



THIS CIRCULAR TO SHAREHOLDERS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, please consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular to Shareholders ("Circular"), makes no representation as to the accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Unless otherwise stated, all abbreviations contained in this Circular are defined in the Definitions section of this Circular.

DKSH HOLDINGS (MALAYSIA) BERHAD

(Company No. : 231378-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to

PROPOSED DISPOSAL OF ALL THAT PIECE OF LEASEHOLD LAND MEASURING APPROXIMATELY 258,746 SQ. FT. AND HELD UNDER PAJAKAN NEGERI 3696, LOT 52 SEKSYEN 13, BANDAR PETALING JAYA, DAERAH PETALING, NEGERI SELANGOR TOGETHER WITH THE OFFICE AND INDUSTRIAL BUILDINGS AND WAREHOUSES ERECTED THEREON BY DKSH CENTRAL SERVICES MALAYSIA SDN BHD TO SUN-PJDC SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM124,200,000.00

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The above proposal will be tabled as Ordinary Resolution at the forthcoming Extraordinary General Meeting ("EGM") of DKSH Holdings (Malaysia) Berhad ("DKSH") to be held on Tuesday, August 20, 2013 at 10.00 a.m. The Notice of EGM and the Proxy Form are enclosed herewith.

The Proxy Form must be completed and lodged at the registered office of DKSH at 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Date and time of the EGM	:	August 20, 2013 at 10.00 a.m.
Last date and time for lodging the Proxy Form	:	August 18, 2013 at 10.00 a.m.
Venue of the EGM	:	Conference Room, Ground Floor 74 Jalan Universiti 46200 Petaling Jaya Selangor Darul Ehsan Malaysia

This Circular is dated August 5, 2013

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 1965, including any amendment that may be made from time to time.
Balance Sum	:	A sum of Ringgit Malaysia One Hundred Eleven Million Seven Hundred and Eighty Thousand (RM111,780,000.00) only equivalent to ninety per centum (90%) of the Purchase Price.
Board or Directors	:	Board of Directors of DKSH.
Buildings	:	The office and industrial buildings and warehouses erected on the Land.
Bursa Malaysia	:	Bursa Malaysia Securities Berhad.
Business Day	:	A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Kuala Lumpur and Selangor.
Completion Date	:	The date of payment by Sun-PJDC of the Balance Sum and the interest (if any) in accordance with the terms of the SPA.
Completion Period	:	Two (2) months from the date the SPA becomes unconditional.
DCS	:	DKSH Central Services Malaysia Sdn Bhd (Co. No. 393972-X), a wholly-owned subsidiary of the Company.
Deposit	:	A sum of Ringgit Malaysia Twelve Million Four Hundred and Twenty Thousand (RM12,420,000.00) only equivalent to ten per centum (10%) of the Purchase Price.
DKSH or the Company	:	DKSH Holdings (Malaysia) Berhad.
DKSH Group or the Group	:	DKSH and its subsidiaries, collectively.
EGM	:	Extraordinary General Meeting of the Company.
Land	:	All that piece of leasehold land measuring approximately 258,746 sq. ft. and held under Pajakan Negeri 3696, Lot 52 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia, including any amendment that may be made from time to time.
LPD	:	Means July 8, 2013 being the latest practicable date before the printing of this Circular for practical reasons and the cut-off date for the information disclosed in this Circular unless otherwise indicated.
Property	:	Collectively, the Land and the Buildings.
Proposed Disposal	:	Proposed disposal of the Property by DCS to Sun-PJDC at the Purchase Price.
Proposed Tenancy	:	A tenancy in respect of the Property to be granted by Sun-PJDC to DCS at the Rent for a period of eighteen (18) months commencing, subject to completion of the SPA, from the Completion Date with an option to renew the tenancy for three (3) consecutive periods of two (2) months each upon expiry of the tenancy of eighteen (18) months aforesaid, upon the terms and conditions as stipulated in the Tenancy Agreement.
Purchase Price	:	Cash consideration of Ringgit Malaysia One Hundred Twenty Four Million and Two Hundred Thousand (RM124,200,000.00).
Relevant Authorities	:	All governmental authorities, agencies, providers of public utility services, statutory or regulatory bodies having powers jurisdiction and/or authority at law over or in connection with the transaction contemplated in the SPA.

DEFINITIONS (continued)

Rent	:	The monthly rental of Ringgit Malaysia Two Hundred and Fifty Thousand (RM250,000.00) payable by DCS to Sun-PJDC.
RM	:	Ringgit Malaysia.
SPA	:	The sale and purchase agreement entered into between DCS and Sun-PJDC on May 31, 2013 pertaining to the Proposed Disposal.
Sun-PJDC	:	Sun-PJDC Sdn Bhd (Co. No. 640018-X), a private limited company incorporated on January 16, 2004 in Malaysia under the Act with its registered address at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur.
Tenancy Agreement	:	The tenancy agreement pertaining to the Proposed Tenancy executed (in escrow) simultaneously upon the execution of the SPA between DCS and Sun-PJDC.
Title	:	Pajakan Negeri 3696, Lot 52 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.
Valuation Report	:	The valuation report dated May 15, 2013 prepared by Jones Lang Wootton for the Property.

All references to “we”, “us”, “our”, “ourselves”, “our Company” or “DKSH” in this Circular are to “DKSH Holdings (Malaysia) Berhad”.

All references to “you” in this Circular are to the shareholders of the Company entitled to attend, speak and vote at the EGM and whose names appear in the Company’s Record of Depositors at the time and on the date to be determined by the Board of the Company.

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NOTICE OF EGM

Enclosed

PROXY FORM

Enclosed

DKSH HOLDINGS (MALAYSIA) BERHAD
(Company No. : 231378-A)

Registered office:
74 Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan

August 5, 2013

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*
John Peter Clare, *Non-Independent Executive Director/Group Finance Director*

To: Our Shareholders

Dear Sir/Madam,

PROPOSED DISPOSAL OF ALL THAT PIECE OF LEASEHOLD LAND MEASURING APPROXIMATELY 258,746 SQ. FT. AND HELD UNDER PAJAKAN NEGERI 3696, LOT 52 SEKSYEN 13, BANDAR PETALING JAYA, DAERAH PETALING, NEGERI SELANGOR TOGETHER WITH THE OFFICE AND INDUSTRIAL BUILDINGS AND WAREHOUSES ERECTED THEREON BY DKSH CENTRAL SERVICES MALAYSIA SDN BHD TO SUN-PJDC SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM124,200,000.00

1. INTRODUCTION

On May 31, 2013, the Company announced that DCS had on May 31, 2013 entered into the SPA with Sun-PJDC for the Proposed Disposal by DCS to Sun-PJDC for a total cash consideration of RM124,200,000.00 (Ringgit Malaysia One Hundred Twenty Four Million and Two Hundred Thousand).

