Annual Report 2008

DKSH Holdings (Malaysia) Berhad

Think Asia. Think DKSH.

The Fantree, our symbol

From the book, *The Fantree Company*, and the company archive of Diethelm Keller Holding Ltd.

The fantree takes its name from the distinctive cluster of foliage branching out from the top of its stem. This uniquely striking plant is often known as the "traveler's palm". This is because thirsty travelers were able to find water in many parts of the tree, which can hold up to one liter of liquid. According to legend, if a traveler stands in front of a fantree and makes a wish in good faith, the wish is certain to come true.

Reportedly, a fantree trademark was employed by the Saigon bureau of Diethelm & Co. Ltd. (established in 1890) as early as 1899. At that time the fantree served as a symbol for the Diethelm merchant house. It later evolved into the official logo of the merged Diethelm Keller Group and ultimately into that of DKSH.

The fantree symbolizes our long heritage of truly belonging to the places where we do business. It also stands for our unrelentingly enterprising spirit and the unique combination of versatility and adaptability that is at the heart of our company. The fan of leaves represents our many activities; the red color may be taken as a reminder of our Swiss heritage; and the firmly-rooted fantree as a whole symbolizes our deep connection with Asia.

Contents

Notice of annual general meeting

Notice is hereby given that the Seventeenth 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 18, 2009 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, 2008 and the reports of the directors and auditors thereon.
   Resolution 1

2. To approve the payment of a final dividend of three (3) sen gross per ordinary share less 25% income tax for the year ended December 31, 2008.
   Resolution 2

3. To approve the payment of directors' fees of RM150,000 for the year ended December 31, 2008.
   Resolution 3

4. To re-elect Niels Johan Holm who retires pursuant to Article 99 of the Company's Articles of Association.
   Resolution 4

5. To re-elect André Eugen Hägi 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 Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Shareholders' Mandate)

   "**That**, pursuant to Paragraph 10.09 of the 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 27, 2009 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 effect 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

Wendy Chan Choi Kuan, MCCS
Company Secretary
(MACS 00728)

Petaling Jaya
May 27, 2009

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 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.

Statement accompanying the notice of annual general meeting

1. **Details of attendance of Directors at board meetings**

   A total of four (4) board meetings were held during the financial year ended December 31, 2008. Details of attendance of the Directors are set out in the table below.

2. **Directors who are standing for re-election**

   - Niels Johan Holm who retires by rotation pursuant to Article 99 of the Company's Articles of Association and, being eligible, offers himself for re-election.
   - André Eugen Hägi who retires by rotation pursuant to Article 99 of the Company's Articles of Association and being eligible offers himself for re-election.

   Profile of the Directors standing for re-election are disclosed on page 7 of the Annual Report.

3. **Date, time and place of the Seventeenth Annual General Meeting**

   The Seventeenth Annual General Meeting of DKSH Holdings (Malaysia) Berhad will be held as follows:

   Date: Thursday, June 18, 2009
   Time: 10.00 a.m.
   Place: Conference Room,
   Ground Floor,
   74 Jalan University,
   46200 Petaling Jaya,
   Selangor Darul Ehsan
   Malaysia

Directors	Number of Meetings Attended
Michael Lim Hee Kiang	4 of 4
James Armand Menezes	4 of 4
Datuk Haji Abdul Aziz bin Ismail	3 of 4
Thon Lek	4 of 4
Alexander Stuart Davy	3 of 4
Niels Johan Holm	4 of 4
André Eugen Hägi	4 of 4

Date	Time	Venue
February 26, 2008	1.00 p.m.	74 Jalan University, Petaling Jaya, Selangor Darul Ehsan
May 22, 2008	12.30 p.m.	74 Jalan University, Petaling Jaya, Selangor Darul Ehsan
August 14, 2008	1.00 p.m.	74 Jalan University, Petaling Jaya, Selangor Darul Ehsan
November 27, 2008	12.30 p.m.	74 Jalan University, Petaling Jaya, Selangor Darul Ehsan

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%	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 61, 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 is an Advocate and Solicitor and has been a Partner of Messrs Shearn Delamore & Co. for the last 30 years. He is now a Consultant with Messrs Shearn Delamore & Co. 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, 2008. He also sits on the boards of Selangor Properties Berhad, Dijaya Corporation Berhad, Major Team Holdings Berhad, Wawasan TKH Holdings Berhad and Insas 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 is 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 63, 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 Treasurer, 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, 2008. 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 56, 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 three out of four Board meetings of the Company held in the financial year ended December 31, 2008. 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 61, 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, 2008. 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 51, 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 eleven years ago, with the first seven years as the Group Chief Financial Officer of Diethelm Thailand, the Group's largest operation and the last four years as the Group Chief Financial Officer based in the Corporate Office in Zurich. Mr. Davy 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 31,2008. 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 54, 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, 2008. 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 60, 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, 2008 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.

To our shareholders

On behalf of the Board of Directors, I would like to present to you the Annual Report and the Audited Accounts for the Group and the Company for the financial year ended December 31, 2008.

Review of results

For DKSH Holdings (Malaysia) Berhad, the past year was marked by a large-scale restructuring project, reductions in the agency portfolio, a key management change in September, and generally more difficult business conditions, especially in the Fourth Quarter.

Late in 2007 and throughout 2008, the Company had informed the shareholders on the progress of the restructuring project, which lasted eight months until September. It was initiated after the unsatisfactory performance in 2007 in order to improve efficiency, profitability and the balance sheet.

In the release to the Third Quarter of 2008, the Company had pointed out a number of issues in the restructuring project, notably its long duration, the separation from a number of agencies, high cost of market hygiene, a growing need for additional receivable provisions, general cost hikes and slower than expected sales. A key management change was effected on September 1, 2008. The new management, with strong support from the worldwide DKSH Group as well as an external strategy consultant, worked out a transformation plan for the underperforming Fast Moving Consumer Goods business unit within the Trading and Logistics segment, which is currently under execution. Considerable efforts were and are being undertaken with the aim of substantially improving the effectiveness of this organizational unit, to the benefit of all stakeholders. The adjustment process will take time and will only yield gradual improvements, particularly now under the prevailing adverse worldwide economic conditions.

Cumulative sales in 2008 reached RM 3,623 million, up 7.4% from 2007. Without consideration of the acquisition of Texchem Consumers Sdn Bhd in 2007, the underlying growth rate would have been 8%. 2008 sales were affected by the departure of agencies, either because of supplier acquisitions and mergers, or because of changed priorities either from suppliers or the Company. These departures reduced the 2008 annual sales, and, without these changes, the overall sales growth would have exceeded 10%.

The full year profit before tax reached RM 9.7 million, 91.7% of the 2007 profit before tax. This was achieved owing to a very strong Fourth Quarter, which, like in previous years, accounted for the best quarterly performance in the financial year. However, part of the good Fourth Quarter performance must be attributed to the release of restructuring provisions which were no longer required under the new transformation plan for the Fast Moving Consumer Goods (FMCG) unit. Restructuring cost for the full year amounted to RM 4.2 million.

Below, please find explanations to the background of these developments in the three segmental reports.

Trading and Logistics Segment

The largest segment, Trading and Logistics, reported cumulative sales in 2008 of RM 3,551 million, a growth of 7.6% over 2007. Again, without consideration of Texchem Consumers Sdn Bhd, acquired on June 1, 2007, the underlying growth rate would have been 8.1%. The cumulative segmental contribution 2008 was RM 23.0 million, an improvement of 1.1% over the RM 22.8 million achieved in 2007.

The segment achieved a strong sales performance in the second half of the year which was particularly satisfying because it was achieved despite agency departures, the lengthy restructuring exercise and a generally more difficult economic environment. It underlines the marketing and distribution reach of the Trading and Logistics segment of DKSH Holdings (Malaysia) Berhad, which 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 encompasses import, storage, marketing, sales and distribution. Today, DKSH provides services to about 150 small as well as large suppliers of products representing local and global brands. Service packages are tailored to a supplier's individual needs and the specific market conditions. A key success factor for this kind of business is distribution, meaning a reach to a widest possible range and number of points of sale, such as shops, supermarkets, outlets, pharmacies and clinics throughout West and East Malaysia. The Group maintains regional sales offices in all major towns: Johor Baru, Melaka, Seremban, Ipoh, Alor Setar, Penang, Kota Bharu, Kuantan, Temerloh, Kuching, Sibu, Bintulu, Miri, Labuan, Kota Kinabalu, Sandakan, Lahad Datu, Tawau as well as in Bandar Seri Begawan. Supplies in West Malaysia are delivered directly from two distribution centers in Bukit Kemuning and Petaling Jaya. East Malaysian supplies continue to be directed from individual warehouses attached to regional sales offices.

