297	6,938	505	0	12,166
Disposals	(92)	(48)	(2,201)	(1,175)	0	(3,516)
Write-offs	(354)	(13)	(2,761)	(3)	0	(3,131)
Intercompany transfer	439	1,560	(1,068)	(931)	0	0
Reclassification (Note 14)	4	(1)	1	0	0	4
At 31 December 2008	23,947	10,856	53,682	4,450	0	92,935
Net book value at 31 December 2008	17,823	4,793	12,058	623	125	35,422

13 PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings were last revalued in 1997 by independent professional valuers using the open market value basis. The book values of the properties were adjusted to reflect the revaluations and the resultant surpluses were credited to revaluation reserve.

Net book value of revalued land and buildings had these assets been carried at cost less accumulated depreciation, are as follows:

		Group
	2009	**2008**
	RM'000	**RM'000**
Buildings and renovations	2,188	2,549

14 PREPAID LAND LEASE RENTALS

The movement during the financial year in the amounts recognised on the balance sheet are as follows:

		Group
	2009	**2008**
	RM'000	**RM'000**
At start of financial year	29,264	29,762
Reclassification (Note 13)	0	4
Amortisation for the year	(503)	(502)
At end of financial year	28,761	29,264
The future minimum lease payments for the prepaid land lease rentals will be realised as follows:		
Not later than one year	503	502
Later than one year and not later than five years	2,011	2,011
Later than five years	26,247	26,751
	28,761	29,264

Notes to the financial statements

31 December 2009

15 INTERESTS IN SUBSIDIARIES

	Company 2009 RM'000	Company 2008 RM'000
Non-current assets		
Unquoted shares at cost	90,849	90,849
Accumulated impairment losses:		
At start of financial year	(500)	(1,153)
Transfer of investment to a subsidiary	0	653
At end of financial year	(500)	(500)
	90,349	90,349
Advances to subsidiaries	202,350	159,554
	292,699	249,903
Current asset		
Amounts receivable from subsidiaries (Note 21)	195	15,995

Advances to subsidiaries are denominated in Ringgit Malaysia, unsecured and carry interest between 4.8% to 5% (2008: 5%) per annum. These advances are not intended to be recalled, in full or in part, within the next twelve months from the balance sheet date.

The carrying amounts of these advances at the balance sheet date were not reduced to their estimated fair values of RM189,555,000 (2008: RM152,800,000) as these advances are receivable from profitable wholly-owned subsidiaries and the Directors are of the opinion that the amounts are fully recoverable.

The subsidiaries of the Company are detailed below:

Name of company	Country of incorporation	Group's effective interest 2009 %	Group's effective interest 2008 %	Principal activities
DKSH Malaysia Sdn. Bhd.	Malaysia	100.0	100.0	General trading, warehousing and distribution of consumer, pharmaceutical, bio-medical, chemical and industrial products.
Subsidiary of DKSH Malaysia Sdn. Bhd.				
Texchem Consumers Sdn. Bhd.	Malaysia	100.0	100.0	Dormant
DKSH Marketing Services Sdn Bhd	Malaysia	100.0	100.0	General trading, warehousing and distribution agency.
DKSH Transport Agencies (M) Sdn Bhd	Malaysia	51.0	51.0	Forwarding and husbanding activities.

15 INTERESTS IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Group's effective interest 2009 %	Group's effective interest 2008 %	Principal activities
Subsidiary of DKSH Transport Agencies (M) Sdn Bhd				
Macro Consolidators (M) Sdn Bhd	Malaysia	51.0	51.0	Freight forwarding related activities
Harpers Trading (Malaysia) Sdn. Berhad	Malaysia	100.0	100.0	General trading, warehousing and distribution agency.
Subsidiary of Harpers Trading (Malaysia) Sdn. Berhad				
DKSH (B) Sdn Bhd* (formerly known as Harpers Trading (B) Sdn Bhd)	Negara Brunei Darussalam	100.0	100.0	General trading, warehousing and distribution agency.
Diethelm Chemicals Malaysia Sendirian Berhad	Malaysia	100.0	100.0	Dormant
DKSH Logistics Services Sdn Bhd	Malaysia	100.0	100.0	Provision of warehousing and distribution services.
Diethelm Central Services Sdn. Bhd.	Malaysia	100.0	100.0	Provision of estate management services.
Diethelm Franchise Holdings (M) Sdn Bhd^	Malaysia	100.0	100.0	In liquidation.
The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn Bhd	Malaysia	100.0	100.0	Manufacture and sale of chocolate chip cookies.
Diethelm Transport Holdings Sendirian Berhad^	Malaysia	100.0	100.0	In liquidation.
Subsidiary of Diethelm Transport Holdings Sendirian Berhad				
Diethelm Airtrans Sendirian Berhad^	Malaysia	100.0	100.0	In liquidation.