Further details in respect of the Proposed Disposal are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE INFORMATION ON THE PROPOSED DISPOSAL AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION IN RELATION TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED DISPOSAL

(i) Proposed Disposal

Pursuant to the SPA, DCS has agreed to sell and Sun-PJDC has agreed to purchase the Property for the Purchase Price free from all encumbrances other than those attributable to Sun-PJDC on an "as is where is" basis but subject to the lease registered in favour of Tenaga Nasional Berhad vide presentation number 22665/1992 Jil. 1 Fol. 21 for a term of thirty (30) years over part of the Land measuring approximately 53 sq. ft. in area and expiring on April 30, 2021 ("TNB Lease"), and all conditions whether express or implied in the Title and upon the terms and subject to the conditions set out in the SPA.

(ii) Proposed Tenancy

It is a term of the SPA that Sun-PJDC grants DCS the Proposed Tenancy commencing from the Completion Date based on the terms and subject to the conditions stipulated in the Tenancy Agreement.

2.1 Information on the Property

The Property is situated in the city of Petaling Jaya in a parcel of land bearing postal address of 74, Jalan Universiti, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Section 13 is an established industrial area which has been rezoned by the authorities for mixed development and limited commercial purposes and bounded by Jalan Universiti, Jalan Kemajuan and Jalan Semangat. The Property is located approximately 10 kilometres due south-west of Kuala Lumpur city center and 3 kilometres due north-west of the Petaling Jaya Administrative Center (Petaling Jaya New Town).

The Property measuring approximately 258,746 sq. ft. conveys a 99-year leasehold interest expiring on August 6, 2067 i.e. having an unexpired term of about fifty-four (54) years as at LPD and is subject to the express condition of "Perusahaan" (Industry).

The Buildings, comprising four blocks of warehouses, with annexed multi-storey offices/integral offices, are currently used by the DKSH Group as its own offices and warehouses. The Buildings are more than twenty one (21) years old with a gross floor area of approximately 255,400 sq. ft. and a total lettable space of 206,176 sq. ft. with occupancy of the Buildings at 189,719 sq. ft. or 92.0% as at LPD.

Prior to the Property being held by DCS, it was held by DKSH Malaysia Sdn Bhd ("DMSB"), another wholly-owned subsidiary of DKSH. DCS acquired the Property on May 25, 2004 at a total purchase consideration of RM32,329,000.00. The net book value of the Property is RM26,558,000.00 based on the latest audited financial statements of DKSH for the year ended December 31, 2012. DMSB originally acquired the Property on September 14, 1976 for a total consideration of RM10,000,000.00.

The Land had been depreciated over the remaining useful life (i.e. the unexpired lease term of the Land) and the Buildings have been depreciated over thirty-five (35) years, hence resulting in a gradual reduction of the Property's value since the acquisition by DCS from DMSB. The total accumulated depreciation figure in respect of the Property is RM5,771,000.00 based on the latest audited financial statements of DKSH for the year ended December 31, 2012.

The Property is to be disposed by DCS free from all encumbrances other than those attributable to Sun-PJDC on an "as is where is" basis but subject to the TNB Lease and all conditions whether express or implied in the Title and upon the terms and subject to the conditions set out in the SPA.

The Property is not subject to restrictions-in-interest and is currently free from any encumbrances save for the TNB Lease.

On Completion Date, DCS shall deliver legal possession of the Property to Sun-PJDC and Sun-PJDC shall grant to DCS the Proposed Tenancy.

2.2 Information on DCS

DCS was incorporated on July 12, 1996 as a private limited company in Malaysia under the Act with its registered address at 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan. It is principally engaged in the provision of estate management services and is the registered proprietor and beneficial owner of the Property.

DCS has an authorized share capital of RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM500,000.00. It is a wholly-owned subsidiary of DKSH.

The existing Directors of DCS are John Peter Clare, Sin Peng Guan and Foo Yeong Kwong.

2.3 Information on Sun-PJDC

Sun-PJDC was incorporated on January 16, 2004 as a private limited company in Malaysia under the Act with its registered address at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. It is principally engaged in property development and investment.

Sun-PJDC has an authorized share capital of RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM2,500,000.00. It is a wholly-owned subsidiary of PJ Development Holdings Berhad, a company listed on Bursa Malaysia.

The existing Directors of Sun-PJDC are Yap Yoon Kong, Ong Ju Xing and Lim Lian Seng.

2.4 Basis and justification of arriving at the Purchase Price

The Proposed Disposal was not conducted through a competitive tender process. The Purchase Price was arrived at on a willing-buyer-willing-seller basis after taking into consideration:

- (i) the prevailing market value of properties in the same vicinity based on the Valuation Report prepared by Jones Lang Wootton, an independent registered valuer appointed by the Company, details of which are included in the relevant valuation certificate of Jones Lang Wootton attached as Appendix I of this Circular; and
- (ii) the market value of the Property as reported by Jones Lang Wootton.

Jones Lang Wootton had on May 13, 2013, reported the market value of the Property to be at RM104,000,000.00 using the Comparison Approach, where comparison is made of the Property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made with due consideration given to factors such as location, land size, land tenure and market conditions.

After taking into consideration the market value of the Property for the Proposed Disposal based primarily on the Valuation Report and pursuant to the negotiations between DKSH and Sun-PJDC, the Purchase Price was arrived and agreed at RM124,200,000.00 or RM480.00 per sq. ft. representing a premium of RM20,200,00.00 or approximately 19.42% to the current market value of the Property as reported by Jones Lang Wootton.

2.5 Salient terms of the SPA

The salient terms of the SPA, *inter-alia*, are as follows:

2.5.1 Conditions precedent

The SPA is conditional upon each of Sun-PJDC and DCS obtaining the following approvals within three (3) months from the date of the SPA or such extended period as may be mutually agreed between DCS and Sun-PJDC in writing ("Conditional Period"):

- (i) the approval of the shareholders of DKSH at the forthcoming EGM;
- (ii) the approval of the Relevant Authorities, in respect of the Proposed Disposal, if required;
- (iii) the written consent of Tenaga Nasional Berhad (as lessee under the TNB Lease) for the transfer of the Property by DCS to Sun-PJDC (which consent was obtained vide a letter from Tenaga Nasional Berhad dated May 28, 2013); and
- (iv) the approval of the Relevant Authorities, in respect of the purchase of the Property by Sun-PJDC from DCS, if required.