An important characteristic of the Group provision of supply chain services is the fact that it operates on territorial exclusivity with pre-set vertical pricing structures. Margins are pre-determined through individual negotiation with suppliers, reflecting the range of services provided as well as certain performance standards and sales volumes to be reached. Profitability is typically derived from most effectively balancing sales volumes and the underlying cost of doing business.

In all organizational units forming the Trading and Logistics segment except for Fast Moving Consumer Goods (FMCG), the 2008 financial performance was satisfactory. The restructuring project in the first eight months of 2008 in the FMCG unit was meant to address an imbalance between sales volumes, underlying cost but also service levels to suppliers and customers. However, results of this restructuring project were not forthcoming at the required pace, which led to a management change in September. A number of adverse developments, which were already highlighted in the 2007 review of the annual accounts, are being addressed.

- Market hygiene: this cost factor refers to expired or damaged goods being returned by the trade. In 2008, the respective expenses were reduced by 33% compared to 2007; however, the overall level remained high. Whereas market hygiene is part of the nature of this business, a number of programs have been activated to further reduce the level of returns to more adequate levels.

- Unrecoverable discounts: these are discounts to the trade paid by the Company and not the suppliers. In 2008, the respective expenses were reduced by 30% from 2007, but, again, this expense line needs to be further reduced. The Company pursues this task by more effectively managing stock levels to ensure that no last-minute actions are required to clear close-to-expiry inventory.

- Logistics expenses: primarily the cost of delivering the goods from DKSH warehouses to customers. This expense increased by 7.7% in 2008, mostly caused by the fuel price hike in the third quarter. A number of initiatives are under-way to achieve synergy and lower rates by streamlining transportation activities.

- The Company had a significant increase in doubtful debt provisions, which negated some of the above-explained achievements. This trend materialized during the second and third quarters and only improved in the fourth quarter after strong measures were introduced, notably a strengthening of credit management and the determination to stop supply even to large customers if these are not meeting their contractual payment terms.

During the restructuring project, the Company installed electronic tools to reduce the dependency on manual back-office work. The order processing in the fast moving consumer goods unit is now mostly performed through hand-held devices assigned to the sales representatives. The unit has also streamlined its structure and moved from four legal entities into just one, thus taking advantage of synergy resulting from this reorganization.

In September 2008, the Company and an outside consulting company developed a transformation plan for improving the performance of the Consumer Goods business. It was considered a prerequisite to clearly determine upfront the direction the business should take in order to ensure the required focus and the ability to react fast to deviations.

Chemicals Segment

In 2007, the Group reported that the Chemicals segment had achieved its turn-around and was well on the road to achieving critical mass. Unfortunately, a much tougher economic environment and changes in the organization reversed this trend in 2008. Cumulative sales for the full year only reached RM 32.8 million, 8.8% below the RM 36 million in 2007. Accordingly, the segmental contribution dropped from RM 2.5 million in 2007 to RM 1.1 million in 2008.

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.

Principal factors affecting sales were the slow-down in the automotive industry, a number of plant shut-downs in petrochemicals, departing agencies in the rubber and animal care segments as well as unrealized development projects for plantations. All of these were further exacerbated by the absence of the traditional domestic festive demand surge in the Fourth Quarter because of dropping exports. The lower sales volume immediately increased pressure on the cost base and this resulted in the lower segmental contribution.

Food Segment

Cumulative sales amounted to RM 38.5 million, an increase of 8.2% over 2007. The segmental contribution was RM 4.9 million, 4.5% above the respective 2007 achievement.

Principal businesses in this segment are The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn Bhd chain and the niche Food Ingredients range. Both have progressed well in 2008 and, especially, Famous Amos strengthened its leadership position in the freshly baked cookie business.

Famous Amos is in the midst of implementing a new computer system linking all outlets with point-of-sales terminals. This investment will allow the chain to consider further business opportunities and to strengthen its strong position in the Malaysian specialty retail market.

In January 2009, Famous Amos was briefly mentioned in the newspapers as having imported contaminated peanut butter in dough from the United States. The Company would like to stress that all Famous Amos dough in Malaysia was free of such contamination and this was confirmed by the Ministry of Health which had performed detailed checks. Famous Amos' priority is food safety and the Company is focused on providing safe products for Malaysian customers.

Dividend

The Company had paid a gross dividend of three (3) sen per ordinary share for 2006 and maintained this for 2007 despite performance being below expectations. The 2008 results were affected by the restructuring exercise and adverse external circumstances, but the Board of Directors came to the conclusion to recommend again a final dividend of three (3) sen gross per ordinary share for the year ended December 31, 2008.

Acknowledgement

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

Michael Lim Hee Kiang
Chairman

Outlook

The Company expects to face an increasingly more difficult business environment in 2009 against the backdrop of the worldwide recession and the severe reduction in the international trade. At the time of writing and based on a year-on-year comparison for the first three months of 2009, the Company does currently not anticipate a significant sales decrease in its main lines in fast moving consumer goods, pharmaceuticals and telephone cards. However, it must be noted that being largely a service provider, sales volumes may be affected by the usual medium-term addition or termination of supplier contracts. As such, DKSH Malaysia and the German company Beiersdorf, supplier of the cosmetic brand Nivea, decided to part ways effective end of February 2009 following a disagreement on new commercial terms.

The focus in 2009 will continue to be on maintaining if not growing sales volumes in spite of the Beiersdorf contract termination, as well as on improvements in the operational effectiveness, mainly in the FMCG arena and based on the transformation plan indicated herein above.

The Company had made significant cost cuts in 2008, notably by reducing the staff by over 400. Other cost containment measures were and are being implemented to ensure that the cost base is in line with the business volumes.

Particular attention is being paid to the balance sheet, notably for receivables and inventory. The Company is determined to improve these two key working capital categories by strictly monitoring collection of receivables and inventory levels.

Summarizing the above comments, the Company currently foresees a difficult year but still expects to achieve a reasonable profitability under adverse circumstances.

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

Wendy Chan Choi Kuan, MCCS
(MACS 00728)

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
United Overseas Bank (Malaysia) Bhd

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

Tenaga Koperat Sdn Bhd (118401-V)
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Lingkaran Syed Putra,
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Phone: +60 3 2264 3883
Fax: +60 3 2282 1886
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Stock Exchange Listing

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

Corporate profile

DKSH Malaysia, Petaling Jaya

History

DKSH's history goes back all the way to the late 1860s, when three young Swiss pioneers, Wilhelm Heinrich Diethelm, Edward Anton Keller and Hermann Siber ventured to the Far East. While Keller settled in the Philippines, Diethelm chose Singapore and Siber headed for Yokohama to establish their businesses. The first branch in Malaysia opened in Penang in 1923 and the Kuala Lumpur office followed in 1935.

The cooperation between the Diethelm and Keller families and their companies dates back all these years but the formation of the Diethelm Keller Group did not take place until more than 100 years later in July 2000. Today, Diethelm Keller Holding is managed by the fourth generation of the founder families. The DKSH Group was formed in June 2002 in a merger of Diethelm Keller Services Asia Ltd with Siber Hegner Holding Ltd, founded in 1865 in Yokohama by Hermann Siber.

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 focus on Asia, helping clients and customers to grow their businesses in new or existing markets. DKSH is a Swiss company with headquarters in Zurich and over 140 years of company history in Asia. With 460 business locations in 35 countries – 20 of them in Europe and the Americas – and 22,000 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.

Business Segments

Trading and Logistics Segment

The largest segment of the Group has its focus on providing distribution services to about 150 international and Malaysian manufacturers and suppliers of consumer goods and healthcare products. Among the Group's largest agencies are (alphabetically) Abbott Nutritional, Boehringer Ingelheim, Boh Tea, Brand's, Darlie, Ferrero, Fumakilla, Hoe Pharma, Indocafe, Maestro Swiss, Mars, Maxis, Mead Johnson Nutrition, 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 five 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 centers or, in many cases, directly by sales personnel through pocket computers while they are with customers.

