

DKSH HOLDINGS (MALAYSIA) BERHAD
(Company No. 231378-A)
(Incorporated in Malaysia)

Summary of Key Matters discussed in the Twenty-Fifth Annual General Meeting of DKSH Holdings (Malaysia) Berhad held on Wednesday, May 24, 2017 at 10:00 a.m. at the Kristal Ballroom 1, 1st Floor, West Wing, Hilton Petaling Jaya, No. 2 Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan.

Pursuant to Paragraph 9.21(2)(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed issuer must publish a summary of key matters discussed at the Annual General Meeting of the Company on the Company's website.

The Summary of key matters discussed at the 25th AGM of the Company held on May 24, 2017 is listed as below:

1. Presentation of the overview of the business and financial highlights of the Group

The Chairman invited all present to view the DKSH Corporate Video. This was followed by his presentation on the overview of the business and financial highlights of the Group for the FY 2016.

2. Questions and Answers session with Members and/or Proxies

Key questions posed by the shareholders' and/or proxies were responded by the Company as follows:

(i) Bad debts of RM 15 million

Bad debts was abnormally high due to a fraud case which involved one of our clients with a former employee and it is a one-off impact. Management has done a throughout review on the internal control of the Company and the necessary corrective action has been put in place to mitigate the risk of fraud in future.

(ii) Dividend Payment of 9.5 sen per share

The Board has not established a dividend policy as the proposal on dividend payment was subject to the performance, profitability and future plan of the Company. The Company will consider the feedback of members and/or proxies to pay a higher dividend in future by balancing the financing cost with the proposed amount of dividend.

(iii) Cash retention of RM 125 million

The cash and bank balances of RM 125 million does not necessarily reflect the future plan as the Company will need to reserve cash for future investment and working capital for the Company.

(i) Opportunity in rising e-commerce platform

E-commerce contributed 2% of the total retail spending in Malaysia. The Company is aware of the rising trend of consumers spending via e-commerce and is constantly looking for opportunities to work with e-commerce retailers such as Lazada, GemFive and 11Street to leverage on the business. DKSH believe that its services are still highly valued by clients based on its expertise in market expansion business and could easily work with e-commerce retailers to further expand its business.

(ii) Transaction in foreign currency

Most of the Company's receivables are in MYR as all of the customers are in Malaysia. There is slight exposure in currency for payables as some clients are dealing in foreign currency. Nevertheless, every transaction for foreign currency is hedged and thereby reduces our exposure on currency exchange gain or loss.

(iii) Increase in Directors' Fees

There has been no increment on Directors' fees since 2006. The proposed increments were within the bandwidth of fees payable by other listed issuers in reference to recent reports issued by KPMG and Minority Shareholder Watchdog Group ("MSWG") relating to the remuneration study of Non-Executive Directors of public listed companies in Malaysia.

(iv) Capital Expenditure for all business segments

Capital expenditure for the Others segment was higher than the Marketing and Distribution services and Logistic services as this segment consists of the retail business of the Company, namely, The Famous Amos Chocolate Chip Cookie where capital expenditure is higher as it involves the opening of new business locations and closing of unprofitable locations. The capital expenditure for Marketing and Distribution services and Logistic services is lower as the infrastructure for these business segments has been built up over the years.

(v) Key Audit Matters

Key Audit Matters ("KAM") are those matters that, in the professional judgment of the External Auditors, were of most significance in the audit of the financial statements of the Group for the current year. The KAM of the Group were mainly focus on revenue recognition instead of intangibles. The business model is complex and the External Auditors will audit the revenue recognition to ensure proper recognition.

3. Agenda 1
Audited Financial Statements of the Company for the financial year ended December 31, 2016

The Chairman declared that the Audited Financial Statements for the financial year ended December 31, 2016 together with the Reports of the Directors and Auditors as received and duly tabled at the 25th AGM.

4. Agenda 2 - Ordinary Resolution 1
Payment of Final Dividend

It was resolved that the payment of final dividend of 9.5 sen per share in respect of the financial year ended December 31, 2016 be approved.

5. Agenda 3 – Ordinary Resolution 2
Payment of Directors’ Fees

It was resolved that the payment of Directors’ Fees amounting to RM 312,760.00 for the financial year ended December 31, 2016 be approved.

6. Agenda 4 – Ordinary Resolution 3
Re-election of Mr Stephen John Ferraby as Director of the Company

It was resolved that Mr Stephen John Ferraby who retired in accordance with Article 101 of the Company’s Constitution, be re-elected as Director of the Company.

7. Agenda 5 – Ordinary Resolution 4
Re-appointment of Auditors

It was resolved that the re-appointment of Messrs. Ernst & Young as Auditors of the Company for the financial year ending December 31, 2017 and authorisation to the Board of Directors to fix their remuneration be approved.

8. Agenda 6 – Ordinary Resolution 5
Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

It was resolved that, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (“DKSH Group”) to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or persons connected with the Directors and/or major shareholders of DKSH Group (“Related Parties”) as specified in Section 2.5(a) of the Circular to Shareholders dated April 26, 2017 (“Proposed Mandate”) provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations; and
- (iii) carried out in the ordinary course of business on normal commercial terms which are consistent with DKSH Group's normal business practices and policies, on terms not more favorable to Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

AND THAT such authority conferred by the shareholders of the Company upon passing of this resolution pertaining to the Proposed Mandate I will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company, unless by a resolution passed at that meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but must not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) until the authority is revoked or varied by a resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby empowered to complete and to do all such acts and things, including executing all such documents as may be required, as they may consider expedient or necessary to give effect to this resolution.

**9. Agenda 7 – Ordinary Resolution 6
Re-appointment of Mr James Armand Menezes as Director of the Company**

It was resolved that Mr James Armand Menezes be and hereby re-appointed as Director of the Company and he shall subject to retirement by rotation at a later date.

10. Poll Results

The following resolutions tabled at the meeting which were voted upon by poll, were duly passed by the shareholders.

Resolution	Ordinary Business / Special Business
1.	To approve the payment of a final single tier dividend of 9.5 sen per share for the financial year ended December 31, 2016.
2.	To approve the payment of Directors' fees of RM 312,760 for the financial year ended December 31, 2016.
3.	To re-elect Stephen John Ferraby who retires pursuant to Article 101 of the Constitution of the Company.
4.	To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending December 31, 2017 and to authorize the Directors to fix their remuneration.
5.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.
6.	To re-appoint James Armand Menezes as Director of the Company.

Results

25 th AGM	FOR		AGAINST	
	No. of shares	%	No. of shares	%
Ordinary Resolution 1	136,403,412	99.999	2,000	0.001
Ordinary Resolution 2	136,404,412	99.999	1,000	0.001
Ordinary Resolution 3	133,816,312	100.000	0	0.000
Ordinary Resolution 4	136,405,412	100.000	0	0.000
Ordinary Resolution 5	19,250,336	100.000	0	0.000
Ordinary Resolution 6	133,504,912	100.000	0	0.000

11. Conclusion

There being no further queries from the shareholders, the meeting concluded at 12:50 p.m. with a vote of thanks to the Chair.