*Audited by a firm other than PricewaterhouseCoopers, Malaysia and its affiliates.
^These companies were not consolidated as it was resolved that these subsidiaries be liquidated by way of Members' Voluntary Winding Up.

16 INTANGIBLE ASSETS

	Goodwill RM'000	Trademark RM'000	Group Total RM'000
Year ended 31 December 2009			
At 1 January 2009	3,600	8,213	11,813
Amortisation charge	0	(975)	(975)
At 31 December 2009	3,600	7,238	10,838
At 31 December 2009			
Cost	4,283	9,758	14,041
Accumulated amortisation and impairment losses	(683)	(2,520)	(3,203)
At 31 December 2009	3,600	7,238	10,838
Year ended 31 December 2008			
At 1 January 2008	3,600	9,190	12,790
Amortisation charge	0	(977)	(977)
At 31 December 2008	3,600	8,213	11,813
At 31 December 2008			
Cost	4,283	9,758	14,041
Accumulated amortisation and impairment losses	(683)	(1,545)	(2,228)
Net book amount	3,600	8,213	11,813

Impairment tests for goodwill

The goodwill is allocated to the trading and logistics segment of the Group:

	2009 RM'000	2008 RM'000
Trading and logistics	3,600	3,600

Recoverable amount based on value in use

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The growth rate does not exceed the long-term average growth rate for the relevant CGUs.

Valuation of trademark

The valuation of trademark is determined based on the premium pricing model. The discount rates used in the cash flow projection is 6.75% (2008: 4.42%) with a price premium of RM0.23 to RM0.30 (2008: RM0.17 to RM0.27).

17 OTHER INVESTMENTS

	Group 2009 RM'000	2008 RM'000
Shares at cost in an unquoted corporation	490	490
Accumulated impairment losses	(490)	(490)
	0	0
Unquoted – Golf Club Membership	58	58
Unquoted shares	0	4
	58	62

18 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group 2009 RM'000	2008 RM'000
Subject to income tax		
- deferred tax assets	11,022	9,534
- deferred tax liability	(7,477)	(7,536)
	3,545	1,998

The movements during the financial year relating to deferred tax are as follows:

	Group 2009 RM'000	2008 RM'000
At start of financial year	1,998	110
Credited/(charged) to income statement (Note 10):		
- property, plant and equipment	814	(64)
- post-employment benefit obligation	508	113
- receivables	(307)	1,143
- inventories	275	4
- capital allowances	(991)	952
- unrealised foreign exchange	45	(61)
- tax losses	391	(372)
- others	812	173
	1,547	1,888
Charged to equity	0	0
At end of financial year	3,545	1,998

18 DEFERRED TAX (continued)

	Group 2009 RM'000	Group 2008 RM'000
Subject to income tax		
Deferred tax assets (before offsetting)		
Capital allowances	594	1,585
Unrealised foreign exchange	0	(45)
Post-employment benefit obligation	2,433	1,925
Receivables	2,122	2,429
Inventories	2,292	2,017
Tax losses	2,388	1,997
Others	1,494	682
	11,323	10,590
Offsetting	(301)	(1,056)
Deferred tax assets (after offsetting)	11,022	9,534
Deferred tax liability (before offsetting)		
Property, plant and equipment	(7,778)	(8,592)
Offsetting	301	1,056
Deferred tax liability (after offsetting)	(7,477)	(7,536)
The amounts of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet are as follows:		
Other deductible temporary differences	1,418	7,955
Unutilised capital allowances	5,034	5,034
Tax losses	9,433	17,176

19 SHORT TERM INVESTMENTS

	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Unquoted investments, at carrying value	49	49
Allowance for diminution in value of investments	(49)	(49)
	0	0

These subsidiaries were not consolidated as these companies were liquidated by way of Members' Voluntary Winding Up. These subsidiaries are listed in Note 15 to the financial statements.

