

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter and three months ended March 31, 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER
AND THREE MONTHS ENDED MARCH 31, 2015**

	INDIVIDUAL 1 ST QUARTER		CUMULATIVE 1 ST QUARTER	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
1 Revenue	1,419,132	1,287,013	1,419,132	1,287,013
2 Operating expenses	(1,402,893)	(1,268,853)	(1,402,893)	(1,268,853)
3 Other operating income	1,058	478	1,058	478
4 Profit from operations	17,297	18,638	17,297	18,638
5 Finance cost	(486)	(704)	(486)	(704)
6 Profit before taxation	16,811	17,934	16,811	17,934
7 Taxation	(4,586)	(4,435)	(4,586)	(4,435)
8 Profit for the period from continuing operations, net of tax	12,225	13,499	12,225	13,499
10 Net profit for the period	12,225	13,499	12,225	13,499
11 Other comprehensive income :				
- Currency translation differences arising from consolidation	7	-	7	-
12 Total comprehensive income	12,232	13,499	12,232	13,499
13 Net profit attributable to owners of the parent	12,225	13,499	12,225	13,499
14 Total comprehensive income attributable to owners of the parent	12,232	13,499	12,232	13,499
15 Earnings per share (EPS) based on item 13 above (See Note 1 below)				
(i) EPS attributable to owners of parent	7.75	8.56	7.75	8.56

Note:

1 The weighted average number of shares used in item 15 above is computed : 157,658,076 shares.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended December 31, 2014 and the accompanying explanatory notes attached to the interim financial statements.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter and three months ended March 31, 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015**

	31/03/2015 Unaudited RM'000	31/12/2014 Audited RM'000
1 Non Current Assets		
Property, plant and equipment	19,534	19,582
Intangible assets	2,378	2,629
Deferred tax assets	3,496	3,272
	<u>25,408</u>	<u>25,483</u>
2 Current Assets		
Inventories	510,392	473,889
Trade and other receivables	1,005,445	902,187
Derivative financial instrument	183	79
Deposits, bank and cash balances	38,340	93,923
	<u>1,554,360</u>	<u>1,470,078</u>
3 Total Assets	<u><u>1,579,768</u></u>	<u><u>1,495,561</u></u>
4 Equity		
Ordinary share capital	157,658	157,658
Share premium	24,514	24,514
Foreign currency translation reserve	75	68
Retained earnings	303,618	291,393
Equity attributable to owners of parent	<u>485,865</u>	<u>473,633</u>
5 Current Liabilities		
Trade and other payables	1,063,219	997,141
Borrowings	26,863	20,100
Taxation	2,966	3,832
	<u>1,093,048</u>	<u>1,021,073</u>
6 Non Current Liabilities		
Long term liabilities	855	855
	<u>855</u>	<u>855</u>
7 Total Liabilities	<u><u>1,093,903</u></u>	<u><u>1,021,928</u></u>
8 Total Equity and Liabilities	<u><u>1,579,768</u></u>	<u><u>1,495,561</u></u>
9 Net assets per share attributable to ordinary equity holders of the company (RM)	<u>3.0818</u>	<u>3.0042</u>

The unaudited Condensed Consolidated Statement of Finance Position should be read in conjunction with the audited annual financial statements for the year ended December 31, 2014 and the accompanying explanatory notes attached to the interim financial statements.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter and three months ended March 31, 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2015

	Issued and fully paid ordinary shares of RM1.00 each		Attributable to owners of the parent			Total Equity
	No of shares 000	Nominal value RM'000	Non-distributable		Distributable	
			Share premium on ordinary shares RM'000	Foreign currency translation reserve RM'000		
<u>THREE MONTHS ENDED MARCH 31, 2015</u>						
At January 1, 2015	157,658	157,658	24,514	68	291,393	473,633
Total comprehensive income for the period	-	-	-	7	12,225	12,232
At March 31, 2015	157,658	157,658	24,514	75	303,618	485,865
<u>THREE MONTHS ENDED MARCH 31, 2014</u>						
At January 1, 2014	157,658	157,658	24,514	60	266,955	449,187
Total comprehensive income for the period	-	-	-	-	13,499	13,499
At March 31, 2014	157,658	157,658	24,514	60	280,454	462,686