DKSH Holdings (Malaysia) Berhad operates two main distribution centers 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

Amcorp Mall outlet

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 & brokerage agent approved by the Royal Malaysian Customs at all major clearance points in Malaysia. A new venture added is the air freight business operating out of Kuala Lumpur International Airport Office.

Chemicals Segment

This business segment markets, sells and distributes chemicals raw materials, life sciences products, specialties chemicals, industrial supplies and polymers. It represents agencies from the United States, 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 42 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 and Administration comprises Group Control, Group Treasury, Taxation as well as service units for property management and purchasing.

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 2008, 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 as set out in 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 participates regularly in the Annual Survey 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. Directors' 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.

I Dialogue with Investors:
Recognizing the importance of timely dissemination of information to shareholders and other stakeholders, the Board ensures that they are well-informed of major developments in the Group. Information is communicated to them through the Annual Report and the various disclosures and announcements made to Bursa Malaysia, including quarterly and annual results.

II Annual General Meeting:
The Company's Annual General Meetings serve as principal forum for dialogue with shareholders. Extraordinary General Meetings are held as and when required.

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 Board regularly meets with the auditors.

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 affairs of the Group and of the Company as at December 31, 2008. 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 Statement of Internal Control 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 practises 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 for 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 good relevant professional background and experience.

IV Size of Non-Executive Participation

The Board is of the opinion that its current composition is reasonably representative of the experience required to manage the investments in the Company effectively.

V Largest Shareholder is a Majority Shareholder

The largest shareholder holds the majority of the shares.

VI Independent Directors

Until the end of 2008, the Board consisted of more than one-third independent directors representing 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 and the Board will initiate the necessary steps to comply in 2009.

XI Services of the Company Secretary

Directors have unrestricted access to the Company Secretary at all times.

XII Size of Board

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

XIII Directors' Training

For the year under review, the directors attended training sessions on handling business partnerships and integrating acquisitions, creating structures fit for today's business, aligning to strategic thinking and implementation in the challenging times, tax workshops on mergers and acquisitions, governance and board effectiveness. The Board will evaluate and determine the training needs of the Directors on a continuous basis in an effort to fulfill the Continuing Education Program (CEP) requirements as prescribed by the Listing Requirements of Bursa Malaysia.

XIV Board Structures and Procedures

The Board and its members met as indicated in the table below.

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
Datuk Haji Abdul Aziz bin Ismail	Non-Independent Non-Executive	3 of 4	75
Thon Lek	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	4 of 4	100

XV Boards 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 decisions.

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 Company Secretary

All directors have access to the advice and services of the Company Secretary.

XXII Quality of Company Secretary

The Company Secretary has the respective professional qualification and more than 20 years' experience in this field.

XXIII Use of Board Committees

The Board established the Audit Committee in 1994. Its terms of reference and report for 2008 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 annual 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, 2008, the remuneration of executive and non executive directors is indicated in the table below.

Amount – RM	Executive Directors	Non-Executive Directors
50,000 and below		5
1,150,001 to 1,200,000	1	
1,550,001 to 1,600,000	1	

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 113,238.

American Depository Receipts (ADR) / Global Depository Receipts (GDR)

During the year under review, the Company did not sponsor any ADR or GDR programs.

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.

Variation in Results

On May 6, 2009, the Company announced to Bursa Malaysia that the variation of RM194,000, equivalent to 15.5% in the profit attributable to ordinary equity holders of DKSH Holdings (Malaysia) Berhad, was due to the translation loss of intercompany balances at closing exchange rate. With the exception of this announcement, there were no difference of 10% or more to any other announcements made in 2008.

Management trainees

In-house clinic

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 12, 2008, 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. At the Extraordinary General Meeting of December 3, 2008, the shareholders of DKSH Holdings (Malaysia) Berhad granted approval for the Company to enter into recurrent related party transactions with DKSH Field Marketing Services Sdn Bhd ("DKSH Field Marketing") for the provision of merchandising services for DKSH products at outlets selected by DKSH Malaysia Sdn Bhd. Both mandates will expire on June 18, 2009 when the Company holds its Annual General Meeting.

The details of the RRPT entered into during the financial year 2008 pursuant to the shareholders' mandates 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 branches. This in-house clinic, aimed at saving employees' traveling time and costs, is well patronized by the staff.

During the year under review, the Company continued for a second 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.

In December 2008, the Company distributed a large number of educational preschool toys to orphanages in the Klang Valley to help underprivileged children to develop skills.

Nature of transaction	Party transacting with DKSH Holdings (Malaysia) Berhad	Transacted value (RM'000)	Relationship of interested related party
Provision of information technology and consulting services	DKSH Corporate Shared Services Center Sdn Bhd ("CSSC")	11,257	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 Field Marketing Services Sdn Bhd (formerly known as XFactor FMS Sdn Bhd) ("DKSH Field Marketing")	1,575	DKSH Field Marketing is a wholly-owned 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 2008, Management implemented for a first 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 adhoc 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.

- 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, 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.

Weaknesses in Internal Controls that result in Material Losses

In 2008, 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 mentioning in this Annual Report.

Audit committee

This Report on the Audit Committee follows the structure prescribed in the 'Malaysian Code on Corporate Governance' (revised 2007) under section 'BB'.

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

I The Audit Committee of the Company consists of three directors, two of whom are independent.

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

II 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.
- 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 and approving the annual internal audit plan.
- 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.

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 result 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 Audit Committee obtained the Board's approval on its revised terms of reference and internal audit charter which sets out a mission statement and the objectives of the Internal Audit Department, its organization and reporting structure, and responsibility and authority. The Charter also covers the audit approach and methodology to be adopted by the Unit.

III The Group's external auditors were present at three audit committee meetings in 2008. The Head of Internal Audit and the Group Finance Director attended the four meetings by invitation. In 2008, the members of the Audit Committee met twice with the external auditors without any executive directors being present.

IV There were neither restrictions on investigations by the Audit Committee nor on resources or on access to information.

V The Audit Committee met four times in 2008 and the agenda was sent out at least one week ahead. The Audit Committee meetings were held on February 26, May 22, August 14 and November 27, 2008.

  Details of attendance are indicated in the table on page 22.

  Throughout the year, the Chairman of the Audit Committee has been in continuous contact with senior management and the internal and external auditors.

VI The details of the Audit Committee's work in 2008 are explained under II.

VII The Internal Audit Department of the Company aims at providing an independent appraisal of all activities in order to add value, improve operational efficiency, assess the management of risk and foster internal control systems. The prime objective of internal audit is to examine and evaluate whether the Company's framework of risk management, internal control systems, and governance processes are adequate and functioning properly. In addition, the objectives of internal audit include advising and recommending senior management on improvements in internal control and risk management systems.

In order to achieve the mission statement and objectives, internal audit's scope of work includes the following:

- Assurance that risks are appropriately identified and managed.
- Examination and evaluation of the adequacy and effectiveness of the internal control systems.
- Testing of transactions and verification of specific internal control procedures.
- Review of the management and financial information systems including accuracy and reliability of accounting records and financial reports.
- Review computerized accounting systems for adequate internal controls and efficiency.
- Evaluation of the existence, adequacy, effectiveness and compliance to existing policies and procedures.
- Identification of cost inefficiencies for profit improvement.
- Conduct special assignments requested by the Group Finance Director and the Audit Committee.
- Provide consulting services and support to management on a special project basis.
- Provide recommendations on improvements in all areas mentioned above.

The Internal Audit Department has the responsibility to:

- Establish an annual audit plan based on a Company risk assessment in consultation with the Group Finance Director and the Audit Committee. The Audit Committee approves the annual audit plan.
- Implement the annual audit plan and special projects requested by the Chairman, Audit Committee and Group Finance Director.
- Maintain an appropriate level of professional audit staff with relevant knowledge, skills and experience.
- Issue audit reports on a timely basis.
- Ensure that the audit department complies with sound internal auditing principles and best internal audit practices.
- Issue guidelines on best practices to be observed, arising from weaknesses identified during audits covering the Group operations.

VIII Internal Audit is independent and only controlled by the Audit Committee.