2.5.2 Non-fulfilment of conditions precedent

In the event that any or all of the approvals is/are not obtained by the expiry of the Conditional Period and any such inability/failure to obtain the approvals is not due to the default, fault, omission, neglect or wilful act of the party responsible for obtaining such approvals, either Sun-PJDC and DCS may by notice in writing to the other terminate the SPA whereupon DCS shall refund the Deposit, free of interest, to Sun-PJDC within seven (7) Business Days from the date of such termination, failing which DCS shall be liable to pay late payment interest to Sun-PJDC at the rate of eight per centum (8%) per annum on the monies or part thereof outstanding calculated on a daily basis from the due date to the date of actual refund to Sun-PJDC and thereafter, the SPA shall be null and void.

2.5.3 Payment and terms of payment

The Purchase Price is to be paid in the following manner:

- (i) the Deposit, being a sum of Ringgit Malaysia Twelve Million Four Hundred and Twenty Thousand (RM12,420,000.00) equivalent to ten per centum (10%) of the Purchase Price has been paid to DCS upon the execution of the SPA; and

- (ii) the Balance Sum, being a sum of Ringgit Malaysia One Hundred Eleven Million Seven Hundred and Eighty Thousand (RM111,780,000.00) equivalent to ninety per centum (90%) of the Purchase Price shall be paid to DCS' solicitors within the Completion Period, or an extension of time not exceeding one (1) month from the expiry of the Completion Period automatically granted by DCS to Sun-PJDC, subject to Sun-PJDC paying to DCS interest on such part of the Balance Sum as remains unpaid at the rate of eight per centum (8%) per annum calculated from the date immediately after the expiry of the Completion Period to the date of payment of such part of the Balance Sum as remains unpaid, based on a three hundred and sixty five (365) day year on the actual number of days elapsed and shall accrue from day to day.

2.5.4 Default by Sun-PJDC

In the event that Sun-PJDC defaults in its obligations under the SPA, DCS shall be entitled at DCS' absolute discretion by written notice to Sun-PJDC to terminate the SPA.

Upon the termination of the SPA pursuant to a default by Sun-PJDC:

- (i) the Deposit shall be forfeited to DCS as agreed liquidated damages; and
- (ii) DCS shall within seven (7) Business Days from the date of DCS' notice of termination refund or cause to be refunded to Sun-PJDC all monies (if any) paid by Sun-PJDC or its financier towards the Purchase Price, free of interest, save and except the Deposit, failing which DCS shall be liable to pay late payment interest to Sun-PJDC at the rate of eight per centum (8%) per annum on the monies or part thereof outstanding calculated on a daily basis from the due date to the date of actual refund to Sun-PJDC.

Upon termination of the SPA and DCS' refund to Sun-PJDC of all monies paid by Sun-PJDC towards the Purchase Price in accordance with the provisions of the SPA, DCS shall be free to deal with the Property in such manner as DCS deems fit and neither party shall have any claim against the other party in respect of the SPA other than for antecedent breaches.

2.5.5 Default by DCS

In the event that DCS defaults in its obligations under the SPA, Sun-PJDC shall be entitled at Sun-PJDC's absolute discretion by written notice to DCS to terminate the SPA.

Upon the termination of the SPA pursuant to a default by DCS, Sun-PJDC shall be entitled to either:

- (i) the remedy at law for specific performance of the SPA and all reliefs flowing therefrom; or
- (ii) terminate the SPA by notice in writing to DCS, in which event DCS shall within seven (7) Business Days from the date of receipt of Sun-PJDC's notice of termination refund or cause to be refunded to Sun-PJDC all monies (if any) (including the Deposit) paid by Sun-PJDC towards the Purchase Price free of interest together with a further sum equivalent to the Deposit only as agreed liquidated damages failing which DCS shall be liable to pay late payment interest to Sun-PJDC at the rate of eight per centum (8%) per annum on the monies or part thereof outstanding calculated on a daily basis from the due date to the date of actual refund to Sun-PJDC.

Upon termination of the SPA and DCS' refund and payment to Sun-PJDC of all monies (including the Deposit) in accordance with the provisions of the SPA, DCS shall be free to deal with the Property in such manner as DCS deems fit and neither party shall have any claim against the other party in respect of the SPA other than for antecedent breaches.

2.5.6 Other salient terms

On Completion Date, DCS shall deliver legal possession of the Property to Sun-PJDC and Sun-PJDC shall grant to DCS the Proposed Tenancy in order for DKSH Group to continue its existing business operations at the Property, upon the terms and conditions as stipulated in the Tenancy Agreement.

2.5.7 Liabilities to be assumed

There are no other liabilities to be assumed by Sun-PJDC arising from the Proposed Disposal. There are also no other liabilities to be assumed by DKSH arising from the Proposed Disposal.

2.6 Salient terms of the Tenancy Agreement

The Tenancy Agreement was executed by DCS and Sun-PJDC simultaneously upon the execution of the SPA. It is held in escrow and will be effected, subject to completion of the SPA, on the Completion Date. The executed Tenancy Agreement is deposited with Sun-PJDC's solicitors, who shall within five (5) Business Days from the Completion Date, deliver the executed Tenancy Agreement to DCS' solicitors for stamping purposes.

The salient terms of the Tenancy Agreement, *inter-alia*, are as follows:

2.6.1 Tenure

The tenure of the Proposed Tenancy is for a period of eighteen (18) months commencing from the Completion Date with an option to renew the tenancy for three (3) consecutive periods of two (2) months each upon expiry of the tenancy of eighteen (18) months aforesaid at the same Rent and on the same terms and conditions of the Tenancy Agreement.

The renewal terms shall be granted by Sun-PJDC to DCS upon Sun-PJDC's receipt of prior written notice from DCS of DCS' intention to exercise the option to renew within the time frame stipulated in the Tenancy Agreement.

