

DKSH HOLDINGS (MALAYSIA) BERHAD

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

Summary of Key Matters discussed at the Twenty-Seventh Annual General Meeting (“27th AGM”) of DKSH Holdings (Malaysia) Berhad (“the Company”) held on Wednesday, May 29, 2019 at 10:00 a.m. at the Ballroom 3, Level 2, New World Petaling Jaya Hotel, Paradigm, 1 Jalan SS7/26A, Kelana Jaya, 47301 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 27th AGM of the Company held on May 29, 2019 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, 2018, 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 2018 and key initiatives for 2019.

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) Operating result decreased by 52.8%
The marketing and distribution segment recorded a growth in revenue of 7.6%, increasing from RM 2.6 billion to RM 2.8 billion. However, operating results fell by 52.8%, from RM 45.7 million to RM 21.6 million due to additional warehousing space and associated costs, one-off expenses on a provision for doubtful debt and commencement of growth and efficiency improvement project. Cost incurred for the growth and efficiency improvement project was RM 3.8 million in Q4 2018.
- (ii) Inventory written-off
The increase in inventory written-off amounted to approximately 27.87% is due to instable consumer demand and difficult market condition in 2018. DKSH will endeavor to keep inventory written-off low.
- (iii) Possible venture into fruits business
There is no plan to venture into this business at this point in time.

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- (iv) Famous Amos business
Famous Amos contributed 1% of DKSH's revenue. There is no plan to discontinue the Famous Amos even though the business contribution is small. Famous Amos performed well in 2018 and the Company will continue to grow the business to deliver greater value to shareholders.
- (v) Financing of Auric Pacific's acquisition
The source of funding for the acquisition of Auric Pacific is entirely through bank borrowings.

The exact rate that has been agreed cannot be disclosed as it is confidential information, but it would be reasonable to assume that financing of such a deal with a company like DKSH would be in the range 4.22% - 4.5%.
- (vi) Reimbursement for parking
The Company will consider the feedback of shareholders to reimburse the parking cost of shareholders to attend annual general meetings in the future.
- (vii) Future dividend payment
The Company's practice of progressive dividend payments remains and will continue to review the Company's plans and its growth opportunities against returning earnings to shareholders in the form of dividends. At this stage, the Company does not foresee any change in the declaration of dividend payment in the near future.
- (viii) Increase in other selling, advertising and promotional expenses
The increase is related to the increase of revenue in 2018.
- (ix) Higher trade and other receivables
There was no significant increase of trade and other receivables compared to the number of days. DKSH's main focus is to continue to manage the account receivables better.
- (x) Increase of Executive Directors' bonuses
These bonuses are basically tied to various short and long terms goals aligned with the Company's results and the results of the DKSH worldwide group.

KPIs for executive directors were based on certain criteria such as global group profit, profit in the Company, management of operating capital, management of finance cost, governance issue and individual performance.

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, 2018 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, 2018

<u>Ordinary Resolution 1</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	129,394,894	100.000
Voted AGAINST	0	0.000

IT WAS RESOLVED THAT the payment of final dividend of 10.0 sen per share in respect of the financial year ended December 31, 2018 be approved.

(ii) Payment of Directors' Fees for the financial year ended December 31, 2018

<u>Ordinary Resolution 2</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	129,387,894	99.995
Voted AGAINST	7,000	0.005

IT WAS RESOLVED THAT the payment of Directors' Fees amounting to RM 280,000.00 for the financial year ended December 31, 2018 be approved.

(iii) Re-election of Datuk Haji Abdul Aziz bin Ismail as Director of the Company

<u>Ordinary Resolution 3</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	129,388,894	99.995
Voted AGAINST	6,000	0.005

IT WAS RESOLVED THAT Datuk Haji Abdul Aziz bin Ismail who retired in accordance with Article 105 of the Company's Constitution, be re-elected as Director of the Company.

(iv) Re-election of Mr Lee Chong Kwee as Director of the Company

<u>Ordinary Resolution 4</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	128,053,894	98.964
Voted AGAINST	1,341,000	1.036

IT WAS RESOLVED THAT Mr Lee Chong Kwee who retired in accordance with Article 105 of the Company's Constitution, be re-elected as Director of the Company.

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(v) Re-appointment of Auditors

<u>Ordinary Resolution 5</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	129,394,894	100.000
Voted AGAINST	0	0.000

IT WAS RESOLVED THAT the re-appointment of Messrs. Ernst & Young as Auditors of the Company for the financial year ending December 31, 2019 and authorisation to the Board of Directors to fix their remuneration be approved.

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

<u>Ordinary Resolution 6</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	12,239,818	100.000
Voted AGAINST	0	0.000

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 29, 2019 ("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.

4. Conclusion

The meeting concluded at 12:20 p.m. with a vote of thanks to the Chair.