20 INVENTORIES

	Group	
	2009 RM'000	2008 RM'000
At costs:		
Raw materials and packaging materials	1,400	1,480
Work-in-progress	1,630	1,740
Finished goods	243,539	340,809
	246,569	344,029
At net realisable value:		
Finished goods	3,098	0
	249,667	344,029

21 RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	565,119	614,360	0	0
Less: allowance for doubtful debts	(21,972)	(28,866)	0	0
	543,147	585,494	0	0
Deposits	2,974	3,319	0	0
Prepayments	3,682	7,636	86	84
Other receivables	1,511	2,506	0	0
	551,314	598,955	86	84
Amounts receivable from immediate holding company	0	479	0	0
Amounts receivable from subsidiaries (Note 15)	0	0	195	15,995
Amounts receivable from other related companies	41	134	1	0
	41	613	196	15,995
	551,355	599,568	282	16,079

21 RECEIVABLES (continued)

The currency exposure profile of receivables is as follows:

	Group	
	2009	**2008**
Trade receivables	**RM'000**	**RM'000**
Ringgit Malaysia	532,195	577,958
Brunei Dollar	10,384	6,169
US Dollar	516	1,143
Singapore Dollar	52	186
Euro	0	38
	543,147	585,494

	Group		Company	
	2009	**2008**	**2009**	**2008**
Other receivables	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	1,511	2,458	0	0
Brunei Dollar	0	48	0	0
Intercompany receivables	1,511	2,506	0	0
Ringgit Malaysia	26	613	196	15,995
US Dollar	15	0	0	0
	41	613	196	15,995

Deposits and prepayments are denominated in Ringgit Malaysia.

The amounts receivable from holding company, subsidiaries and other related companies are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Credit terms of trade receivables range from 14 days to 90 days (2008: 14 days to 90 days).

Included in trade receivables are amounts owing by a company in which a key management has interest amounting RM555,739.

Credit risk management with respect to trade receivables is disclosed in Note 4(c) to the financial statements.

22 PAYABLES

Trade payables	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
	469,706	482,352	0	0
Amounts payable to:				
- intermediate holding company	195	85	0	0
- subsidiaries	0	0	287	324
- other related companies	6,395	6,718	0	0
Accruals	37,083	39,189	290	260
Other payables	29,810	31,348	0	0
	543,189	559,692	577	584

The currency exposure profile of payables is as follows:

Trade receivables	Group 2009 RM'000	Group 2008 RM'000
Ringgit Malaysia	393,722	411,828
US Dollar	35,652	48,119
Euro	37,936	18,489
Swiss Franc	1,041	221
Brunei Dollar	247	473
Singapore Dollar	210	1,408
Australia Dollar	615	837
Japanese Yen	81	61
Others	202	916
	469,706	482,352

Intercompany payables	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Ringgit Malaysia	1,223	1,031	287	324
US Dollar	5,364	5,772	0	0
Singapore Dollar	3	0	0	0
	6,590	6,803	287	324

Notes to the financial statements

31 December 2009

22 PAYABLES (continued)

Other payables	Group 2009 RM'000	Group 2008 RM'000
Ringgit Malaysia	29,612	31,192
Brunei Dollar	198	156
	29,810	31,348

The average credit terms of payables are as follows:

	Average credit terms 2009	Average credit terms 2008
Trade payables	30 to 180 days	90 days
Other payables	30 days	30 days
Amounts payable to intermediate holding company, subsidiaries, other related companies	Payable on demand	Payable on demand

The amounts payable to intermediate holding company, subsidiaries and other related companies are non-trade in nature, unsecured, non-interest bearing and payable upon demand.

23 BORROWINGS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current:				
Bankers' acceptances	73,000	100,000	0	0
Term loans	6,667	156,667	0	0
Promissory notes	70,496	62,709	0	0
Finance lease (secured)	79	36	0	0
	150,242	319,412	0	0
	150,242	319,412	0	0
Non-current:				
Advances from:				
- intermediate holding company	21,412	20,675	0	0
- immediate holding company	31,893	26,267	0	0
- subsidiaries	0	0	113,879	88,854
	53,305	46,942	113,879	88,854
Term loans	25,000	11,667	0	0
Finance lease (secured)	99	57	0	0
	78,404	58,666	113,879	88,854
Total	228,646	378,078	113,879	88,854

23 BORROWINGS (continued)

Bankers' acceptances, promissory notes and term loans are unsecured. Advances from subsidiaries are deposits of excess cash placed with the Company and bears interest at 2.5% (2008: 5%) per annum. Advances from immediate and intermediate company bears interest at 4.8% (2008: 5%) per annum. These are unsecured and is not repayable within the next 12 months.