2.6.2 Rent

The Rent was mutually agreed between DCS and Sun-PJDC. The Rent shall be payable in advance on a monthly basis and to be paid on or before the 7th day of each month with the first payment to commence on the month and year of the effective date (that is the Completion Date pursuant to the SPA), failing which DCS will be liable to pay to Sun-PJDC interest at the rate of ten per centum (10%) per annum on the Rent or any part thereof outstanding calculated in accordance with the provisions of the Tenancy Agreement.

2.6.3 Security deposit

DCS shall pay to Sun-PJDC on or prior to the effective date of the Proposed Tenancy (that is the Completion Date pursuant to the SPA) a security deposit in the sum of Ringgit Malaysia Five Hundred Thousand (RM500,000.00) in the form of a bank guarantee, which shall contain such terms as Sun-PJDC and DCS may mutually agree upon ("Security Deposit").

2.6.4 Use of the Property

DCS shall use the Property solely for office and industrial use only and no other purpose whatsoever without the prior written consent of Sun-PJDC provided that such purpose shall be approved by and comply with the requirements of the appropriate authority.

2.6.5 Interdependence

If for any reason the SPA is rescinded or terminated, the Tenancy Agreement will by reason of such rescission or termination be rescinded. Sun-PJDC shall, within ten (10) Business Days from the date of rescission or termination, refund to DCS all monies paid under the Tenancy Agreement including the Rent and Security Deposit provided that Sun-PJDC is in receipt of the same.

2.6.6 Events of default and consequence of events of default

The Tenancy Agreement sets out several circumstances which are deemed to be events of default. Upon the occurrence of any one or more the events of default and on the expiry of the period specified in the forfeiture notice served by Sun-PJDC upon DCS without the breach complained of having been remedied, Sun-PJDC shall be at liberty to re-enter upon the Property and whereupon the term granted under the Tenancy Agreement shall absolutely determine and the Security Deposit shall be forfeited by Sun-PJDC absolutely. In addition, DCS shall pay to Sun-PJDC a sum equal to the Rent payable for the whole of the unexpired period of the said term as liquidated damages within seven (7) Business Days from the date of receipt of Sun-PJDC's notice of termination/demand, failing which DCS will be liable to pay to Sun-PJDC interest at the rate of ten per centum (10%) per annum on the said monies or any part thereof outstanding calculated in accordance with the provisions of the Tenancy Agreement.

2.6.7 Liabilities to be assumed

There are no other liabilities to be assumed by Sun-PJDC arising from the Proposed Tenancy. There are also no other liabilities to be assumed by DKSH arising from the Proposed Tenancy.

2.7 Cash company or PN17 company

The Proposed Disposal is not expected to result in DKSH becoming a cash company or a PN17 company as defined in the Listing Requirements.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Group has shown strong growth over recent years. This is expected to continue. The Group has therefore assessed the distribution and office infrastructure to ensure an adequate platform for continued growth.

In a first step, the Group will move to a new Healthcare distribution center which will cater for expansion, effectively removing the need to operate the congested warehouse on the Property. Separately, the Group has conducted an extensive market search to secure office options that will allow professionalizing the organization and catering for further growth. Information on the new Healthcare distribution center is as follows:

- (i) Currently, the new Healthcare distribution center is being upgraded and renovated by DKSH's future landlord, Amazing Treasure Sdn Bhd ("ATSB") who is a non-related party. Upon the completion of the upgrade and renovation and hand over which is expected by the third quarter of 2013, DMSB will enter into a lease with ATSB for the new Healthcare distribution center.
- (ii) DKSH's new Healthcare distribution center comprises a built-to-suit double storey warehouse cum office with a gross built up area measuring approximately 130,000 sq. ft. and future expansion space measuring approximately 60,000 sq. ft. It is located in Shah Alam on the the land held under H.S. (D) 63650, Lot PT 557, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan.
- (iii) The lease of the new Healthcare distribution center will be for a period of ten (10) years with an option to renew for a further period of five (5) years at monthly rental rates ranging between RM286,000.00 and RM305,500.00 increasing gradually throughout the tenure of the lease subject to the terms and conditions of the relevant lease agreement.
- (iv) The new Healthcare distribution center will cater to the Healthcare business. The relocation is expected to commence at the end of the third quarter and will extend into the early parts of the fourth quarter of 2013. The estimated one-off relocation costs are approximately RM2,423,000.00.

Furthermore, it is not the Group's strategy to own properties. The Group has therefore decided to take advantage of an attractive offer for the Proposed Disposal.

With effect from the Completion Date, the Proposed Tenancy will enable DKSH and its related companies and businesses to continue occupying the Property for a minimum tenancy of eighteen (18) months with an option to renew the tenancy for three (3) consecutive periods of two (2) months each upon expiry of the tenancy of eighteen (18) months aforesaid, upon the terms and conditions as stipulated in the Tenancy Agreement. This would minimize operational disruption arising from relocation plans for the corporate office. The Group does not intend to continue the Proposed Tenancy beyond the extendable period.

The Proposed Disposal will also help to realize the capital gain from the investment in the Property and raise necessary funds as working capital for the Group's further expansion.

4. UTILIZATION OF PROCEEDS

The intended application of the net sale proceeds after taking into account the expenses for the Proposed Disposal is as set out below:

Proposed utilization of proceeds raised from the Proposed Disposal	RM	Estimated timeframe for utilization
Reduce bank borrowings ^{1) 2)}	12,420,000	Immediate
Reduce bank borrowings and inter-co loans ¹⁾	62,263,000	Within a year upon receipt of payment
Financing of working capital ³⁾	47,242,000	Within a year upon receipt of payment
Estimated expenses in relation to the Proposed Disposal ⁴⁾	2,275,000	Immediate
Total proceeds:	124,200,000	

Notes:

¹⁾ The Group intends to utilize the proceeds raised from the Proposed Disposal to settle short term bank borrowings and inter-company loans which are approximately RM51,708,000.00 and RM22,975,000.00 respectively as at LPD. As at LPD, the total borrowings of the Group are RM82,263,000.00. The estimated interest savings arising from the reduction in total borrowings of the Group is approximately RM1,500,000.00 per annum.

²⁾ Relates to the Deposit.

³⁾ Working capital consists of Inventory (approximately RM3,261,000.00) and Trade Receivables (approximately RM43,981,000.00).

⁴⁾ The estimated expenses include professional fees, taxation (if any), and cost of holding the general meeting to obtain approval of the shareholders of the Company for the Proposed Disposal. Any variation in the actual amount of the estimated expenses will be adjusted in the portion of the proceeds to be utilized for working capital and vice versa.

