

DKSH HOLDINGS (MALAYSIA) BERHAD

(Company No. 199101021067 (231378-A))

(Incorporated in Malaysia)

Minutes of the Twenty-Ninth Annual General Meeting of DKSH Holdings (Malaysia) Berhad held fully virtually via the online meeting platform of TIIH Online via its website at <https://tiih.online> on Wednesday, June 16, 2021 at 10:00 a.m.

Present:	Mr Stephen John Ferraby	Chairman of the Board of DKSH Holdings (Malaysia) Berhad
	Mr Jason Michael Nicholas McLaren	Elected Chairman of the AGM Proxy for DKSH Resources (Malaysia) Sdn Bhd and 4 other shareholders
	Mr Lee Chong Kwee	Senior Independent Non-Executive Director
	Datuk Haji Abdul Aziz bin Ismail	Independent Non-Executive Director
	Mr Chan Thian Kiat	Independent Non-Executive Director
	Mr Lian Teng Hai	Non-Independent Non-Executive Director
In attendance:	Mr Andre' Chai P'o-lieng	Company Secretary
By invitation:	Ms Phang Oy Lin	Auditors from Ernst & Young
	Mr Edwin Ding	Auditors from Ernst & Young

Shareholders/Proxy holders present (as per attendance list):

Chairman as a proxy holder	: 5 (holding 117,655,376 shares or 74.62%)
Shareholders present	: 258 (holding 1,289,040 shares or 0.81%)
Proxy holders present	: 19 (holding 7,704,401 shares or 4.88%)
Proxy also holders	: 1 (holding 77,100 shares or 0.04%)
Corporate representative	: 0

Overall total number of
Persons present at this
AGM : 285 (holding 126,725,917 shares or 80.35%)

1. OPENING SPEECH

Mr Stephen John Ferraby ("SJF"), the Non-Independent Non-Executive Chairman of DKSH Holdings (Malaysia) Berhad welcomed the members and proxies present at the meeting via the TIIH Online facilities and informed them that in view of the travel restrictions related to COVID-19 pandemic, he was not able to be physically present at the meeting in the broadcast venue and therefore Board has elected Mr Jason Michael Nicholas McLaren ("NM"), as the Chair of the AGM. He then handed over the Chair to NM.

The elected Chairman of the AGM, NM then welcomed all members and proxies present at the Meeting. NM informed that AGM is conducted through live streaming and online remote participation by using Tricolor's TIIH Online platform in accordance with Section 327 of the Companies Act 2016 and Clause 75 of the Constitution of the Company.

2. QUORUM

There being a quorum, the 29th AGM was duly convened.

3. INTRODUCTION OF BOARD MEMBERS AND AUDITORS

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The Chairman of the AGM informed the members and proxies that the Directors, including the Board Chairman and the External Auditors, Messrs EY are participating in this fully virtual AGM remotely. This is in accordance with the Guidance Note and FAQs on the Conduct of General Meetings revised by the Securities Commission on June 1, 2021 as physical gatherings no matter how small are prohibited.

He then introduced the Company Secretary Mr Andre' Chai P'o-lieng ("ACP") and the remaining Directors who joined the meeting remotely, namely, SJF, Mr Lee Chong Kwee ("LCK"), Datuk Haji Abdul Aziz bin Ismail ("DAA") Mr Lian Teng Hai ("LTH") and Mr Chan Tian Kiat ("CTK") followed by Ms Phang Oy Lin and Mr Edwin Ding, from Messrs EY.

4. NOTICE OF 29TH AGM

The notice convening the Meeting was tabled and taken as read.

NM informed the members and proxies that they were welcomed to raise questions in real time by transmitting their questions via the Query Box. The questions and answers session will commence upon the conclusion of all agenda matters. The Board will endeavour to answer all relevant questions related to the AGM agendas and will upload the questions and answers to our corporate website upon the completion of AGM in due course.

5. POLLING PROCEDURES

The Chairman of the AGM briefed the members and proxies present of the followings:

- i) The voting at the 29th AGM would be conducted on a poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- ii) The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") as Poll Administrator to conduct the polling process, and Asia Securities Sdn Bhd ("Asia Securities") as Scrutineers to verify the poll results.
- iii) The voting session was available through TIIH Online at the start of the AGM until the closure of the voting session to be announced by the Chairman of AGM.