Finance lease liabilities

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The effective interest rates of the finance lease liabilities as at the balance sheet date is 4.84% (2008: 5.21%) per annum.

Weighted average year end effective interest rates

		Group
	2009	**2008**
	%	**%**
Bankers' acceptances	2.45	3.86
Promissory notes	2.43	4.23
Term loans	4.63	5.67

All borrowings are denominated in Ringgit Malaysia.

Maturity structure of external borrowings are as follows:

		Group		**Company**
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Within one year	150,242	319,412	0	0
Between one and two years	5,099	6,725	0	0
Between two and five years	20,000	4,999	0	0
Total	175,341	331,136	0	0
Estimated fair values				
Advances from:				
- intermediate holding company	20,058	19,800	0	0
- immediate holding company	29,876	25,155	0	0
- subsidiaries	0	0	106,678	85,093
Term loans	22,235	9,443	0	0
Finance lease (secured)	178	93	0	0
	72,347	54,491	106,678	85,093

24 POST-EMPLOYMENT BENEFITS OBLIGATION

	Group	
	2009 RM'000	2008 RM'000
Defined contribution plan		
Non-current:		
At 31 December	9,896	9,692
The movements during the financial year in the amounts recognised on the consolidated balance sheet are as follows:		
At 1 January	9,692	9,475
Charged to income statement (Note 6)	1,349	1,476
Contributions paid	(1,145)	(1,259)
At 31 December	9,896	9,692

25 SHARE CAPITAL

	Group and Company			
	2009		2008	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Authorised				
Ordinary shares of RM1.00 each				
At start and end of financial year	499,180	499,180	499,180	499,180
Issued and fully paid				
Ordinary shares of RM1.00 each				
At start and end of financial year	157,658	157,658	157,658	157,658

26 RETAINED EARNINGS

Under the single tier system which came into effect from the year of assessment 2008, the Company is not required to have tax credits under Section 108 of Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders. The Company may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless the Company irrevocably opts to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007.

As at 31 December 2009, the Company has sufficient Section 108 tax credits and tax exempt account available to frank only RM3,935,096 (2008: all) of its retained earnings if paid out as dividends. The balance of its retained earnings will have to be paid under the single tier system.

27 CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposit with a licensed bank	20,278	10,843	11,350	8,780
Bank and cash balances	67,169	73,410	108	179
Deposit, bank and cash balances	87,447	84,253	11,458	8,959
The currency exposure profile of deposit, bank and cash balances is as follows:				
Ringgit Malaysia	86,331	84,069	11,458	8,959
Brunei Dollar	892	169	0	0
US Dollar	224	15	0	0
	87,447	84,253	11,458	8,959

Deposit with a licensed bank has a maturity period of 51 days (2008: 7 days) and carry interest at 1.67% annum (2008: 2.71% per annum).

Bank and cash balances are non-interest bearing. Bank balances are deposits held at call with banks.

28 PROVISION FOR OTHER LIABILITIES

	Group	
	2009	**2008**
	RM'000	**RM'000**
Provision for other liabilities - Property reinstatement cost	319	264

The amount represents a provision for property reinstatement cost upon expiry of lease term by 31 October 2012. The estimated fair value as at 31 December 2009 is RM262,233 (2008: RM253,000).

29 COMMITMENTS

(a) Capital commitments

Capital expenditure not provided for in the financial statements are as follows:

	Group	
	2009 RM'000	2008 RM'000
Authorised by the Directors and contracted for:		
- Property, plant and equipment	540	434

(b) Non-cancellable operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	2009 RM'000	2008 RM'000
Payable within one year	19,231	17,736
Payable after one year but not later than five years	38,097	49,194
	57,328	66,930

30 SIGNIFICANT RELATED PARTY DISCLOSURES

The ultimate holding company of the Company is Diethelm Keller Holding AG, a company incorporated in Switzerland.