5. RISK FACTORS IN RELATION TO THE PROPOSED DISPOSAL

The Proposed Disposal is not expected to change the risk profile of DKSH Group. The potential risk factors relating to the Proposed Disposal which may not be exhaustive, include the following:

5.1 Non-completion of SPA and Tenancy Agreement

If any of the conditions precedent of the SPA is not fulfilled or not waived by the respective parties, including the failure to secure the approval from the shareholders of the Company or from the Relevant Authorities within the Conditional Period, the Proposed Disposal may be delayed or terminated.

The management of the Company shall use its best endeavors to ensure every effort is made to satisfy the conditions precedent for the Proposed Disposal in a timely manner.

There are legal remedies provided in both the SPA and Tenancy Agreement to protect the interests of the Group in the event of default by Sun-PJDC.

5.2 Default under the Tenancy Agreement

In the event Sun-PJDC defaults under the Tenancy Agreement, such default may have a material adverse effect on the business operations of the Group as the Property is required for the business operations of the Group. Similarly, DCS may default under the Tenancy Agreement and such default may have similar consequences on the Group.

The management of the Group shall use its best endeavors to ensure compliance with all the terms of the Tenancy Agreement and will continuously take appropriate measures to mitigate risks of breach. In addition, DKSH will make advanced plans to renegotiate the renewal of the Tenancy Agreement prior to the expiry of the tenure of the Proposed Tenancy, if required.

5.3 Office relocation

Whilst every effort will be taken to ensure that the Group identifies and enters into a lease for new office premises, there can be no assurance that the Group will be able to do so prior to the expiry of the Proposed Tenancy. The management of the Group will use its best endeavors to identify such property, expedite the finalization of negotiations with the landlords and enter into necessary arrangements to secure a lease for its new offices so as to ensure smooth office relocation.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1 Share capital

The Proposed Disposal will not have any effect on the issued and paid-up share capital of DKSH.

6.2 Earnings per share

The Proposed Disposal is expected to be completed by the fourth quarter of 2013.

An estimated gain of RM96,234,000.00 is expected to arise from the Proposed Disposal as the Purchase Price is higher than the net book value of the Property, computation of which is shown in the table below. The actual gain on the Proposed Disposal will depend on, amongst others, the net book value of the Property and the expenses to be incurred in connection to the Proposed Disposal.

Computation of estimated gain on the Proposed Disposal	RM
Purchase Price	124,200,000
Less: Estimated net book value of the Property as at September 30, 2013	(24,954,000)
Less: Incidental costs ¹⁾	(3,012,000)
Estimated gain from the Proposed Disposal	96,234,000

Note:

¹⁾ Incidental costs consist of professional fees, taxation (if any), cost of holding the general meeting to obtain approval of the shareholders of the Company for the Proposed Disposal, and writing-off renovation costs incurred by other entities of DKSH Group on the Property ("Incidental Costs").

For illustration purposes only, the proforma effects of the Proposed Disposal on the earnings and earnings per share ("EPS") of the Group, based on the audited consolidated financial statements of the Group for the financial year ended December 31, 2012 and assuming the Proposed Disposal had been effected on January 1 2012, are as follows:

Earnings of the Group	Profit for the year ended December 31, 2012 (RM)	EPS (sen)
Profit attributable to owners of the Company based on the audited consolidated financial statements of the Group for the year ended December 31, 2012	77,762,000	49.32
Estimated profit after tax from the Proposed Disposal ¹⁾	96,234,000	N/A
Rental payable under the Proposed Tenancy ²⁾	(2,250,000)	N/A
Interest savings ³⁾	3,000,000	N/A
Proforma profit attributable to owners of the Company after the Proposed Disposal	174,746,000	110.84

Notes:

¹⁾ After taking into consideration the Incidental Costs of RM3,012,000.00 relating to the Proposed Disposal.

²⁾ Rental for 12 months relating to the Proposed Tenancy after deducting income tax.

³⁾ Assuming proceeds from the Proposed Disposal was received on January 1, 2012 and was used to offset loan positions as at January 1, 2012 after deducting income tax savings on interest expenses.

For illustration purposes, using the audited consolidated financial statements of the Group for the financial year ended December 31, 2012 as a basis, the proforma effects of the Proposed Disposal on EPS for the financial year ending December 31, 2014 will be approximately 36.24 sen based on a profit after tax adjusted for the one-off gain of an earlier property disposal in year 2012 amounting to RM21,063,000.00 and taking into account the additional rentals and savings in interest expenses.

6.3 **Substantial shareholders' shareholdings**

The Proposed Disposal will not affect the substantial shareholders' shareholdings in DKSH.

6.4 **Net assets and gearing**

For illustrative purposes, the proforma effects of the Proposed Disposal on the consolidated financial statements for the financial year ended December 31, 2012 are as follows:

Consolidated financial statements of DKSH Group	Audited as at December 31, 2012 (RM'000)	Proforma (After the Proposed Disposal) (RM'000)
Share capital	157,658	157,658
Share premium	24,514	24,514
Revaluation reserve	-	-
Available for sale reserve	34	34
Foreign currency translation reserve	42	42
Retained earnings ¹⁾	108,562	205,233
Equity attributable to owners of the Company	290,810	387,481
Non-controlling interest	18,055	18,055
Total equity	308,865	405,536

No. of shares in issue	157,658,076	157,658,076
Net assets ("NA") per share (RM) ²⁾	1.96	2.57
Total borrowings (RM'000) ³⁾	152,689	78,006
Gearing ratio (times) ⁴⁾	0.49	0.19

Notes:

¹⁾ After taking into consideration the estimated gain of RM96,234,000.00 arising from the Proposed Disposal and rental expenses (net of income tax) for 12 months of RM2,250,000.00 relating to the Proposed Tenancy.

²⁾ Computed based on NA (including the non-controlling interest) divided by the number of ordinary shares in issue after taking into account the effect of the proposed utilization of proceeds from the Proposed Disposal as stated in section 4 of this Circular.

³⁾ The proceeds from the Proposed Disposal amounting to RM74,683,000.00 would be used to settle short-term borrowings and inter-company loans which are approximately RM51,708,000.00 and RM22,975,000.00 respectively as at LPD.

⁴⁾ Computed based on total borrowings divided by total equity after taking into account the effect of the proposed utilization of proceeds from the Proposed Disposal as stated in section 4 of this Circular.