At this juncture, Tricor presented the voting procedure to the shareholders and proxies.

Upon completion of the presentation, the Chairman proceeded with the agenda of the AGM.

6. 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, 2020, NM presented the overview of the business and financial highlights of the Group for the financial year 2020 and key initiatives for 2021 covering the following areas:

- About DKSH Group
- DKSH Malaysia at a glance
- FY 2020 performance review
- 2020 highlights – steady growth in FMCG
- Outlook

7. AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman of the AGM informed that the Audited Financial Statements for the financial year ended December 31, 2020 ("FY 2020") and the Reports of the Directors and Auditors are set out on pages 58 to 74 of the Annual Report 2020.

NM explained that the Audited Financial Statements for the FY 2020 were for discussion only under Agenda 1, as it did not require shareholders' approval. Hence, it would not be put to the vote. The Board will address the questions on the Audited Financial Statements and the Reports of the Directors and Auditors thereon upon the conclusion of all agendas.

With this, the Chairman of the AGM declared that the Audited Financial Statements of the Company for the financial year ended December 31, 2020 together with the Reports of the Directors and Auditors thereon, be received.

8. APPROVAL OF FINAL SINGLE TIER DIVIDEND
Ordinary Resolution 1

The Chairman informed the Meeting that the Board had recommended a final single tier dividend of 10.0 sen per share for the FY 2020, and if approved at the Meeting, the dividend will be paid on August 5, 2021 to Members registered on the Record of Depositors of the Company maintained by Bursa Malaysia Depository Berhad as at the close of business on July 22, 2021.

9. PAYMENT OF DIRECTORS' FEES
Ordinary Resolution 2

The Chairman of the AGM informed that the amount provided for the Director's Fees from June 17, 2021 until the next AGM of the Company to be held in 2022 is amounting to RM 280,000.00.

There is no increment to the Directors' Fee and no change to the structure of fees for the period from June 17, 2021 until the next AGM of the Company to be held in 2022.

10. RE-ELECTION OF CHAN THIAN KIAT AS DIRECTOR OF THE COMPANY
Ordinary Resolution 3

The Chairman of the AGM informed that CTK retired in accordance with Article 105 of the Company's Constitution and who being eligible, offered himself for re-election.

The profile of CTK can be found on page 15 of the Annual Report.

11. RE-ELECTION OF LIAN TENG HAI AS DIRECTOR OF THE COMPANY
Ordinary Resolution 4

The Chairman of the AGM informed that LTH retired in accordance with Article 105 of the Company's Constitution and who being eligible, offered himself for re-election.

The profile of LTH can be found on page 17 of the Annual Report.

12. RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS OF THE COMPANY
Ordinary Resolution 5

The Chairman of the AGM informed that the Board recommended to the shareholders' approval of the re-appointment of Messrs. Ernst & Young as Auditors of the Company for the financial year ended December 31, 2021 based on the Audit Committee's recommendation, having considered relevant feedback on their experience, performance and independence.

13. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Special Business – Ordinary Resolution

The Chairman of the AGM informed the Meeting that item 7 on the Agenda was to seek shareholders' approval to approve the Proposed Renewal of Shareholders' Mandates for recurrent related party transactions of a revenue or trading nature entered into or to be entered into by DKSH Group with its major shareholder, DKSH Holding Ltd and its subsidiaries.

NM then briefed the Meeting on the contents of the Circular to Shareholders dated May 6, 2021 which sets out the Proposed Renewal of Shareholders' Mandates.

Pursuant to Practice Note 12 of the Listing Requirements, the Company must disclose the estimated value in respect of Recurrent RPTs expected to be entered into from the date of the current AGM until the date of the next AGM. Although these are estimates, the Company made efforts to be as accurate as possible, based on historical and/or current actual transaction and management forecast.

The Chairman of the AGM explained that Ordinary Resolution 6 in relation to the Proposed Mandate, if granted, will renew the authority obtained at the last AGM and allow DKSH Group to enter into the recurrent transactions with related parties as specified in Section 2.5(a) of the Circular to Shareholder and will last until the conclusion of the next AGM of the Company to be held in 2022.