The immediate and intermediate holding companies of the Company are DKSH Resources (Malaysia) Sdn. Bhd. and Diethelm Holdings (Asia) Sendirian Berhad respectively, both of which are incorporated in Malaysia.

In addition to the related party disclosures mentioned elsewhere in the financial statements, set out below are the other significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed among the parties.

Related party relationships:

Related parties	Relationship
Diethelm Holdings (Asia) Sendirian Berhad	Intermediate holding company
DKSH Resources (Malaysia) Sdn. Bhd.	Immediate holding company
DKSH Marketing Services Sdn Bhd	Subsidiary
Harpers Trading (Malaysia) Sdn Bhd	Subsidiary
DKSH (B) Sdn Bhd (formerly known as Harpers Trading (B) Sdn Bhd)	Subsidiary
DKSH Logistics Services Sdn Bhd	Subsidiary
DKSH Transport Agencies (M) Sdn. Bhd.	Subsidiary

30 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

Diethelm Central Services Sdn Bhd	Subsidiary
DKSH Malaysia Sdn Bhd	Subsidiary
Texchem Consumers Sdn Bhd	Subsidiary
DKSH Corporate Shared Services Centre Sdn Bhd	Related company
Diethelm Furniture Sdn Bhd	Related company
DKSH E2E Technologies Sdn Bhd	Related company
DKSH Datacare Technologies Sdn Bhd	Related company
Diethelm Travel Management Sdn Bhd	Related company
DKSH Switzerland Ltd	Related company
Diethelm Singapore Pte Ltd	Related company
DKSH International AG	Related company
DKSH Management Ltd	Related company
DKSH Hong Kong Ltd	Related company
Siber Hegner Ltd	Related company
DKSH Technology Sdn Bhd	Related company
DKSH Smollan Field Marketing (Malaysia) Sdn. Bhd. (formerly known as DKSH Field Marketing Sdn. Bhd.)	Related company
Lembaga Tabung Angkatan Tentera	Other related party
Macro Logistics (M) Sdn Bhd	A company in which a key management has interest

The following transactions were carried out with related parties:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(a) Sales of goods and services:				
Sale of services:				
- related company (rental)	384	384	0	0
- related company (human resource charges)	228	143	0	0
	612	527	0	0
Sales of services (Gross):				
- a company in which a key management has interest (freight forwarding)	2,049	0	0	0
Others (interest):				
- subsidiaries	0	0	7,502	6,102
	2,661	527	7,502	6,102

30 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
(b) Purchase of goods and services:				
Purchase of services:				
- related company (travel)	524	1,231	0	0
- related company (management fee and regional audit)	2,808	2,944	0	0
- related company (cost sharing)	13	53	0	0
- related company (information technology charges)	9,676	11,257	0	0
- other related party (rental)	11,641	11,641	0	0
- related company (purchase of assets)	263	96	0	0
	24,925	27,222	0	0
Others (interest):				
- immediate holding company	1,346	1,123	0	0
- intermediate holding company	1,013	1,016	0	0
- subsidiaries	0	0	2,239	2,506
	2,359	2,139	2,239	2,506
	27,284	29,361	2,239	2,506
(c) Key management compensation				
Salaries and bonus	8,296	10,183	150	150
Post employment benefits obligation				
- national defined contribution plan	730	966	0	0
- other defined contribution plan	126	316	0	0
Other employees benefits	1,296	1,925	0	0
	10,448	13,390	150	150

31 SEGMENTAL INFORMATION

The Group is organised into three main business segments:

- Trading and logistics
- Chemicals
- Food

All the major operations of the Group are carried out in Malaysia.

31 SEGMENTAL INFORMATION (continued)

(a) Primary reporting format - business segments

	Trading and logistics RM'000	Chemicals RM'000	Food RM'000	Eliminations RM'000	Group RM'000
Financial year ended 31 December 2009					
Revenue					
Segment revenue	3,495,873	22,957	40,848	0	3,559,678
Intersegment Revenue	1,635	0	0	(1,635)	0
Revenue	3,497,508	22,957	40,848	(1,635)	3,559,678
Results					
Segment results	35,886	885	6,377	0	43,148
Finance cost					(12,091)
Tax expense					(5,898)
Profit for the financial year					25,159
At 31 December 2009					
Net assets					
Segment assets	833,552	7,011	9,893	0	850,456
Unallocated assets					119,102
Total assets					969,558
Segment liabilities	(466,919)	(1,389)	(1,398)	0	(469,706)
Unallocated liabilities					(321,452)
Total liabilities					(791,158)
Financial year ended 31 December 2009					
Other information					
Capital expenditure	2,920	0	964	0	3,884
Depreciation of property, plant and equipment	9,482	161	729	0	10,372
Amortisation of prepaid land lease rentals	503	0	0	0	503
Amortisation of Trademark	975	0	0	0	975