Members	Status of Directorship	Meetings Attended
James Armand Menezes	Independent Non-Executive Chairman of the Audit Committee, CPA	4 of 4
Michael Lim Hee Kiang	Independent Non-Executive Chairman of the Board and member of the Audit Committee	4 of 4
Datuk Haji Abdul Aziz bin Ismail	Non-Independent Non-Executive Director and member of the Audit Committee	3 of 4

List of properties as at December 31, 2008

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	33,032	258,746	46
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	9,070	83,171	48

* 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 30, 2009

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 Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 - 99	11	0.43	301	0.00
100 - 1,000	1,429	55.65	1,403,749	0.89
1,001 - 10,000	977	38.04	3,550,350	2.25
10,001 - 100,000	132	5.14	3,944,100	2.50
100,001 - 7,882,902	17	0.66	7,957,500	5.05
7,882,903 and above	2	0.08	140,802,076	89.31
Total	2,568	100.00	157,658,076	100.00

Substantial Shareholders

Name	No. of Shares Held	% of Issued Capital
1. DKSH Resources (Malaysia) Sdn Bhd (formerly known as Dihoma Sdn Bhd)	117,155,076	74.3096
2. Lembaga Tabung Angkatan Tentera	23,647,000	14.9989

Directors' Interests in Shares in the Company

(as per the Register of Directors' Shareholdings)

	Direct	
Name	No. of Shares Held	% of Issued Capital
1. Michael Lim Hee Kiang	10,000	0.0063
2. James Armand Menezes	-	-
3. Datuk Haji Abdul Aziz bin Ismail	-	-
4. Thon Lek	5,000	0.0032
5. Alexander Stuart Davy	-	-
6. Niels Johan Holm	318,000	0.2017
7. André Eugen Hägi	-	-

30 Largest Shareholders

Name		No. of Shares Held	% of Issued Capital
1	DKSH Resources (Malaysia) Sdn Bhd (formerly known as Dihoma Sdn Bhd)	117,155,076	74.3096
2	Lembaga Tabung Angkatan Tentera	23,647,000	14.9989
3	Permodalan Nasional Berhad	3,440,000	2.1819
4	Cimsec Nominees (Asing) Sdn Bhd Werner Alex Keicher	1,650,000	1.0466
5	Beh Chun Chuan	373,400	0.2368
6	Foh Chong & Sons Sdn Bhd	370,000	0.2347
7	Niels Johan Holm	318,000	0.2017
8	Leong Yuet Ling	252,000	0.1598
9	Sumur Ventures Sdn Bhd	225,000	0.1427
10	Egon Arthur Heldner	202,000	0.1281
11	McLaren Saksama (Malaysia) Sdn Bhd	196,000	0.1243
12	Ting Wee Jinn	172,300	0.1093
13	Lim Pow Toon	148,000	0.0939
14	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Liau Thai Min (40-00088-000)	144,400	0.0916
15	Lim Chai Kee @ Lim Gaik Kee	115,000	0.0729
16	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Saw Tze Choon	111,000	0.0704
17	Goh Jak Lan	109,400	0.0694
18	Teh Chee Ch`ng	106,000	0.0672
19	Lim Hiang Chiap	105,000	0.0666
20	Gulam Rasul Ebrahim Nalla	100,000	0.0634
21	Ting Kian	100,000	0.0634
22	Ng Yew Chin	100,000	0.0634
23	OSK Nominees (Tempatan) Sdn Berhad Pledged securities account for Tan Gaik Suan	99,500	0.0631
24	Amerjeet Singh a/l Naib Singh	94,000	0.0596
25	Ng Chin Tiong	81,000	0.0514
26	Ting Kian	81,000	0.0514
27	Soh Lean Hin @ Soh Lip Hing	80,000	0.0507
28	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Cheang Set Fong (REM 178)	80,000	0.0507
29	Lim Bee Hong	77,000	0.0488
30	Cheng Kok Sang	68,300	0.0433
Total		149,800,376	95.02

Financial highlights

Consolidated Results of DKSH Holdings (Malaysia) Berhad Group	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000
Turnover	2,772,607	3,027,615	2,988,296	3,371,767	3,622,586
Profit before tax	16,913	28,005	17,081	10,595	9,711
Net profit attributable to shareholders	13,107	18,610	8,607	1,446	1,056
Total assets employed	1,004,771	1,008,170	1,109,849	1,228,353	1,116,950
Shareholders' equity	125,024	142,499	148,510	146,908	144,464

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 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, 2008, 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 2008.

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	Company
	RM'000	RM'000
Net profit from ordinary activities after tax	5,739	3,260
Minority interests	(4,683)	0
Net profit for the financial year	1,056	3,260

Dividends

The dividends on ordinary shares paid or declared by the Company since 31 December 2007 were as follows:

	RM'000
In respect of the financial year ended 31 December 2007, a final gross dividend of 3 sen per share, less income tax of 26%, as shown in the Directors' report of that year, on 157,658,076 shares, paid on 13 August 2008	3,500

The Directors now recommend the payment of a final gross dividend of 3 sen per share on 157,658,076 ordinary shares, less income tax of 25%, amounting to RM3,547,307 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

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, Niels Johan Holm and André Eugen Hägi 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 Notes 7 and 9 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 1.1.2008	Bought	Sold	At 31.12.2008
Niels Johan Holm	295,400	22,600	0	318,000
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.

Directors' report

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.

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. (formerly known as Dihoma Sendirian Berhad) 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 Board 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 2009.

Niels Johan Holm
Director

André Eugen Hägi
Group Finance Director

Consolidated income statement

for the financial year ended 31 December 2008

	Note	2008 RM'000	2007 RM'000
Revenue	5	3,622,586	3,371,767
Other operating income		12,382	7,962
Changes in inventories of work-in-progress and finished goods		45,618	(44,263)
Finished goods purchased		(3,319,185)	(2,985,627)
Staff costs	6	(136,567)	(133,898)
Warehousing and logistics expenses		(45,096)	(41,880)
Allowance for doubtful debts		(14,477)	(9,338)
Rental		(22,584)	(23,538)
Amortisation of prepaid land lease rentals		(502)	(507)
Depreciation of property, plant and equipment		(12,166)	(11,471)
Travelling and entertainment expenses		(16,761)	(15,932)
IT and communication expenses		(17,644)	(17,413)
Utilities, upkeep, repairs and maintenance costs		(13,665)	(13,336)
Office expenses		(3,788)	(3,845)
Other selling, advertising and promotional expenses		(35,138)	(29,278)
Other operating expenses		(13,982)	(19,427)
Finance cost	8	(19,320)	(19,381)
Profit before tax	9	9,711	10,595
Tax expense	10	(3,972)	(5,589)
Profit for the financial year		5,739	5,006
Attributable to:			
Equity holders of the Company		1,056	1,446
Minority interests		4,683	3,560
Profit for the financial year		5,739	5,006
Earnings per share attributable to ordinary equity holders of the Company			
- basic (sen)	11	0.67	0.92
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 2008

	Note	2008 RM'000	2007 RM'000
Revenue	5	7,436	7,706
Other operating expenses		(406)	(1,113)
Finance cost	8	(2,527)	(2,457)
Profit before tax	9	4,503	4,136
Tax expense	10	(1,243)	(1,299)
Profit for the financial year		3,260	2,837
Dividends per ordinary share in respect of the financial year (sen)	12	3.0	3.0

Balance sheets

as at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Non-Current Assets					
Property, plant and equipment	13	35,422	41,103	0	0
Prepaid land lease rentals	14	29,264	29,762	0	0
Interests in subsidiaries					
- investments	15	0	0	90,349	105,744
- advances	15	0	0	159,554	108,991
Intangible assets	16	11,813	12,790	0	0
Other investments	17	62	62	0	0
Deferred tax assets	18	9,534	7,521	0	0
		86,095	91,238	249,903	214,735
Current Assets					
Short term investments	19	0	0	0	0
Inventories	20	344,029	323,005	0	0
Receivables					
- trade and other receivables	21	598,955	717,907	84	100
- amounts receivable from immediate holding company	21	479	0	0	0
- amounts receivable from subsidiaries	21	0	0	15,995	527
- amounts receivable from other related companies	21	134	29	0	0
Tax recoverable		3,005	1,821	558	420
Deposits, bank and cash balances	27	84,253	94,353	8,959	27,030
		1,030,855	1,137,115	25,596	28,077
Less: Current Liabilities					
Payables	22	559,692	580,240	584	450
Borrowings					
- bank overdrafts	23	0	266	0	0
- others	23	319,412	362,003	0	0
Current tax liabilities		1,328	1,261	0	0
		880,432	943,770	584	450
Net Current Assets		150,423	193,345	25,012	27,627