The Meeting noted that DKSH Resources (Malaysia) Sdn Bhd ("DKSH Resources"), a major shareholder, is interested in the transactions under the Proposed Mandate and that DKSH Holdings (Asia) Sdn Bhd, DKSH Holding Ltd, Mr Jason Michael Nicholas McLaren, Mr Lian Teng Hai and Mr Stephen John Ferraby are also deemed interested in the Proposed Mandate by virtue of them being persons connected with DKSH Resources.

The Chairman of the AGM added that DKSH Resources together with its persons connected shall abstain from voting on Ordinary Resolution 6.

14. ELECTION OF NEW DIRECTOR

The Chairman of the AGM informed that Dr Leong Yuen Yoong, having given her consent to act pursuant to Section 201 of the Companies Act 2016, has offered herself to be elected as a Director of the Company in an Independent Non-Executive capacity.

15. ANY OTHER BUSINESS

The Chairman of the AGM informed that the Company had not received notice of any other business.

16. Q&A SESSION

Upon the conclusion of all the agendas of the AGM, the Chairman of AGM moved on to the Questions and Answers (Q&A) session.

17.1 Pre-submission questions from shareholders before AGM

1. Will the Board consider giving e-vouchers to participating shareholders in the AGM?
(submitted by Abdul Rahman Bin Abdullah – shareholder)

Answer:

The management has considered this request and decided not to give e-vouchers or e-wallets to shareholders who participate in the AGM.

2. What is the total expenditure allocated per year in pursuing the Environment Social and Governance (ESG) activities under the Sustainability Program?

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(submitted by Lim Keng Joo – shareholder)

Answer:

The budget varies according to the types of activities (CSR activities) the Company carries out. In 2020, most of the (CSR) efforts were largely concentrated on providing food aid.

3. Are Directors attending this virtual AGM paid meeting allowances?
(submitted by Lim Kheng Joo – shareholder)

Answer:

The Directors are not paid any allowances.

4. What is the cost savings for conducting this virtual AGM compared to last year's virtual AGM and also the previous year's physical AGM?
(submitted by Lim Kheng Joo – shareholder)

Answer:

- AGM 2021 (virtual): RM30,000
- AGM 2020 (virtual): RM43,320
- AGM 2019 (physical): RM43,637

5. Will a bonus issue be declared?
(submitted by Chew Siew Wai @ Chooi Siew Wai – shareholder)

Answer:

The Directors are of the view that there is sufficient liquidity in the market. Hence there is no proposal for any bonus issue at this juncture.

6. Is DKSH still involved in the vaccine and test kits business?
(submitted by Kow Lih Shi- shareholder)

Answer:

DKSH is always on the lookout for business opportunities. DKSH at this stage is not working on Covid-19 vaccines.

7. Is the ERP System of the entire DKSH considered an efficient platform? Is the provider discounting the fees due to the pandemic for DKSH?
(submitted by Kow Lih Shi – shareholders)

Answer:

The ERP platform is shared with the global DKSH Group. We have a fully integrated and centralized IT platform and these IT hosting and support of system applications are provided by our global DKSH Group. These are benchmarked against the market.

8. Will Dividend pay-out improve due to the pandemic sales boom for FMCG products?
(submitted by Kow Lih Shi – shareholder)

Answer:

Certain FMCG products have benefitted from the pandemic. However other businesses like Famous Amos have been impacted by the pandemic. Healthcare business has also been impacted. The Company does not have a fixed dividend policy and will keep the dividend amount under review.

9. Is working from home a cost saving for the Company and a reward for performance output?
(submitted by Kow Lih Shi – shareholder)

Answer:

There are some cost savings in travelling and entertainment expenses due to the pandemic. All management employees have profit and net operating capital targets as part of their compensation as well as variable targets.

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10. Can you reduce the cost of operations for better output performance for the Company's next growth?
(submitted by Kow Lih Shi – shareholder)

Answer:

We are always focusing on efficiency improvement, automation and IT strategic implementation and new business development.