7. **APPROVALS REQUIRED**

The Proposed Disposal is subject to the following approvals being obtained:

- (i) the approval of the shareholders of DKSH at the forthcoming EGM;
- (ii) the approval of the Relevant Authorities, in respect of the Proposed Disposal, if required;
- (iii) the written consent of Tenaga Nasional Berhad (as lessee under the TNB Lease) for the transfer of the Property by DCS to Sun-PJDC (which consent was obtained vide a letter from Tenaga Nasional Berhad dated May 28, 2013); and
- (iv) the approval of the Relevant Authorities, in respect of the purchase of the Property by Sun-PJDC from DCS, if required.

Save as disclosed above, the Proposed Disposal is not conditional upon any other corporate exercises.

8. TENTATIVE TIMEFRAME

Barring any unforeseen circumstances and subject to the requisite approvals being obtained and the fulfillment of all terms and conditions as set out in the SPA, the Proposed Disposal is expected to be completed by the fourth quarter of 2013.

The tentative timetable for implementation of the Proposed Disposal is as follows:

Timeline	Events
August 20, 2013	EGM
Mid October 2013	Completion of the Proposed Disposal
Mid October 2013	Commencement of the Proposed Tenancy

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors or Major Shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Disposal.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board having considered all aspects of the Proposed Disposal, including but not limited to the rationale, justification and the financial effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of DKSH.

Accordingly, the Board recommends that you vote in favour of the Ordinary Resolution 1 in respect of the Proposed Disposal to be tabled at the forthcoming EGM to give effect to the Proposed Disposal.

11. PERCENTAGE RATIO APPLICABLE TO THE PROPOSED DISPOSAL

The highest percentage ratio applicable to the Proposed Disposal pursuant to paragraph 10.02(g) of the Listing Requirements is 42.71% computed respectively based on:

- (i) the value of the Property, compared to the net assets of DKSH; and
- (ii) the aggregate value of the Purchase Price, compared to the net assets of DKSH.

12. OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

There are no other corporate exercises announced by the Company but pending completion as at LPD.

13. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Conference Room, Ground Floor, 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, August 20, 2013 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing Ordinary Resolution 1 to give effect to the Proposed Disposal.

If you are unable to attend and vote in person at the forthcoming EGM and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Proxy Form enclosed in this Circular in accordance with the instructions contained therein and deposit the Proxy Form at the registered office of the Company not less than forty-eight (48) hours before the time set for the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Shareholders of the Company are advised to refer to Appendix II of this Circular for further information.

Yours faithfully

For and on behalf of the Board of
DKSH HOLDINGS (MALAYSIA) BERHAD

Michael Lim Hee Kiang
Independent Non-Executive Chairman



Proprietor: Singham Sulaiman Sdn. Bhd. (78217-X)

Chartered Surveyors
International Property Consultants
Registered Valuers
Property Managers
Real Estate Agents

8th Floor,
Bangunan Getah Asli (Menara),
148 Jalan Ampang,
50450 Kuala Lumpur

Tel: (03) 2161 2522
Fax: (03) 2161 8060
Email: joneslang@jlwmalaysia.com
www.jlwmalaysia.com

Firm Reg. No. VE(2) 0078

Our Ref.: V/IC-(C)/023/13/SC

15th May 2013

DKSH Central Services Malaysia Sdn Bhd

No. 74, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

**VALUATION OF A PARCEL OF DEVELOPMENT LAND
IDENTIFIED AS LOT 52 SEKSYEN 13, BANDAR PETALING JAYA
DISTRICT OF PETALING, SELANGOR DARUL EHSAN**

This valuation certificate has been prepared for the purposes of inclusion in the circular to shareholders to be issued by DKSH Holdings (Malaysia) Berhad and submission to the Bursa Malaysia Securities Berhad in relation to the proposed disposal of the abovementioned property and for the exclusive use of DKSH Central Services Malaysia Sdn Bhd.

We hereby confirm that we have valued, in accordance with the instruction from DKSH Central Services Malaysia Sdn Bhd, the abovementioned property vide our Report and Valuation bearing Reference No. V/IC-(C)/023/13/SC dated 15th May 2013 for purposes of submission to the Bursa Malaysia Securities Berhad. The relevant date of valuation of the subject property is 13th May 2013.

The Report and Valuation has been prepared based on the "Asset Valuation Guidelines" issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The subject site accommodates an industrial premises comprising two blocks of warehouses, each with multi-storey annexed office buildings identified as Block A and B, two blocks of warehouses with integral offices identified as Block C and D and some outbuildings.

Nevertheless, the subject property is now zoned for mixed development use, with a permissible plot ratio of 1:3.5 and as such is ripe for redevelopment.



We have therefore valued the subject property based on its Highest and Best Use i.e. on a redevelopment basis, taking cognisance of the planning parameters as mentioned above.

Highest and best use is defined as the most probable use of a property which is physically, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

Details of the subject property as extracted from our Report and Valuation bearing Reference No. V/IC-(C)/023/13/SC dated 15th May 2013 are as follows:-

Location

The subject property is situated in the city of Petaling Jaya and within Section 13, an established industrial area of which has been rezoned by the authorities for mixed development and limited commercial purposes. Section 13 is sited off the northern side of the Federal Highway, travelling from Kuala Lumpur city centre towards Kelang. Section 13 is bounded by Jalan Universiti, Jalan Kemajuan and Jalan Semangat.

The subject property fronts onto Jalan Universiti and is easily accessible from the Federal Highway by exiting onto Jalan Utara, Jalan Semangat and Jalan 13/6. The "Taman Paramount" and "Asia Jaya" LRT stations are located about 2 kilometres and 3 kilometres due south-west and south-east of the subject property respectively.

Site

The subject property is a regular shaped parcel of land having a title land area of 24,037.5034 square metres (258,746 square feet).

The site accommodates an industrial premises comprising two blocks of warehouses, each with multi-storey annexed office buildings identified as Block A and B, two blocks of warehouses with integral offices identified as Block C and D and some outbuildings.