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Less: Non-Current Liabilities					
Borrowings					
- advances from intermediate holding company	23	20,675	19,866	0	0
- advances from immediate holding company	23	26,267	18,927	0	0
- subsidiaries	23	0	0	88,854	56,061
- term loans	23	11,667	70,000	0	0
- finance lease	23	57	0	0	0
Post-employment benefits obligation	24	9,692	9,475	0	0
Provision for other liabilities	28	264	0	0	0
Deferred tax liability	18	7,536	7,411	0	0
		76,158	125,679	88,854	56,061
		160,360	158,904	186,061	186,301
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	(51,213)	(48,769)	3,889	4,129
		144,464	146,908	186,061	186,301
Minority Interests		15,896	11,996	0	0
Total Equity		160,360	158,904	186,061	186,301

Consolidated statement of changes in equity

for the financial year ended 31 December 2008

	Note	Attributable to equity holders of the Company 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 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
At 1 January 2007		157,658	24,514	12,291	(45,953)	148,510	9,209	157,719
Profit for the financial year		0	0	0	1,446	1,446	3,560	5,006
Dividends for financial year ended 31 December 2006:								
- by the Company	12	0	0	0	(3,453)	(3,453)	0	(3,453)
- by a subsidiary		0	0	0	0	0	(773)	(773)
Adjustment on change in tax rate	18	0	0	1,214	(809)	405	0	405
At 31 December 2007		157,658	24,514	13,505	(48,769)	146,908	11,996	158,904

Company statement of changes in equity

for the financial year ended 31 December 2008

	Note	Share capital	Non-distributable Share premium on ordinary shares	Distributable Retained earnings	Total
		RM'000	RM'000	RM'000	RM'000
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
At 1 January 2007		157,658	24,514	4,745	186,917
Profit for the financial year		0	0	2,837	2,837
Dividends for financial year ended:					
- 31 December 2006	12	0	0	(3,453)	(3,453)
At 31 December 2007		157,658	24,514	4,129	186,301

Cash flow statements

for the financial year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Operating Activities					
Profit for the financial year		1,056	1,446	3,260	2,837
Adjustments for non-cash items:					
Property, plant and equipment:					
- depreciation		12,166	11,471	0	0
- write-offs		79	281	0	0
- net gain on disposal		(678)	(87)	0	0
Amortisation of prepaid land lease rentals		502	507	0	0
Inventories:					
- write-offs		15,084	20,022	0	0
- writeback		(1,034)	(1,911)	0	0
Allowance for doubtful debts		14,477	9,338	0	0
Allowance for impairment in investment in subsidiaries (net)		0	0	0	653
Interest income		(331)	(152)	(6,321)	(6,594)
Interest expense		19,320	19,381	2,527	2,457
Dividend received (gross)		0	0	(1,102)	(1,102)
Net unrealised exchange losses		342	264	0	0
Tax expense		3,972	5,589	1,243	1,299
Minority interests		4,683	3,560	0	0
Accruals for post-employment benefits obligation		1,476	1,315	0	0
Amortisation of trademark		977	568	0	0
		72,091	71,592	(393)	(450)
Changes in working capital:					
Inventories		(35,193)	28,309	0	0
Receivables		103,744	(97,572)	(15,655)	(291)
Payables		(21,148)	54,317	15,939	694
Cash from operations		119,494	56,646	(109)	(47)
Dividend received (net)		0	0	815	804
Interest received		331	152	6,238	6,447
Interest paid		(19,320)	(19,385)	(2,364)	(2,337)
Tax paid		(6,977)	(8,005)	(1,381)	(2,291)
Post-employment benefit obligation paid		(1,259)	(814)	0	0
Net cash flow from operating activities		92,269	28,594	3,199	2,576

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Investing Activities					
Proceeds from disposal of property, plant and equipment		1,111	112	0	0
Purchase of property, plant and equipment and leasehold land	A	(6,279)	(9,228)	0	0
Acquisition of a subsidiary	30	0	(10,249)	0	(16,047)
Purchase of trademark		0	(1,000)	0	0
Advances to subsidiaries		0	0	(50,563)	(996)
Net cash flow from investing activities		(5,168)	(20,365)	(50,563)	(17,043)
Financing Activities					
Dividends paid		(4,283)	(4,226)	(3,500)	(3,453)
Repayment from short term borrowings		(169,208)	(20,110)	0	0
Drawdown of term loan		68,334	0	0	0
Advance from intermediate holding company		809	624	0	0
Advance from/(repayment to) immediate holding company		7,340	(2,094)	0	0
Advances from subsidiaries		0	0	32,793	26,332
Net cash flow from financing activities		(97,008)	(25,806)	29,293	22,879
Change in Cash and Cash Equivalents		(9,907)	(17,577)	(18,071)	8,412
Currency Translation Differences		73	5	0	0
Cash and Cash Equivalents at start of Financial Year		94,087	111,659	27,030	18,618
Cash and Cash Equivalents at end of Financial Year	27	84,253	94,087	8,959	27,030

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 RM722,016 (2007: RM1,741,694) have not been paid at the financial year end.

Notes to the financial statements

31 December 2008

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 that are effective

The new accounting standards, amendments to published standards and Interpretation Committee ("IC") Interpretations to existing standards effective for the financial year beginning 1 January 2008 are as follows:

- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 112 Income Taxes
- FRS 118 Revenue
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to FRS 121 The Effect of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
- IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

(a) **Standards, amendments to published standards and interpretations that are effective (continued)**

- IC Interpretation 2 — Members' Shares in Co-operative Entities and Similar Instruments
- IC Interpretation 5 — Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds
- IC Interpretation 6 — Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IC Interpretation 7 — Applying the Restatement Approach under FRS129^{2004} Financial Reporting in Hyperinflationary Economies
- IC Interpretation 8 — Scope of FRS 2

Amendments to FRS 111, 120, 121, 134, IC Interpretation 1, 2, 5, 6, 7, 8 are not relevant to the Group and Company. The adoption of FRS 107, 112, 118, 137 did not result in substantial changes to the Group and Company's accounting policies and did not have any significant financial impact on the financial statements of the Group and Company.

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

The new standards and IC Interpretations that are mandatory for the Group and Company's financial year beginning 1 January 2009 or later financial years, but which the Company has not early adopted, are as follows:

The following standards will be effective for annual period beginning on or after 1 January 2010. The Group and Company will apply these standards from financial periods beginning on 1 January 2010. The Group and Company has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group and Company.

- FRS 139 Financial Instruments: Recognition and Measurement
- FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114^{2004} Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group and Company will apply this standard from financial year beginning 1 January 2010.

IC Interpretation 9 Reassessment of Embedded Derivatives (effective for annual period beginning on or after 1 January 2010). IC Interpretation 9 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 Group and Company will apply this interpretation from financial year beginning 1 January 2010.

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 but not yet effective and have not been early adopted (continued)

IC Interpretation 10 Interim Financial Reporting and Impairment (effective for annual period beginning on or after 1 January 2010). IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group and Company will apply this Interpretation from financial year beginning 1 January 2010.

(c) Standards that are not yet effective and are not relevant to the Group and Company

FRS 4 Insurance Contracts (effective for annual period beginning on or after 1 January 2010)

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.

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.

2 Summary of Significant Accounting Policies (continued)

2.2 Economic entities in the Group (continued)

(a) Subsidiaries (continued)

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 rateable 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.

2.3 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.

2 Summary of Significant Accounting Policies (continued)

2.3 Intangible assets (continued)

(a) Goodwill (continued)

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.

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:

2 Summary of Significant Accounting Policies (continued)

2.4 Property, plant and equipment (continued)

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.

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 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.

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 Summary of Significant Accounting Policies (continued)

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.

(a) 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.

(b) Restructuring

Restructuring provisions mainly comprise lease termination penalties and employee termination payments and are recognised in the period in which the Group becomes legally or constructively committed to payment. Future operating costs are not provided for.

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 Summary of Significant Accounting Policies (continued)

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.

(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.

2.17 Financial instruments (continued)

(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.

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.

(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.