11. Does DKSH apply AI technology to improve output performance?
(submitted by Kow Lih Shi – shareholder)

Answer:

Yes. We have a dedicated team to accelerate the implementation of technology further by standardizing and automating process.

12. Has the regional sales been affected by the lockdown?
(submitted by Kow Lih Shi – shareholder)

Answer:

Our main focus is on the Malaysia market and export sales contribute approximately 1.3% of the total sales.

13. As for the logistics output performance, is the DKSH group aware of the actual result?
(submitted by Kow Lih Shi – shareholder)

Answer

The DKSH Group is aware of the actual Malaysia result.

14. Will DKSH's business be affected by the client's e-commerce direct sales via online?
(submitted by know Lih Shi – shareholder)

Answer:

Many of DKSH's clients have appointed DKSH to handle their e-commerce business. Our e-commerce business has been growing yearly. Not common that the clients will go directly online.

17.2 Questions submitted via the chat box during the AGM

1. What is DKSH's guidance for fiscal 2021 on top-line and bottom-line growth? DKSH has hailed its Q1 2021 result as a 'very good start'. What is the corporate synergy and horizontal integration strategy of Auric Pacific to DKSH in the coming 3 years?
(submitted by Tan Chun Hoe – shareholder)

Answer:

- The Group remained well positioned for sustained profitable growth in 2021 and beyond.
- The Logistics segment will continue its strong growth as the Group satisfies the continuously demand for healthcare by innovating its service, developing new markets and channels and adding new clients to further strengthen the product and client portfolio.
- The Others segment will continue to grow as Famous Amos strategically expands within Malaysia and Brunei Darussalam and further develop new products to drive consumer demand.
- The acquisition of Auric Malaysia in 2019 and the major profitability improvement projects are expected to result in improved profitability in the Marketing and Distribution segment.

2. What is the potential growth of the Company's business after Covid-19. As published in the Company's website, the Company has capability to deliver the Pfizer vaccine in Malaysia, but why there is no announcement after that? The drop in revenue in Logistics business, any reason for this because other logistics companies are doing well during this period? Is there any potential to increase the liquidity of the Company's shares?
(submitted by Lim Siong Kee – shareholder)

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Answer:

- We are confident about the medium to long term outlook post Covid-19 because of 2 continuing market trends of growing middle class and the trend towards outsourcing in Malaysia
 - The Covid-19 vaccination program in Malaysia is implemented by the Government. DKSH is ever ready to support and play our part to ensure supply to the market when the opportunity arises
 - Revenue in logistics services decreased to the effects of the Covid-19 pandemic and the timing of government tenders
3. Would there be potential acquisitions like the Auric acquisition in the future or in planning?
(submitted by Chin Fung Wei – shareholder)

Answer:

The management regularly reviews potential M&A opportunities. A critical requirement in our assessment of these opportunities is that they must be value added in terms of, adding to our capabilities or being financially beneficial.

4. Loss allowance on trade receivables increased from RM2.276 million to R6.44 million in FY2020. What are the reasons for the almost 3 times in increase in allowance for trade receivables in 2021? Will there be similar amount of loss allowance in 2021?
The Q1 2021 results announced to Bursa reported a double digit growth in Profit Before Tax vs Q1 2020. Can similar growth in profitability be sustained for the remainder of FY2021 based on current performance achieved so far?
(submitted by Koh Chooi Peng – shareholder)

Answer:

- The increase in allowance is because in 2019, there was reversal for client receivables of RM5.1 million following the successful settlement agreement.
 - 2021 is expected to be more stable than 2020 and the Group's portfolio mix has proven resilient throughout the period. We take a growth oriented but cautious approach to the year.
5. Auric Pacific has been in operation for a full year since the acquisition. What are the contributions of Auric Pacific in terms of revenue and profitability in FY2020? What are the financing costs incurred based on the RM500 million borrowing for the acquisition? Please share the synergies for DKSH from the acquisition in FY2020.
(submitted by Koh Chooi Peng – shareholder)

Answer:

- The Auric Pacific business has been merged and integrated in DKSH and it continues to contribute growth to the business. We do not make any distinction between the Auric Pacific business and the DKSH business.
 - Approximately RM24.5 million a year
 - Following the major improvement project and the successful acquisition and integration of Auric Pacific, the Marketing and Distribution Segment has expanded its market presence to include strong presence in the food service channel, chilled and frozen product categories, and has added the market leading Buttercup and SCS butter brands to the portfolio of highly profitable brands. This has had the effect of consolidating the Group's position as the leading market expansion services provider in FMCG.
6. What is the percentage of profit derived from Famous Amos?
(submitted by Saira Banu Binti Chara Din – proxy)

Answer:

Famous Amos is in a loss position as the business operations were impacted by the imposition of the MCO by the Government. However, we are confident that the demand will pick up when shopping malls are allowed to operate as what we observed during the various stages of MCO periods.

7. How badly will the extension of lockdown affect DKSH's business and its revenue for FY2021?
(submitted by Chew Hem Poo @ Choy Nean Chin – shareholder)

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Answer:

The situation remains dynamic and uncertain. We continue to maintain uninterrupted operations throughout the pandemic. The Group has a well-diversified portfolio of clients across various industries, channels and product categories, and continues to focus on business growth, cost efficiencies. Maintain stability and caution while taking a cautious, yet growth-oriented approach to the present situation. The Group is confident about the growth opportunities in the medium to long term.

8. How has the pandemic affected the mannerisms of consumers and how has that affected the internal goals of the Company? Does the Company have any plans to tackle these effects?
(submitted by Ong Xin Yi – shareholder)

Answer:

There was surge in demand for certain category of FMCG products (such as grocery products, household products and confectionery products) during the various MCO periods but demand for some other category of products was impacted. The short terms effect has been limited. However, the longer-term market effects are unclear and the Group is planning conservatively in the case of a general economic downturn while also ensuring that no opportunities are overlooked for product innovation, business development, capturing cost efficiencies and improved human resource practices.

9. The Company's earnings shows that the it has not been affected by the ongoing Covid-19 pandemic/MCO, in fact, the latest quarterly report showed a jump in profits even though the revenue has not grown much; does this indicate better margins or goods inflation? What is the future of expectations? Please explain the significant increase in the profits attributable to owners of the parent, and its likely contributions going forward? Why is the share price still way below the net asset per share?
(submitted by Ho Yuen Weng – shareholder)

Answer:

- The increase is mainly due to sales mix and higher unrealised derivative loss recorded in the first quarter of 2020
- We are confident about the growth opportunities in the medium to long term
- Many factors play a part in influencing the share price – be it macro or micro economic forces. The Company does not dictate or manage the share price as the Management is looking at long terms and sustainable growth in its management of the business

10. Why has DKSH share price performed worse the its peer Harrison? Is the Board doing anything to reverse the poor sentiment towards DKSH? All the AGM goodies have disappeared for a few years and is DKSH giving e-vouchers for shareholders to buy DKSH products?
(submitted by Lim Pin Yeong - shareholder)

Answer:

Many factors play a part in influencing the share price – be it macro or micro economic forces. The Company does not dictate or manage the share price as the Management is looking at long terms and sustainable growth in its management of the business.
(Question on e-voucher previously answered)

11. DKSH suspended the dividend in 2019 due to the pandemic and as the business did fine in 2020, would you consider paying out a special dividend which is owed to us in 2019?
(submitted by Rusmin – shareholder)

Answer:

The Board will continue to review the prevailing market and cash position throughout the year and will consider an interim dividend when it is product to do so.

12. DKSH achieved an impressive Q1 2021 result. Do you foresee this earning growth momentum to continue for the remaining quarters? If yes, what drives the optimism? If no, what are the show

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stoppers?
(submitted by Kho Cheok Lian – proxy)

Answer:

This year began with a large amount of uncertainty due to the ongoing Covid-19 pandemic. Underlying demand for consumer goods and healthcare product remains stable, and fluctuations in more discretionary products depends on the acute state of the MCO. However, 2021 is expected to be more stable with relatively stable market demand. Amidst uncertainties, the Group is confident about growth opportunities in the medium to long term.

13. How long will it take DKSH to lower down gearing back to the pre-acquisition of Auric Pacific level?
(submitted by Tan Chun Hoe – shareholder)

Answer:

We have repaid 10% of the total funding and target to repay the debts on a medium term basis i.e. 5 to 7 years (as announced in 2019).