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended December 31, 2014 and the accompanying explanatory notes attached to the interim financial statements.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter and three months ended March 31, 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2015**

	31/03/15 Unaudited RM'000	31/03/14 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,811	17,934
Adjustments for non cash flows:		
Depreciation	2,133	1,883
Amortization of trademark	251	244
(Gain)/loss on derivatives	(104)	382
Gain on disposal of property, plant and equipment	(11)	(2)
Interest income	(240)	(261)
Interest expenses	486	704
Allowance/(write-back of) for impairment of trade receivables	424	(324)
Inventories written off	2,324	1,379
Allowance/(write back) of inventory obsolescence	20	(80)
Accruals for post-employment benefits obligations	15	15
Net unrealised foreign exchange loss/(gain)	161	(75)
Currency translation differences arising from consolidation	7	-
Other non cash items	2	-
Operating profit before changes in working capital	<u>22,279</u>	<u>21,799</u>
Changes in working capital:		
Inventories	(38,847)	(35,081)
Trade and other receivables	(103,799)	(23,612)
Trade and other payables	66,146	35,415
	<u>(76,500)</u>	<u>(23,278)</u>
Interest paid	(472)	(696)
Interest received	240	261
Tax paid	(5,561)	(4,525)
Post-employment benefit obligation paid	(169)	(5,059)
Net cash flow from operating activities	<u>(60,183)</u>	<u>(11,498)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(2,194)	(684)
Proceed from disposal of property, plant and equipment	31	2
Net cash flow from investing activities	<u>(2,163)</u>	<u>(682)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing	6,763	4,740
Net cash flow from financing activities	<u>6,763</u>	<u>4,740</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(55,583)</u>	<u>(7,440)</u>
CASH AND CASH EQUIVALENTS B/F	93,923	111,995
CASH AND CASH EQUIVALENTS C/F	<u>38,340</u>	<u>104,555</u>
Note : Cash and cash equivalents comprise of :-		
Deposits, bank and cash balances	38,340	104,555
	<u>38,340</u>	<u>104,555</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended December 31, 2014 and the accompanying explanatory notes attached to the interim financial statements.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter and three months ended March 31, 2015
The figures have not been audited

SEGMENTAL INFORMATION

	<u>Marketing & Distribution Services</u>	<u>Logistics Services</u>	<u>Others</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000
For the Three Months Ended March 31, 2015				
Revenue				
Total revenue	649,483	755,524	14,125	1,419,132
Results				
Segment result	11,335	5,792	170	17,297
Finance cost				(486)
Taxation				(4,586)
Profit for the financial year				<u>12,225</u>
As at March 31, 2015				
Other Information				
Segment assets	823,850	673,354	22,546	1,519,750
Unallocated assets				60,018
Total assets				<u>1,579,768</u>
Segment liabilities	(449,328)	(523,598)	(2,013)	(974,939)
Unallocated liabilities				(118,964)
Total liabilities				<u>(1,093,903)</u>
Capital expenditure	467	481	1,022	1,970
Depreciation	(501)	(593)	(1,039)	(2,133)

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter and three months ended March 31, 2014

SEGMENTAL INFORMATION

	<u>For the Three Months Ended March 31, 2014</u>		
	<u>Marketing & Distribution Services</u> RM'000	<u>Logistics Services</u> RM'000	<u>Others</u> RM'000
Revenue			<u>Consolidated</u> RM'000
Total revenue	592,922	678,943	15,148
Results			
Segment result	13,480	4,278	880
Finance cost			18,638
Taxation			(704)
Profit for the financial year			<u>(4,435)</u>
			<u>13,499</u>