4 Financial Risk Management Objectives and Policies (continued)

(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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Sale of goods	3,592,068	3,345,270	0	0
Rendering of services	30,518	26,497	0	0
Commission income	0	0	13	10
Interest income from subsidiaries	0	0	6,102	6,501
Finance income	0	0	219	93
Dividend income (gross)				
- unquoted investment	0	0	1,102	1,102
	3,622,586	3,371,767	7,436	7,706

6 Staff Costs

	Group	
	2008	2007
	RM'000	RM'000
Wages, salaries and bonus	90,982	92,214
Post-employment benefits obligation:		
- national defined contribution plan	13,181	13,195
- other defined contribution plan (Note 24)	1,476	1,315
Retrenchment benefit	4,049	0
Other employee benefits	26,879	27,174
	136,567	133,898

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:

Non-executive Directors

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

Executive Directors

Niels Johan Holm
André Eugen Hägi

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-executive Directors:				
- fees	162	162	150	150
- estimated money value of benefits-in-kind	0	8	0	8
	162	170	150	158
Executive Directors:				
- salaries and bonus	1,900	2,367	0	0
- other defined contribution plan	173	0	0	0
- other benefits	754	622	0	0
	2,827	2,989	0	0
	2,989	3,159	150	158

8 Finance Cost

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Interest expense:				
- bank overdrafts	16	109	0	0
- bankers' acceptances	7,675	9,099	0	0
- promissory notes	999	763	0	0
- term loans	8,027	7,014	0	0
- intercompany advances from holding companies	2,139	1,874	2,506	2,436
- others	464	522	21	21
	19,320	19,381	2,527	2,457

9 Profit Before Tax

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting) the following:				
Auditors' remuneration:				
- fees for statutory audit	501	446	79	10
Property, plant and equipment:				
- write-offs	79	281	0	0
- net gain on disposal	(678)	(87)	0	0
Net exchange (gains)/losses:				
- realised	(1,338)	533	0	0
- unrealised	342	264	0	0
Cost of contract workers	2,406	1,717	0	0
Amortisation of trademark	977	568	0	0
Inventories:				
- write-offs	15,084	20,022	0	0
- writeback	(1,034)	(1,911)	0	0
Rental income	(516)	(548)	0	0
Interest income	(331)	(152)	(6,321)	(6,594)
Allowance for impairment in investment in subsidiaries (net)	0	0	0	653
Trade debtors				
- allowance for pre-finance debts	3,449	5,162	0	0
- writeback of doubtful debts	(756)	(1,118)	0	0
- allowance for trade debts	11,784	5,294	0	0
Legal fees paid to a firm in which a Director is a partner	74	127	11	68

Notes to the financial statements

31 December 2008

10 Tax

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Current tax:				
- Malaysian tax	5,860	6,433	1,243	1,299
Deferred tax (Note 18)	(1,888)	(844)	0	0
Tax expense	3,972	5,589	1,243	1,299
Current tax				
Current year	5,887	5,878	1,241	1,369
(Over)/under accrual in prior year (net)	(27)	555	2	(70)
	5,860	6,433	1,243	1,299
Deferred tax				
Origination and reversal of temporary differences	(1,460)	496	0	0
Recognition of previously unrecognised deferred tax asset	0	(1,458)	0	0
(Under)/over accrual in prior years (net)	(428)	118	0	0
	(1,888)	(844)	0	0
	3,972	5,589	1,243	1,299

The explanation of the relationship between tax expense and profit before tax is as follows:

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Numerical reconciliation between tax expenses and the product of accounting profit multiplied by the Malaysian tax rate				
Profits before tax	9,711	10,595	4,503	4,136
Tax calculated at the Malaysian tax rate of 26% (2007: 27%)	2,524	2,861	1,171	1,117
Tax effects of:				
- expenses not deductible for tax purposes	2,867	2,904	70	252
- recognition of previously unrecognised deferred tax asset	0	(1,458)	0	0
- changes in unrecognised deferred tax asset	(355)	106	0	0
- utilisation of previously unrecognised tax losses	(1,199)	0	0	0
- change in tax rate	590	503	0	0
	4,427	4,916	1,241	1,369
(Over)/under accrual in prior years (net)	(455)	673	2	(70)
Tax expense	3,972	5,589	1,243	1,299

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	
	2008	2007
Net profit for the financial year (RM'000)	1,056	1,446
Weighted average number of ordinary shares in issue ('000)	157,658	157,658
Basic earnings per share (sen)	0.67	0.92

12 Dividends

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

	Group and Company			
	2008		2007	
	Gross dividend per share Sen	Amount of dividends, net of 26% tax RM'000	Gross dividend per share Sen	Amount of dividends, net of 27% tax RM'000
Final dividends:				
- for financial year ended 31 December 2007 paid on 13 August 2008	3.0	3,500	0	0
- for financial year ended 31 December 2006 paid on 8 August 2007	0	0	3.0	3,453
Dividends in respect of the year	3.0	3,500	3.0	3,453

At the forthcoming Annual General Meeting, a final gross dividend of 3 sen per share on 157,658,076 ordinary shares, less income tax of 25%, amounting to RM3,547,307 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 2009 when approved by shareholders.

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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 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)		(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
Cost/Valuation						
At 1 January 2007	38,214	18,810	53,813	6,095	1,032	117,964
Additions						
- on purchase	1,628	46	6,117	102	3,077	10,970
- on acquisition of a subsidiary (Note 30)	0	4	6,943	1,930	0	8,877
Disposals	(20)	(797)	(246)	(855)	0	(1,918)
Write-offs	(2,314)	(110)	(4,836)	(118)	0	(7,378)
Reclassification	2,778	(4,416)	5,664	0	(4,026)	0
At 31 December 2007	40,286	13,537	67,455	7,154	83	128,515
Accumulated depreciation						
At 1 January 2007	19,931	11,527	41,540	4,666	0	77,664
Depreciation charge	2,852	1,390	6,512	717	0	11,471
Additions						
- on acquisition of a subsidiary (Note 30)	0	4	5,609	1,654	0	7,267
Disposals	(20)	(797)	(211)	(865)	0	(1,893)
Write-offs	(2,239)	(110)	(4,630)	(118)	0	(7,097)
Reclassification	0	(3,953)	3,953	0	0	0
At 31 December 2007	20,524	8,061	52,773	6,054	0	87,412
Net book value at 31 December 2007	19,762	5,476	14,682	1,100	83	41,103

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	
	2008	2007
	RM'000	RM'000
Buildings and renovations	2,549	2,955

14 Prepaid Land Lease Rentals

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

	Group	
	2008	2007
	RM'000	RM'000
At start of financial year	29,762	30,269
Reclassification (Note 13)	4	0
Amortisation for the year	(502)	(507)
At end of financial year	29,264	29,762

The future minimum lease payments for the prepaid land lease rentals will be realised as follows:

	Group	
	2008	2007
	RM'000	RM'000
Not later than one year	502	507
Later than one year and not later than five years	2,011	2,028
Later than five years	26,751	27,227
	29,264	29,762

Notes to the financial statements

31 December 2008

15 Interests in Subsidiaries

	Company 2008 RM'000	Company 2007 RM'000
Non-current assets		
Unquoted shares at cost	90,849	106,897
Accumulated impairment losses:		
At start of financial year	(1,153)	(500)
Additions (included in other operating expenses in the income statement)	0	(653)
Transfer of investment to a subsidiary	653	0
At end of financial year	(500)	(1,153)
	90,349	105,744
Advances to subsidiaries	159,554	108,991
	249,903	214,735
Current asset		
Amounts receivable from subsidiaries (Note 21)	15,995	527

Advances to subsidiaries are denominated in Ringgit Malaysia, unsecured and carry interest at 5% (2007: 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 RM152,800,000 (2007: RM103,425,000) 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 2008 %	Group's effective interest 2007 %	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	-	Dormant
DKSH Marketing Services Sdn Bhd	Malaysia	100.0	100.0	General trading, warehousing and distribution agency.

15 Interests in Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2008 %	Group's effective interest 2007 %	Principal activities
Texchem Consumers Sdn Bhd	Malaysia	-	100.0	General trading, merchandising and distribution agency
DKSH Transport Agencies (M) Sdn Bhd	Malaysia	51.0	51.0	Forwarding and husbanding 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. Bhd	Malaysia	100.0	100.0	General trading, warehousing and distribution agency.
Subsidiary of Harpers Trading (Malaysia) Sdn Bhd				
Harpers Trading (B) Sdn Bhd *	Negara Brunei Darussalam	100.0	100.0	General trading, warehousing and distribution agency.
Diethelm Chemicals Malaysia Sdn Bhd	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.

