

## **DKSH HOLDINGS (MALAYSIA) BERHAD**

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

**Summary of Key Matters** discussed at the Twenty-Sixth Annual General Meeting of DKSH Holdings (Malaysia) Berhad (“the Company”) held on Wednesday, May 23, 2018 at 10:00 a.m. at the Ballroom III, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

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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 26<sup>th</sup> AGM of the Company held on May 23, 2018 is listed as below:

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

Prior to receiving the Audited Financial Statements of the Company for the financial year ended December 31, 2017, the Chairman invited Mr Jason Michael Nicholas McLaren (“NM”), the Group Finance Director to present an overview of the business and financial highlights of the Group for the financial year 2017 and key initiatives for 2018.

### **2. Questions and Answers session with shareholders and/or proxies**

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

(i) Dividend Payment

The Company’s practice of progressive dividend remains and will continue to review the Company’s plans and its growth opportunities against returning earnings to shareholders in the form of dividends.

The Company increased its dividend to 10.0 sen per share with total payout of MYR 15.76 million as compared to 9.5 sen per share for FYE 31.12.2016 despite challenging market conditions.

(ii) Staff costs

The Company will endeavor to keep staff costs low by continuing to review its hiring cost. With the positive results of Q1 2018 results, the Company foresees that the management of staff costs will improve.

(iii) Famous Amos

Famous Amos performed well in 2017 and the Company will continue to grow the business to deliver greater value to shareholders.

(iv) Issuance of convertible bonds or rights issue

The Company has no plan to issue convertible bonds or rights issue as the Company has adequate short-term funds with the Banks.

(v) Trade and other receivables

There were no significant increase of trade and other receivables compared to the number of days. The Company main focus is to continue to manage the account receivables better.

(vi) Cash and bank balances

The cash and bank balances as at December 31, 2017 is a snapshot of the Company's cash and bank balances at a particular time and does not necessary represent the true situation as DKSH has large inflows and outflows of cash daily.

(vii) DKSH's competitors

The Company has limited number of business competitors. The main competitor for DKSH's healthcare business is Zuellig Pharma. As for FMCG business, there are a few small local competitors in confectionery and food services market.

(viii) Impact of GST rate reduced from 6% to 0% as of June 1, 2018

Consumer purchasing power and sentiments will increase following the reduced rate of GST. However, the Company will have to monitor the impact of the implementation of the Sales & Services tax.

(ix) Marketing cost

The sharing of marketing cost is based on the arrangement with the clients. Usually, the Company is able to recover the marketing cost from clients.

After providing answers and clarifications to the questions from the shareholders and/or proxies, the meeting received the Audited Financial Statements for the financial year ended December 31, 2017 together with the Reports of the Directors and Auditors thereon.

### 3. Approval of Resolutions

The meeting resolved and approved the following resolution at the meeting by way of poll:

**(i) Payment of Final Dividend of 10.0 sen per share for the financial year ended December 31, 2017**

<u>Ordinary Resolution 1</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	135,002,640	99.97770
Voted AGAINST	30,110	0.02230

**IT WAS RESOLVED THAT** the payment of final dividend of 10.0 sen per share in respect of the financial year ended December 31, 2017 be approved.

**(ii) Payment of Directors' Fees for the financial year ended December 31, 2017**

<u>Ordinary Resolution 2</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	135,002,640	99.97770
Voted AGAINST	30,110	0.02230

**IT WAS RESOLVED THAT** the payment of Directors' Fees amounting to RM 224,000.00 for the financial year ended December 31, 2017 be approved.

**(iii) Payment of Directors' Fees from January 1, 2018 until the next Annual General Meeting of the Company to be held in 2019**

<u>Ordinary Resolution 3</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	134,867,240	99.87743
Voted AGAINST	165,510	0.12257

**IT WAS RESOLVED THAT** the payment of Directors' Fees up to an amount of RM 295,000.00 from January 1, 2018 until the next Annual General Meeting of the Company to be held in 2019 be approved.

**(iv) Re-election of Mr Chan Thian Kiat as Director of the Company**

<u>Ordinary Resolution 4</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	135,002,640	99.97770
Voted AGAINST	30,110	0.02230

**IT WAS RESOLVED THAT** Mr Chan Thian Kiat who retired in accordance with Article 101 of the Company's Constitution, be re-elected as Director of the Company.

**(v) Re-election of Mr Jason Michael Nicholas McLaren as Director of the Company**

<u>Ordinary Resolution 5</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	129,279,540	95.73940
Voted AGAINST	5,753,210	4.26060

**IT WAS RESOLVED THAT** Mr Jason Michael Nicholas McLaren who retired in accordance with Article 105 of the Company's Constitution, be re-elected as Director of the Company.

**(vi) Re-election of Mr Lian Teng Hai as Director of the Company**

<u>Ordinary Resolution 6</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	129,279,540	95.73940
Voted AGAINST	5,753,210	4.26060

**IT WAS RESOLVED THAT** Mr Lian Teng Hai who retired in accordance with Article 105 of the Company's Constitution, be re-elected as Director of the Company.

**(vii) Re-appointment of Auditors**

<u>Ordinary Resolution 7</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	135,032,640	99.99992
Voted AGAINST	110	0.0008

**IT WAS RESOLVED THAT** the re-appointment of Messrs. Ernst & Young as Auditors of the Company for the financial year ending December 31, 2018 and authorisation to the Board of Directors to fix their remuneration be approved.

**(viii) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

<u>Ordinary Resolution 8</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	17,847,564	99.83158
Voted AGAINST	30,110	0.16842

**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 24, 2018 (“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.

**(ix) Proposed alteration or amendment of the Constitution of the Company**

<u>Special Resolution 1</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	135,002,440	99.97770
Voted AGAINST	30,110	0.02230

**IT WAS RESOLVED THAT** approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix A which is dispatched together with the Company’s Annual Report 2017 Abridged Version with immediate effect **AND THAT** the Board of Directors of the Company be and is hereby authorized to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.

**4. Conclusion**

The meeting concluded at 11:35 a.m. with a vote of thanks to the Chair.