Segment assets consist primarily of property, plant and equipment, prepaid land lease rentals, inventories and trade receivables. Segment liabilities comprise only trade payables. Capital expenditure comprises additions to property, plant and equipment (Note 13) and prepaid land lease rentals (Note 14).

31 SEGMENTAL INFORMATION (CONTINUED)

(a) Primary reporting format - business segments (continued)

	Trading and logistics RM'000	Chemicals RM'000	Food RM'000	Eliminations RM'000	Group RM'000
Financial year ended 31 December 2008					
Revenue					
Segment revenue	3,551,196	32,846	38,544	0	3,622,586
Intersegment revenue	1,591	0	0	(1,591)	0
Revenue	3,552,787	32,846	38,544	(1,591)	3,622,586
Results					
Segment results	23,026	1,123	4,882	0	29,031
Finance cost					(19,320)
Tax expense					(3,972)
Profit for the financial year					5,739
At 31 December 2008					
Net assets					
Segment assets	971,919	12,860	9,428	0	994,207
Unallocated assets					122,743
Total assets					1,116,950
Segment liabilities	(478,598)	(2,300)	(1,454)	0	(482,352)
Unallocated liabilities					(474,238)
Total liabilities					(956,590)
Other information					
Capital expenditure	5,864	0	1,137	0	7,001
Depreciation of property, plant and equipment	11,356	151	659	0	12,166
Amortisation of prepaid land lease rentals	502	0	0	0	502
Amortisation of Trademark	977	0	0	0	977

Segment assets consist primarily of property, plant and equipment, prepaid land lease rentals, inventories and trade receivables. Segment liabilities comprise only trade payables. Capital expenditure comprises additions to property, plant and equipment (Note 13) and prepaid land lease rentals (Note 14).

(b) Secondary reporting format - geographical segments

Although the Group has an operation in Negara Brunei Darussalam, there is no disclosure of this operation as a separate geographical segment as the revenue contributed by this foreign company is not material to constitute an independent geographical segment as stipulated under FRS 114: Segment Reporting.

32 FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

Forward foreign exchange contracts are entered into by subsidiaries in currencies other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is as disclosed in Notes 2.17 and 4(a) to the financial statements.

At 31 December 2009, the settlement dates on open forward contracts ranged between 1 and 5 (2008: 1 and 3) months. The foreign currency amounts to be received and contractual exchange rates of the Group's outstanding contracts are as follows:

Hedged item	Settlement currency	RM'000 equivalent	Contractual rate
At 31 December 2009			
Trade payables:			
EUR 534,000	Euro Dollar	2,722	1 EUR = RM5.0927
USD 1,471,800	US Dollar	5,060	1 USD = RM3.4383
USD 1,996,700	US Dollar	7,157	1 USD = RM3.5862
CHF 628,600	Swiss Francs	2,120	1 CHF = RM3.3726
AUD 276,200	Australian Dollar	857	1 AUD = RM3.1036
SGD 138,900	Singapore Dollar	343	1 SGD = RM2.4684
Amount payable to other related company:			
CHF 436,000	Swiss Francs	1,471	1 CHF = RM3.3734
At 31 December 2008			
Trade payables:			
EUR 625,000	Euro Dollar	2,943	1 EUR = RM4.7087
USD 1,620,000	US Dollar	5,728	1 USD = RM3.5355
USD 2,000	US Dollar	7	1 USD = RM3.4835
USD 4,585,000	US Dollar	16,231	1 USD = RM3.5401
CHF 195,000	Swiss Francs	600	1 CHF = RM3.0773
AUD 261,000	Australian Dollar	619	1 AUD = RM2.3734
SGD 486,000	Singapore Dollar	1,171	1 SGD = RM2.4084
GBP 54,000	Sterling Pound	304	1 GBP = RM5.6424
Amount payable to other related company:			
CHF 690,000	Swiss Francs	2,108	1 CHF = RM3.056

32 FINANCIAL INSTRUMENTS (CONTINUED)

The fair value of outstanding forward contracts of the Group at the balance sheet date was an unfavourable net position of RM435,000 (2008: favourable net position of RM204,000).