\# On 1 January 2008, the Company transferred its entire equity interest in Texchem Consumers Sdn. Bhd. to its subsidiary, DKSH Malaysia Sdn. Bhd.

16 Intangible Assets

	Goodwill RM'000	Trademark RM'000	Group Total RM'000
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
Year ended 31 December 2007			
At 1 January 2007	3,600	0	3,600
Acquisition of a subsidiary (Note 30)	0	8,758	8,758
Additions	0	1,000	1,000
Amortisation charge	0	(568)	(568)
At 31 December 2007	3,600	9,190	12,790
At 31 December 2007			
Cost	4,283	9,758	14,041
Accumulated amortisation and impairment losses	(683)	(568)	(1,251)
Net book amount	3,600	9,190	12,790

Impairment tests for goodwill

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

	2008 RM'000	2007 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.

16 Intangible Assets (continued)

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 4.42% (2007: 5.81%) with a price premium of RM0.17 to RM0.27 (2007: RM0.17 to RM0.27).

17 Other Investments

	Group	
	2008 RM'000	2007 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	4	4
	62	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	
	2008 RM'000	2007 RM'000
Subject to income tax		
- deferred tax assets	9,534	7,521
- deferred tax liability	(7,536)	(7,411)
	1,998	110

18 Deferred Tax (continued)

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

	Group	
	2008 RM'000	2007 RM'000
At start of financial year	110	(1,139)
Credited/(charged) to income statement (Note 10):		
- property, plant and equipment	(64)	(568)
- post-employment benefit obligation	113	(61)
- receivables	1,143	352
- inventories	4	(295)
- capital allowances	952	633
- unrealised foreign exchange	(61)	(164)
- tax losses	(372)	656
- others	173	291
	1,888	844
Charged to equity	0	405
At end of financial year	1,998	110
Subject to income tax		
Deferred tax assets (before offsetting)		
Capital allowances	1,585	633
Unrealised foreign exchange	(45)	16
Post-employment benefit obligation	1,925	1,812
Receivables	2,429	1,286
Inventories	2,017	2,013
Tax losses	1,997	2,369
Property, plant and equipment	0	44
Others	682	509
	10,590	8,682
Offsetting	(1,056)	(1,161)
Deferred tax assets (after offsetting)	9,534	7,521
Deferred tax liability (before offsetting)		
Property, plant and equipment	(8,592)	(8,572)
Offsetting	1,056	1,161
Deferred tax liability (after offsetting)	(7,536)	(7,411)

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:

	Group	
	2008 RM'000	2007 RM'000
Other deductible temporary differences	8,566	14,313
Unutilised capital allowances	4,928	4,928
Tax losses	16,268	16,499

19 Short Term Investments

	Group and Company	
	2008	2007
	RM'000	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	
	2008	2007
	RM'000	RM'000
At costs:		
Raw materials and packaging materials	1,480	1,803
Work-in-progress	1,740	671
Finished goods	340,809	320,531
	344,029	323,005

21 Receivables

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Trade receivables	614,360	727,708	0	0
Less: allowance for doubtful debts	(28,866)	(32,490)	0	0
	585,494	695,218	0	0
Deposits	3,319	3,765	0	0
Prepayments	7,636	10,773	84	100
Other receivables	2,506	8,151	0	0
	598,955	717,907	84	100
Amounts receivable from immediate holding company	479	0	0	0
Amounts receivable from subsidiaries (Note 15)	0	0	15,995	527
Amounts receivable from other related companies	134	29	0	0
	613	29	15,995	527
	599,568	717,936	16,079	627

Notes to the financial statements

31 December 2008

21 Receivables (continued)

The currency exposure profile of receivables is as follows:

	Group	
	2008 RM'000	2007 RM'000
Trade receivables		
Ringgit Malaysia	577,958	687,246
US Dollar	1,143	619
Singapore Dollar	186	305
Brunei Dollar	6,169	6,433
Euro	38	615
	585,494	695,218

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other receivables				
Ringgit Malaysia	2,458	8,151	0	0
Brunei Dollar	48	0	0	0
	2,506	8,151	0	0
Intercompany receivables				
Ringgit Malaysia	613	5	15,995	527
Swiss Francs	0	24	0	0
	613	29	15,995	527

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 have no fixed repayment terms.

Credit terms of trade receivables range from 60 days to 90 days (2007: 60 days to 90 days).

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

22 Payables

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Trade payables	482,352	496,473	0	0
Amounts payable to:				
- intermediate holding company	85	159	0	0
- subsidiaries	0	0	324	184
- other related companies	6,718	9,997	0	0
Accruals	39,189	42,912	260	266
Other payables	31,348	30,699	0	0
	559,692	580,240	584	450

The currency exposure profile of payables is as follows:

	Group 2008 RM'000	Group 2007 RM'000
Trade payables		
Ringgit Malaysia	411,828	388,554
US Dollar	48,119	77,344
Euro	18,489	25,555
Brunei Dollar	473	407
Singapore Dollar	1,408	2,558
Australia Dollar	837	1,286
Japanese Yen	61	410
Others	1,137	359
	482,352	496,473

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Intercompany payables				
Ringgit Malaysia	1,031	4,709	324	184
Swiss Francs	0	748	0	0
US Dollar	5,772	4,576	0	0
Singapore Dollar	0	49	0	0
Euro	0	51	0	0
Brunei Dollar	0	23	0	0
	6,803	10,156	324	184
Accruals				
Ringgit Malaysia	39,189	42,912	260	266

Notes to the financial statements

31 December 2008

22 Payables (continued)

	Group 2008 RM'000	Group 2007 RM'000
Other payables		
Ringgit Malaysia	31,192	30,448
Brunei Dollar	156	251
	31,348	30,699

The average credit terms of payables are as follows:

	Average credit terms 2008	Average credit terms 2007
Trade payables	90 days	90 days
Other payables	30 days	30 days
Amounts payable to intermediate holding company, subsidiaries, other related companies and trade accruals	No fixed repayment terms	No fixed repayment terms

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

23 Borrowings

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current:				
Bank overdrafts (Note 27)	0	266	0	0
Bankers' acceptances	100,000	314,232	0	0
Term loans	156,667	30,000	0	0
Promissory notes	62,709	17,771	0	0
Finance lease (secured)	36	0	0	0
	319,412	362,003	0	0
	319,412	362,269	0	0

23 Borrowings (continued)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Non-current:				
Advances from:				
- intermediate holding company	20,675	19,866	0	0
- immediate holding company	26,267	18,927	0	0
- subsidiaries	0	0	88,854	56,061
	46,942	38,793	88,854	56,061
Term loans	11,667	70,000	0	0
Finance lease (secured)	57	0	0	0
	58,666	108,793	88,854	56,061
Total	378,078	471,062	88,854	56,061

Bankers' acceptances, promissory notes and term loans are unsecured. Advances from intermediate holding company, immediate holding company and subsidiaries are unsecured, carry interest at 5% (2007: 5%) per annum and are 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 5.21% (2007: Nil) per annum.

	Group 2008 %	Group 2007 %
Weighted average year end effective interest rates		
Bank overdrafts	7.40	7.40
Bankers' acceptances	3.86	4.01
Promissory notes	4.23	4.31
Term loans	5.67	5.54

All borrowings are denominated in Ringgit Malaysia.

Maturity structure of external borrowings are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Within one year	319,412	362,269	0	0
Between one and two years	6,725	0	0	0
Between two and five years	4,999	70,000	0	0
Total	331,136	432,269	0	0
Estimated fair values				
Advances from:				
- intermediate holding company	19,800	18,851	0	0
- immediate holding company	25,155	17,960	0	0
- subsidiaries	0	0	85,093	53,198
Term loans	9,443	96,425	0	0
Finance lease (secured)	93	0	0	0
	54,491	133,236	85,093	53,198

24 Post-Employment Benefits Obligation

	Group	
	2008 RM'000	2007 RM'000
Defined contribution plan		
Non-current:		
At 31 December	9,692	9,475

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

	Group	
	2008 RM'000	2007 RM'000
At 1 January	9,475	8,937
Charged to income statement (Note 6)	1,476	1,315
Recoverable from principal	0	16
Acquisition of a subsidiary (Note 30)	0	21
Contributions paid	(1,259)	(814)
At 31 December	9,692	9,475

25 Share Capital

	Group and Company			
	2008		2007	
	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 2008, the Company has sufficient Section 108 tax credits to frank all of its retained earnings if paid out as dividends.