14. What is the e-commerce sales contribution to the overall revenue in 2020? Are all the top 100 clients engaging DKSH to do e-commerce business with 3rd party platforms like Lazada, Shopee, etc? If not at all why? Is it better for them to work directly with the e-commerce platform operators?
(submitted by Rusmin – proxy)

Answer:

2020: RM146.9 million (2019: RM64.0 million), less than 1% total revenue
We list clients' products on e-marketplaces (e.g. Lazada, Shopee, GrabMart, etc.) to complete our omni-channel approach to our Market Expansion Services.
We plan to work with more e-marketplaces to expand our client's brands to a bigger audience.

15. Will DKSH consider announcing new strategic alliances publicly in the press?
(submitted by Ten Woon Hwa – shareholder)

Answer:

Yes, definitely for major brand acquisitions but subject to mutual agreement with our clients.

16. Term loan of RM450 million. Can the management disclose the length of servicing the loan?
(submitted by Hong Keh Wai – shareholder)

Answer:

The tenure for total loans of RM500 million is 3 years.

17. What is the main reason DKSH does not hold any properties including the current warehouses after the piece of land in Petaling Jaya was sold?
(submitted by Tan Chun Hoe – shareholder)

Answer:

We have an asset light strategy.

18. The market capitalization does not seem to reflect the earnings realized and the growth prospect you outlined. What steps are being taken by the Board to realize the more realistic capitalization of the Company? Either you agree or think the current market capitalization is realistic, please elaborate.
(submitted by Kho Cheok Lian – shareholder)

Answer:

The share price is a product of market forces and market actors are not always rational. Fundamental analysis does not fully explain the movements in share price and there are many other factors, including economic, political, etc. that influence the share price.

19. What is your action plan in place to improve the revenue and profit of the Logistics Segment?

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What are the potential revenue and profit uplift?
(submitted by Lim Seong Gee – shareholder)

Answer:

DKSH intends to grow the business through organic growth and new client acquisitions. The Group anticipates this segment continuing to perform well in the future.

20. Despite the improvement you outlined earlier on the 2019 business improvement initiatives, the overall net profit margin remains very thin. Why? How is the net profit margin you set in the business plan over the next 5 years?
(submitted by Kho Cheok Lian – shareholder)

Answer:

The profit before tax margin in 2020 increased by 0.3% versus 0.9% in 2019; and increased by 1.0% in 2021 Q1 as compared to Q1 2020.

21. Does the Company re-finance its existing loan on Auric acquisition, taking advantage of the lower interest environment? How much saving on financing cost can be realized through refinancing the existing loans?
(submitted by Kho Cheok Lian – shareholder)

Answer:

We always look into ways to manage it more effectively in terms of bottom line profits.

22. How can DKSH attract strategic funds such as EPF, KWAP, etc. to invest in DKSH as top 30 shareholders?
(submitted by Tan Chun Hoe – shareholder)

Answer:

The management has no control over the portfolio of the shareholders. Investment decision is purely the decision of the interested investors.

23. Approximately how much cost savings realized from Auric?
(submitted by Tan Kay Wee – shareholder)

Answer:

We will not put is as cost saving, is efficiency realized upon the integration of both businesses/operations.

24. The current market capitalization of – RM500 million is almost the same as the price it paid for Auric acquisition in 2019. This is indeed a very large gap despite you reported such an impressive result from Auric. What are the missing links here? Appreciate if you could shed some insights on this.
(submitted by Kho Cheok Lian – shareholder)

Answer:

(This a similar question raised earlier) The share price is a product of market forces and market actors are not always rational. Fundamental analysis does not fully explain the movements in share price and there are many other factors, including economic, political, etc. that influence the share price.

25. Pfizer is highlighted as a customer, however I clearly remember during the time of Covid vaccine first coming onto Malaysian shore, DHL was engaged to deliver and distribute and it was well publicized. Does that mean DKSH is not up to the task? What is the management doing to be prepared for future business (if any) and be noticed as a marketing and logistics expert?
(submitted by Ong Chau Hsi – shareholder)

Answer:

The distribution of vaccine is still under the National Immunization Program. We will definitely go

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for it when the tender is open for last mile distribution partners.