Future liabilities in foreign currencies are forward-purchased from reputable banks when their amount and due date are known. Forward hedges are exclusively used for bona-fide and documented trade transactions and not for speculative purposes in line with the Group's policy.

The nominal amounts and fair values of financial instruments not recognised in the balance sheet of the Group at the end of the financial year are as follows:

	Nominal amount RM'000	Fair value RM'000
2009		
Foreign currency forward contracts		
- Trade payables	18,259	17,846
- Amount payable to other related company	1,471	1,449
2008		
Foreign currency forward contracts		
- Trade payables	27,603	27,257
- Amount payable to other related company	2,108	2,250

33 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 7 April 2010.

Statement by directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Stuart Davy and André Eugen Hägi, two of the Directors of DKSH Holdings (Malaysia) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 31 to 78 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2009 and of the results and the cash flows of the Group and Company for the financial year ended on that date in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 7 April 2010.

STUART DAVY
Director

ANDRÉ EUGEN HÄGI
Group Finance Director

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, André Eugen Hägi, the Group Finance Director primarily responsible for the financial management of DKSH Holdings (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 31 to 78 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

ANDRÉ EUGEN HÄGI

Subscribed and solemnly declared by the abovenamed André Eugen Hägi at Petaling Jaya, Selangor Darul Ehsan in Malaysia on 7 April 2010, before me.

No B158
Soong Foong Chee
Commissioner for Oaths

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers (AF 1146)
Chartered Accountants
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur, Malaysia
Telephone +60 (3) 2173 1188
Facsimile +60 (3) 2173 1288
www.pwc.com/my

Independent auditors' report

to the members of DKSH Holdings (Malaysia) Berhad (Company No. 231378-A)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of DKSH Holdings (Malaysia) Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 78.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 15 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

MOHAMMAD FAIZ BIN MOHAMMAD AZMI
(No. 2025/03/12 (J))
Chartered Accountant

Kuala Lumpur
7 April 2010

Proxy Form

for the Eighteenth Annual General Meeting

DKSH Holdings (Malaysia) Berhad

No. of shares held:	
CDS Account No:	

I/We, ...(Company No:/ NRIC No:..)
(Name of shareholder as per NRIC in block letters) (New & old)

of...
(full address)

....

being a member/members of DKSH Holdings (Malaysia) Berhad (231378-A) hereby appoint

....(NRIC No:..)
(Name of proxy as per NRIC in block letters) (New & old)

of...
(full address)

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at the Conference Room, Ground Floor, 74 Jalan University, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, June 17, 2010 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

Ordinary Resolution		For	Against
1	Adoption of audited financial statements and reports		
2	Approval of final dividend		
3	Approval of directors' fees		
4	Re-election of Michael Lim Hee Kiang		
5	Re-election of Thon Lek		
6	Re-appointment of PricewaterhouseCoopers as auditors		
7	Approval of Proposed Shareholders'Mandate		

(Please indicate with an "x" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this .... day of .... 2010 ....

Signature of Member or Common Seal

Notes

(a) Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy need not be a member of the Company.
(b) The Form of Proxy must be signed by the appointer or his attorney duly authorized in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized. In the case of joint holdings, the signature of the first named holder is sufficient.
(c) If the Form of Proxy is returned without any indication as to how proxy shall vote, the proxy will vote or abstain as he thinks fit.
(d) If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
(e) The original Form of Proxy must be deposited at 74, Jalan University, 46200 Petaling Jaya not less than forty-eight (48) hours before the time of holding the Meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking the poll. Only original Proxy Forms are valid.

fold here

affix
postage

The Company Secretary
DKSH Holdings (Malaysia) Berhad (231378-A)
74, Jalan University,
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

fold here

DKSH Holdings (Malaysia) Berhad (231378-A)
74 Jalan University, P. O. Box 77, 46700 Petaling Jaya, Selangor, Malaysia
Tel +60 3 7966 0288, Fax +60 3 7957 0829