	<u>As at March 31, 2014</u>		
	<u>Marketing & Distribution Services</u> RM'000	<u>Logistics Services</u> RM'000	<u>Others</u> RM'000
Other Information			<u>Consolidated</u> RM'000
Segment assets	754,014	539,247	19,333
Unallocated assets			118,933
Total assets			<u>1,431,527</u>
Segment liabilities	(379,629)	(447,726)	(2,546)
Unallocated liabilities			(138,940)
Total liabilities			<u>(968,841)</u>
Capital expenditure	224	132	328
Depreciation	(534)	(546)	(803)
			<u>(1,883)</u>

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(I) Compliance with MFRS 134: Interim Financial Reporting

1. Corporate Information

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on May 11, 2015.

2. Accounting Policies and Basis of Preparation

The unaudited condensed consolidated interim financial statements for the current quarter and three months ended March 31, 2015 have been prepared in accordance with MFRS 134 (Interim Financial Reporting) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2014.

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements of the Group for the year ended December 31, 2014. The new, revised and amended MFRS and IC Interpretations, which are effective for the financial periods beginning on or after January 1, 2015, did not have any material impact on the financial results of the Group.

3. Disclosure of Audit Report Qualification and Status of Matters Raised

The auditors' report on the financial statements of the Group for the year ended December 31, 2014 was not qualified.

4. Seasonal or Cyclical Factors

The Group's segments cover primarily Consumer Goods and Healthcare businesses. Consequently, net sales are influenced by the festive seasons of Chinese New Year, Hari Raya, Deepavali, and Christmas.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter under review.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Material Changes in Estimates

There were no material changes in estimates used to prepare these interim financial statements.

7. Changes in Debt and Equity Securities

There were no changes in debt and equity securities during the quarter under review.

8. Dividend Paid

No dividend was paid during the quarter ended March 31, 2015.

9. Segment Information

The Group's segmental information for the financial three months ended March 31, 2015 and March 31, 2014 is presented separately in this interim financial report.

[The rest of this page has been left blank intentionally]

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Profit before Tax from Continuing Operations

The following items are included in profit before tax from continuing operations:

	Current quarter ended		Cumulative Year-to-Date ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	RM'000	RM'000	RM'000	RM'000
Depreciation	2,133	1,883	2,133	1,883
Amortization of trademark	251	244	251	244
Loss/(gain) on derivatives	(104)	382	(104)	382
Rental income	(69)	(68)	(69)	(68)
Interest income	(240)	(261)	(240)	(261)
Interest expenses	486	704	486	704
Gain on disposal of property, plant and equipment	(11)	(2)	(11)	(2)
Allowance/(write back) for impairment of trade receivables	424	(324)	424	(324)
Inventories written off	2,324	1,379	2,324	1,379
Allowance/(write back) of inventory obsolescence	20	(80)	20	(80)
Net unrealized foreign exchange loss/(gain)	161	(75)	161	(75)
Gain on disposal of quoted/unquoted investment	-	-	-	-
Impairment of assets	-	-	-	-
Exceptional items	-	-	-	-

11. Valuation of Property, Plant and Equipment

Property, plant and equipment have been brought forward without amendment from the previous audited annual financial statements.