Proprietor: Singham Sulaiman Sdn. Bhd. (78217-X)

Title Particulars

Details of the title particulars based on a title search conducted at the Selangor Darul Ehsan Land Registry on 15th May 2013 are as follows:-

Lot No.:	Lot 52 Seksyen 13, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan.
Title No.:	PN 3696.
Tenure:	Leasehold interest for a term of 99 years, expiring on 6th August 2067.
Land Area:	24,037.5034 square metres (258,746 square feet).
Category of Land Use:	Nil.
Quit Rent:	RM61,918.00 per annum.
Registered Proprietor:	DKSH Central Services Malaysia Sdn Bhd.
Express Condition:	"Perusahaan".
Restriction-In-Interest:	Nil.
Encumbrance:	Nil.
Endorsement:	Part of the land measuring 53/258746 square feet is leased to Tenaga Nasional Berhad for a period of 30 years commencing on 1 May 1991 and expiring on 30 April 2021.

Planning Details

The subject property is located within an area zoned for mixed development use (in accordance with the *Rancangan Kawasan Khas Seksyen 13, Petaling Jaya (RKK)*).

The permitted plot ratio for the subject site is 1:3.5 without any height restriction. The maximum plinth area for any development proposed on the site is 60% of the site area which remains after the setbacks have been applied.



Proprietor: Singham Sulaiman Sdn. Bhd. (78217-X)

Comparison Approach

Details of the computation by using the Comparison Approach is tabulated as follows:-

Property Details	Comparable 1	Comparable 2	Comparable 3
Property:	A parcel of development land	A parcel of development land	A parcel of development land
Location:	Located along Jalan Bersatu 13/4, Section 13, PJ	Located along Jalan 13/6, Section 13, PJ	Located along Jalan Semangat, Section 19, PJ
Legal Description:	Lot 7, Seksyen 13, Bandar Petaling Jaya, District of Petaling, Selangor	Lot 63, Seksyen 13, Bandar Petaling Jaya, District of Petaling, Selangor	Lot 7, Seksyen 36, Bandar Petaling Jaya, District of Petaling, Selangor
Land Area (square metres):	7,726.84	4,391.06	4,035.71
Land Area (square feet):	83,171	47,265	43,440
Town Planning:	Zoned for Commercial use	Zoned for Commercial use	Zoned for Commercial use
Tenure	Leasehold interest for a term of 99 years expiring on 20th January 2066. (Having an unexpired lease of about 54 years, as at the date of transaction)	Leasehold interest for a term of 99 years expiring on 28th November 2060. (Having an unexpired lease of about 49 years, as at the date of transaction)	Leasehold interest for a term of 99 years expiring on 17th April 2061. (Having an unexpired lease term of about 51 years, as at the date of transaction)
Date of Transaction:	20-Jun-12	8-Mar-12	17-Sep-10
Consideration:	RM30,000,000	RM15,000,000	RM17,200,000
Vendor:	DKSH Central Services Malaysia Sdn Bhd (a wholly-owned subsidiary of DKSH Holdings (Malaysia) Berhad)	Golden Capital Land Sdn Bhd	World Equipment Sdn Bhd
Purchaser:	Absoland Sdn Bhd	Pacific Place Land Sdn Bhd	Quill Lot 7 Sdn Bhd
PSF Analysis:	RM360.70	RM317.36	RM395.95
Adjustment Consideration:	<p>Upward adjustments</p> <ul style="list-style-type: none"> Comparable is located along Jalan Bersatu 13/4 and off Jalan Kemajuan whilst the subject site fronts onto Jalan Universiti, a prime thoroughfare within Section 13 Petaling Jaya <p>Downward Adjustment</p> <ul style="list-style-type: none"> The subject property has a larger land area. 	<p>Upward Adjustment</p> <ul style="list-style-type: none"> Improved market condition Comparable is located along Jalan 13/6 and off Jalan Universiti whilst the subject site fronts onto Jalan Universiti, a prime thoroughfare within Section 13 Petaling Jaya <p>Downward Adjustment</p> <ul style="list-style-type: none"> The subject property has a larger land area. 	<p>Upward Adjustment</p> <ul style="list-style-type: none"> Improved market condition. <p>Downward Adjustment</p> <ul style="list-style-type: none"> The subject property has a larger land area.
Adjusted Land Value	RM396.77 psf	RM401.46psf	RM427.62psf

In arriving at the Market Value, we have relied on Comparable 1, as it is the latest sale transaction within Section 13, Petaling Jaya, and accordingly, have adopted RM400psf as the Market Value for the subject property.

Title Land Area: 258,746 square feet @ RM400psf = RM103,498,400
say = RM104,000,000

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Opinion of Value

Having regard to the foregoing, our opinion of the Market Value of the 99-year leasehold interest having an unexpired term of about 54 years (as at the date of this valuation) in the subject property, Lot 52 Seksyen 13, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan held under Title No. PN 3696 (a parcel of development land having a title land area of 24,037.5034 square metres (258,746 square feet) and located along Jalan Universiti, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan), with vacant possession and subject to the title being free of all encumbrances, good, marketable and registrable is RM104,000,000 (Ringgit Malaysia One Hundred And Four Million Only).

We would also like to confirm further that there are no further pertinent factors which may affect the value of the subject property and the contents of this Valuation Certificate are in compliance with the Asset Valuation Guidelines issued by the Securities Commission.

Yours faithfully
For and on behalf of
JONES LANG WOOTTON

A handwritten signature in dark ink, appearing to read 'Radhakrishnan', is written over a large, stylized circular flourish.

RADHAKRISHNAN, V-564
REGISTERED VALUER
EXECUTIVE DIRECTOR

1. Directors' responsibility statement

This Circular has been seen and approved by the Directors of the Company who collectively and individually accept full responsibility for the accuracy of the information given therein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. Consent

Jones Lang Wootton has given and has not withdrawn its written consent to the inclusion of its name and/or letters and all references thereto in the form, manner and context in which it appears in this Circular.

3. Declaration of conflict of interests

Jones Lang Wootton, being the independent registered valuer appointed by DKSH to conduct the valuation of the Property, is not aware of any situation of conflict of interest or is likely to give rise to conflict of interest situation in relation to its role as the valuer to DKSH.

4. Material contracts

Save as disclosed below, neither the Company nor its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this Circular:

- (i) Sale and purchase agreement dated June 20, 2012 between DKSH Central Services Malaysia Sdn Bhd (Co. No. 393972-X) ("DCS"), a wholly-owned subsidiary of DKSH, and Absoland Sdn Bhd (Co. No. 1004075-H) ("ASB") for the disposal of a piece of leasehold land held under Pajakan Negeri 9747, Lot 7 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor together with a single-storey warehouse and a two-storey office building annexed thereto and erected thereon by DCS to ASB for a total cash consideration of Ringgit Malaysia Thirty Million (RM30,000,000.00) ("Sale and Purchase Agreement"). This Sale and Purchase Agreement was completed on October 23, 2012.