26. In Lazada and Shopee, who offers and manages the perks and discounts over the products in the store??

(submitted by Hong Keh Wai – shareholder)

Answer:

It is the product listers.

27. Do you see e-commerce business as synergistic or cannibalistic with your other traditional business channels?

(submitted by Kee Kerk Cheng – shareholder)

Answer:

Definitely synergistic, made more apparent during the pandemic.

28. With respect to the impairment test for goodwill, the pre-tax discount rate applied to the cash flow projection is 14.0%. How do you get this rate?

(submitted by Tan Kay Wee – shareholder)

Answer:

The pre-tax discount rate is based on the impairment assessment done by the Group.

After answering the questions from shareholders and proxies, the Chairman of the AGM proceeded to the voting session.

18. VOTING SESSION

NM informed the shareholders and proxies to proceed to cast their votes if they have not submitted earlier and allowed 10 minutes for the shareholders and proxies to cast their votes.

The polling closed at 12:10 p.m. and the Chairman of the AGM informed that the validation of votes by Scrutineer will take approximately 20 minutes and the meeting was adjourned at 12:10 p.m. for validation of votes.

19. ANNOUNCEMENT OF POLL RESULTS

The meeting resumed at 12:30 p.m. and the Chairman informed that he had received the poll results from Tricor and Asia Securities. Based on the poll results, the Chairman declared that all resolutions were carried:

(i) Payment of Final Single Tier Dividend

<u>Ordinary Resolution 1</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of poll slips</u>
Voted FOR	12,692,834	99.9923	235
Voted AGAINST	9,749	0.0077	41

(ii) Payment of Directors' Fees

<u>Ordinary Resolution 2</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of poll slips</u>
Voted FOR	126,556,976	99.8853	211
Voted AGAINST	145,303	0.1147	63

IT WAS RESOLVED THAT the payment of Directors' Fees of up to an amount of RM 280,000.00 from June 17, 2021 until the next Annual General Meeting of the Company

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to be held in 2022 be approved.

(iii) Re-election of Chan Thian Kiat as Director of the Company

<u>Ordinary Resolution 3</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of poll slips</u>
Voted FOR	126,577,234	99.9011	229
Voted AGAINST	125,249	0.0989	46

IT WAS RESOLVED THAT Chan Thian Kiat who retired in accordance with Article 105 of the Company's Constitution, be re-elected as Director of the Company.

(iv) Re-election of Lian Teng Hai as Director of the Company

<u>Ordinary Resolution 4</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of poll slips</u>
Voted FOR	126,577,233	99.9011	228
Voted AGAINST	125,250	0.0989	47

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

(v) Re-appointment of Auditors

<u>Ordinary Resolution 5</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of poll slips</u>
Voted FOR	126,589,945	99.9122	233
Voted AGAINST	111,238	0.0878	41

IT WAS RESOLVED THAT the re-appointment of Messrs. Ernst & Young as Auditors of the Company for the financial year ending December 31, 2021 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>	<u>Number of poll slips</u>
Voted FOR	9,435,169	98.8244	232
Voted AGAINST	112,238	1.1756	42

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 May 6, 2021 ("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.

(vii) Election of Dr Leong Yuen Yoong as Director of the Company

<u>Ordinary Resolution 7</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of poll slips</u>
Voted FOR	126,576,333	99.9004	228
Voted AGAINST	126,250	0.0996	48


IT WAS RESOLVED THAT Dr. Leong Yuen Yoong, having given her consent to act pursuant to Section 201 of the Companies Act 2016, be and is hereby elected as a Director of the Company in an Independent Non-Executive capacity, with effect from the conclusion of this Annual General Meeting.

The Company Secretaries were authorised to make the relevant announcement to Bursa Securities as required in relation to the aforesaid Board changes.

17. TERMINATION

There being no further business, the Meeting ended at 12:45 p.m. with a vote of thanks to the Chair.

Signed as correct record

DocuSigned by:

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Jason Michael Nicholas McLaren
 Chairman of the AGM
 Date: August 26, 2021