27 Cash and Cash Equivalents

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposit with a licensed bank	10,843	6,486	8,780	0
Bank and cash balances	73,410	87,867	179	27,030
Deposit, bank and cash balances	84,253	94,353	8,959	27,030
Bank overdrafts (Note 23)	0	(266)	0	0
	84,253	94,087	8,959	27,030
The currency exposure profile of deposit, bank and cash balances is as follows:				
Ringgit Malaysia	84,069	93,375	8,959	27,030
Brunei Dollar	169	31	0	0
US Dollar	15	947	0	0
	84,253	94,353	8,959	27,030

Deposit with a licensed bank has a maturity period of 7 days (2007: 13 days) and carry interest at 2.71% per annum (2007: 3.02% per annum).

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

28 Provision for Other Liabilities

	2008 RM'000	2007 RM'000
Provision for other liabilities		
- Property reinstatement cost	264	0

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 2008 is RM253,000.

29 Commitments

(a) Capital commitments

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

	Group	
	2008 RM'000	2007 RM'000
Authorised by the Directors and contracted for:		
- Property, plant and equipment	434	322

(b) Non-cancellable operating lease commitments

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

	Group	
	2008 RM'000	2007 RM'000
Payable within one year	17,736	16,934
Payable after one year but not later than five years	49,194	63,168
Payable after five years	0	3,613
	66,930	83,715

30 Acquisition of a Subsidiary

2008:
There was no acquisition in the year ended 31 December 2008.

2007:
On 31 May 2007, the Group acquired 100% of the share capital of Texchem Consumers Sdn. Bhd., a general trading, merchandising and distribution agency. The acquired business contributed revenue of RM112,236,000 and net loss of RM653,000 to the Group for the period from 31 May 2007 to 31 December 2007.

If the acquisition had occurred on 1 January 2007, Group revenue would have been RM3,438,594,000 and net profit would have been RM265,000. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2007, together with the consequential tax effect.

Details of net assets acquired and goodwill are as follows:

	2007 RM'000
Purchase consideration - cash paid	16,047
Less: fair value of net assets acquired	(7,289)
Trademark	8,758

The trademark is attributable to the brand of a certain product registered in the name of the subsidiary company.

The assets and liabilities as of 31 May 2007 arising from the acquisition are as follows:

	2007 RM'000
Other investment	562
Cash and cash equivalents	5,798
Property, plant and equipment (Note 13)	1,610
Intangible asset (Note 16)	8,758
Inventories	26,927
Trade and other receivables	55,185
Trade and other payables	(46,524)
Borrowings	(36,248)
Post-employment benefits obligation (Note 24)	(21)
Net assets acquired	16,047
Purchase consideration settled in cash	16,047
Less: cash and cash equivalents in subsidiary acquired	(5,798)
Cash ouflow on acquisition	10,249

The fair value of the assets and liabilities approximates the carrying amounts.

31 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. (formerly known as Dihoma Sendirian Berhad) 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. (formerly known as Dihoma Sendirian Berhad)	Immediate holding company
DKSH Marketing Services Sdn Bhd	Subsidiary
Harpers Trading (Malaysia) Sdn Bhd	Subsidiary
DKSH Logistics Services Sdn Bhd	Subsidiary
DKSH Transport Agencies (M) Sdn. Bhd	Subsidiary
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
Lembaga Tabung Angkatan Tentera	Other related party

31 Significant Related Party Disclosures (continued)

The following transactions were carried out with related parties:

		Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
(a)	Sales of goods and services:				
	Sales of goods:				
	- related company	0	79	0	0
	Sale of services:				
	- related company (rental)	384	384	0	0
	- related company (information technology charges)	0	54	0	0
	- related company (human resource charges)	143	123	0	0
		527	561	0	0
	Others (interest):				
	- subsidiaries	0	0	6,103	6,501
		527	640	6,103	6,501
(b)	Purchase of goods and services:				
	Purchase of goods:				
	- related company	0	664	0	0
	Purchase of services:				
	- related company (travel)	1,231	1,609	0	0
	- related company (management fee and regional audit)	2,944	3,469	0	0
	- related company (cost sharing)	53	0	0	0
	- related company (information technology charges)	11,257	11,268	0	0
	- other related party (rental)	11,641	11,408	0	0
	- related company (purchase of assets)	96	0	0	0
		27,222	27,754	0	0
	Others (interest):				
	- immediate holding company	1,123	895	0	0
	- intermediate holding company	1,016	979	0	0
	- subsidiaries	0	0	2,506	2,436
		2,139	1,874	2,506	2,436
		29,361	30,292	2,506	2,436
(c)	Key management compensation				
	Salaries and bonus	10,021	9,775	0	0
	Post employment benefits obligation				
	- national defined contribution plan	966	777	0	0
	- other defined contribution plan	316	163	0	0
	Other employees benefits	1,925	1,936	0	0
		13,228	12,651	0	0

32 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.

(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 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)
Financial year ended 31 December 2008					
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).

32 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 2007					
Revenue					
Segment revenue	3,300,117	36,014	35,636	0	3,371,767
Intersegment revenue	1,361	0	0	(1,361)	0
Revenue	3,301,478	36,014	35,636	(1,361)	3,371,767
Results					
Segment results	22,779	2,525	4,672	0	29,976
Finance cost					(19,381)
Tax expense					(5,589)
Profit for the financial year					5,006
At 31 December 2007					
Net assets					
Segment assets	1,064,485	15,725	8,878	0	1,089,088
Unallocated assets					139,265
Total assets					1,228,353
Segment liabilities	(491,759)	(3,347)	(1,367)	0	(496,473)
Unallocated liabilities					(572,976)
Total liabilities					(1,069,449)
Financial year ended 31 December 2007					
Other information					
Capital expenditure	10,224	0	746	0	10,970
Depreciation of property, plant and equipment	10,700	153	618	0	11,471
Amortisation of prepaid land lease rentals	507	0	0	0	507
Amortisation of trademark	568	0	0	0	568

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).

32 **Segmental Information (continued)**

(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.

33 **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 2008, the settlement dates on open forward contracts ranged between 1 and 3 (2007: 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 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
At 31 December 2007			
Trade payables:			
Euro 406,000	Euro	1,983	1Euro = 4.884
Euro 189,000	Euro	929	1Euro = 4.913
USD 930,000	US Dollar	3,142	1USD = 3.379
USD 201,000	US Dollar	677	1USD = 3.367
USD 2,711,000	US Dollar	9,166	1USD = 3.381
CHF 134,000	Swiss Francs	397	1CHF = 2.963
AUD 83,000	Australian Dollar	241	1AUD = 2.904
SGD 70,000	Singapore Dollar	162	1SGD = 2.314
GBP 24,000	Sterling Pound	160	1GBP = 6.687
Amount payable to ultimate holding company:			
CHF 242,000	Swiss Francs	732	1CHF = 3.025

33 Financial Instruments (continued)

The fair value of outstanding forward contracts of the Group at the balance sheet date was an unfavourable net position of RM204,000 (2007: favourable net position of RM305,000).

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.

34 Comparatives

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Group - 2007			
Balance Sheet			
Current liability:			
Borrowings – others	332,003	30,000	362,003
Non-current liability:			
Borrowings – term loans	100,000	(30,000)	70,000
	432,003	0	432,003

35 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 2009.

Statement by directors

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

We, Niels Johan Holm 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 32 to 80 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 2008 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 2009.

Niels Johan Holm
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 32 to 80 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 2009, before me.

No. B158
Soong Foong Chee
Commissioner for Oaths

PRICEWATERHOUSECOOPERS

Independent auditors' report

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

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

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 2008 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 32 to 80.

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 Company'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 Company'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 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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' reports 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. 2025/03/10 (J))
Chartered Accountant

Kuala Lumpur
7 April 2009

Proxy Form

for the Seventeenth 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 Seventeenth 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 18, 2009 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 Niels Johan Holm		
5	Re-election of André Eugen Hägi		
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 2009

....
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.

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affix
postage

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

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