5. Material litigation

Neither DKSH nor its subsidiaries is, as at the date of this Circular, engaged in any material litigation, claims or arbitration, either as plaintiff or defendant which has a material effect on the financial position or business of the DKSH Group and the Directors of the Company are not aware of any proceeding, pending or threatened against the DKSH Group or any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the DKSH Group.

6. Material commitments

As at LPD, there is no material commitment incurred or known to be incurred by the Group which may have a material impact on the financial position of the Group.

7. Contingent liabilities

As at LPD, there is no contingent liability incurred or known to be incurred by the Group which may have a material impact on the financial position of the Group.

8. Documents for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan from the date of this Circular up to and including the date of the EGM:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the Audited Consolidated Financial Statements of the Company for the past two (2) financial years ended December 31, 2011 and December 31, 2012;
- (iii) the unaudited results for the financial quarter ended March 31, 2013 being the latest unaudited quarterly results since the last Audited Consolidated Financial Statements of the Company;
- (iv) the letter of consent referred to in section 2 above;
- (v) the Sale and Purchase Agreement referred to in section 4 above;
- (vi) the SPA in respect of the Proposed Disposal;
- (vii) the Tenancy Agreement in respect of the Proposed Tenancy; and
- (viii) the valuation certificate dated May 15, 2013 as set out in Appendix I of this Circular and the valuation report dated May 15, 2013 prepared by Jones Lang Wootton for the Property.



DKSH Holdings (Malaysia) Berhad

(Company No. 231378-A)

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of DKSH Holdings (Malaysia) Berhad (Co. No. : 231378-A) will be held on Tuesday, August 20, 2013 at 10.00 a.m. at Conference Room, Ground Floor, 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia for the purpose of considering and if thought fit passing the following resolution, with or without modification:

ORDINARY RESOLUTION 1

PROPOSED DISPOSAL OF ALL THAT PIECE OF LEASEHOLD LAND HELD UNDER PAJAKAN NEGERI 3696, LOT 52 SEKSYEN 13, BANDAR PETALING JAYA, DAERAH PETALING, NEGERI SELANGOR TOGETHER WITH THE OFFICE AND INDUSTRIAL BUILDINGS AND WAREHOUSES ERECTED THEREON BY DKSH CENTRAL SERVICES MALAYSIA SDN BHD TO SUN-PJDC SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM124,200,000.00 (RINGGIT MALAYSIA ONE HUNDRED TWENTY FOUR MILLION AND TWO HUNDRED THOUSAND)

"THAT subject to and conditional upon the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to DKSH Central Services Malaysia Sdn Bhd ("DCS"), a wholly-owned subsidiary of the Company to dispose of all that piece of leasehold land held under Pajakan Negeri 3696, Lot 52 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor ("Land") together with the office and industrial buildings and warehouses erected thereon ("Buildings") (the Land and the Buildings shall collectively be referred to as the "Property") to Sun-PJDC Sdn Bhd ("Purchaser") for a total cash consideration of RM124,200,000.00 (Ringgit Malaysia One Hundred Twenty Four Million and Two Hundred Thousand) ("Proposed Disposal"), upon the terms and subject to the conditions as stipulated in the sale and purchase agreement entered into between DCS and the Purchaser on May 31, 2013 ("SPA") (which terms include a tenancy agreement with the Purchaser for the tenancy of the Property at a rental of RM250,000.00 (Ringgit Malaysia Two Hundred and Fifty Thousand) per month for a period of eighteen (18) months commencing from the date of completion of the SPA with an option to renew the tenancy for three (3) consecutive periods of two (2) months each upon expiry of the tenancy of eighteen (18) months aforesaid).

AND THAT the Directors of the Company and/or DCS be and are hereby authorized to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary, expedient and/or appropriate in the interest of the Company in order to implement, finalize and give full effect to the Proposed Disposal under the terms and conditions of the SPA with full powers to assent to any conditions, modifications, variations and/or amendments and correspondingly to do all acts and things as may be required by any relevant authorities and/or as the Directors deem fit, appropriate and in the best interest of the Company."

By order of the Board

André Chai P'o-Lieng (MAICSA 7062103)
Kwan Wai Sin (MAICSA 7035227)
Company Secretaries

Petalang Jaya
August 5, 2013

Notes:

- (i) Only members of the Company whose names appear in the Record of Depositors as at August 12, 2013 will be entitled to attend and vote at the meeting.
- (ii) A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote on such member's behalf.
- (iii) Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of the holdings to be represented by each proxy.
- (iv) A proxy need not be a member of the Company. There is no restriction as to the qualification of the proxy and the provisions of section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
- (v) A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- (vi) The Proxy Form shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorized officer or attorney duly appointed.
- (vii) To be valid, the original Proxy Form duly completed and executed must be deposited at the registered office of the Company at 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.



DKSH Holdings (Malaysia) Berhad

(Company No. 231378-A)

Proxy Form

for the Extraordinary General Meeting

No. of shares held:

CDS account no.:

I/We (full name and in block capitals) _____

NRIC no. (new)/Company no. _____ of (full address) _____

being a member/members of **DKSH Holdings (Malaysia) Berhad**, hereby appoint (full name as per NRIC and in block capitals) _____

NRIC no. (new) _____

of (full address) _____

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Conference Room, Ground Floor, 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, August 20, 2013 at 10.00 a.m. or at any adjournment thereof, in the manner indicated below:

Resolution	For	Against
Ordinary Resolution 1 – Proposed Disposal		

Please indicate with an "x" in the space provided above how you wish to cast your vote. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

.....
Signature of Shareholder

.....
Common Seal to be affixed here if
Shareholder is a Corporate Member

Dated this _____ day of _____, 2013.

Notes:

- Only members of the Company whose names appear in the Record of Depositors as at August 12, 2013 will be entitled to attend and vote at the meeting.
- A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote on such member's behalf.
- Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of the holdings to be represented by each proxy.
- A proxy need not be a member of the Company. There is no restriction as to the qualification of the proxy and the provisions of section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
- A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- The Proxy Form shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorized officer or attorney duly appointed.
- To be valid, the original Proxy Form duly completed and executed must be deposited at the registered office of the Company at 74 Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

1st fold here