12. Material Events subsequent to the end of the Financial Period

There were no material events subsequent to the end of the period reported that have not been reflected in the interim financial statements for the three months ended March 31, 2015.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

14. Related Party Disclosures

The following table provides information on significant transactions which have been entered into with related parties during the three months ended March 31, 2015 and March 31, 2014, as well as the balances with the related parties as at March 31, 2015 and March 31, 2014:

	Current three months ended March 31, 2015 RM'000	Preceding three months ended March 31, 2014 RM'000	Intercompany balances - due from/(to) as at	
			March 31, 2015 RM'000	March 31, 2014 RM'000
Sale of goods and services:				
- related company (goods)	340	985	135	322
- related company (rental)	69	68	-	-
- related company (human resource and information technology charges)	147	124	34	191
	<u>556</u>	<u>1,177</u>	<u>169</u>	<u>513</u>
Purchase of goods and services:				
- related company (goods)	15,426	13,752	(7,637)	(7,747)
- related company (management fee)	1,171	1,138	(1,384)	(1,300)
- related company (information technology charges)	3,244	2,995	(357)	(53)
- other related party (rental)	2,295	2,218	-	-
Others (interest):				
- immediate holding company	115	108	(36)	(34)
- intermediate holding company	49	84	(27)	(28)
- related company	45	107	(15)	(48)
	<u>22,345</u>	<u>20,402</u>	<u>(9,456)</u>	<u>(9,210)</u>

The amounts receivable from or payable to related parties are unsecured, non-interest bearing and carry credit terms between 30 to 120 days. There were no overdue balances from related parties as at March 31, 2015.

15. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the quarter ended March 31, 2015 and up to May 11, 2015.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Capital Commitments

Authorized capital commitments not provided for in this interim financial report as at March 31, 2015 are as follows:

	RM'000
Contracted	14,062
Not contracted	6,158
	<u>20,220</u>
Analyzed as follows:	
- Property, plant and equipment	<u>20,220</u>

[The rest of this page has been intentionally left blank]

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD – THREE MONTHS ENDED MARCH 31, 2015**

(II) **Compliance with Appendix 9B of the Listing Requirements**

1. **Review of Performance**

Compared to the first quarter of 2014, revenue grew strongly by 10.3% from RM 1.29 billion to RM 1.42 billion in the same quarter of 2015, whilst revenue increased by 2.8% compared to the fourth quarter of 2014, which recorded sales of RM 1.38 billion. As in previous periods, the sales growth was driven primarily by the Group's existing clients, while new clients, particularly in the Consumer Goods Business Unit contributed as well.

Compared to the first quarter of 2014, operating costs increased by 10.6%, which is largely in line with revenue growth and mainly due to increased rental costs for additional warehouse space for new Consumer Goods clients. Financing costs reduced by 31.0% compared to the first quarter of 2014 due to the Group's increased cash balances.

Profit before tax decreased by 6.3% compared to the first quarter of 2014 due to the higher operating costs described above. Profit after tax declined by 9.4% from RM 13.5 million to RM 12.2 million, again due to the increased operating costs.

Comments to the Performance of the Business Segments

Marketing and Distribution segment

Under the segment Marketing and Distribution, the Group provides the full range of services. The service portfolio ranges from marketing and sales, to distribution and logistics, invoicing and credit control, handling of inventory and trade returns and other value added services.

Compared to the first quarter of 2014, revenue increased by 9.5% from RM 592.9 million to RM 649.5 million in the same quarter of 2015, whilst revenue also increased by 8.3% compared to the fourth quarter of 2014, which recorded sales of RM 599.5 million. The drivers of this growth were organic growth with existing clients and the addition of new clients.

Compared to the first quarter of 2014, the operating result for this segment declined by 15.9% from RM 13.5 million in 2014 to RM 11.3 million in the same period of 2015, due to a sales mix movement towards lower margin clients and increased distribution costs, the latter related predominantly to costs in connection with moving the Kota Kinabalu distribution center.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Logistics segment

Under the segment Logistics, the Group provides supply chain services ranging from warehousing and distribution, to order processing and sales collections. Sales and marketing services for clients in this segment are generally not provided by the Group, but are mostly run by the clients. The businesses represented under this segment include the Healthcare business and supply chain focused parts of the Consumer Goods business.

Compared to the first quarter of 2014, revenue grew by 11.3% from RM 678.9 million to RM 755.5 million in the same quarter of 2015, while revenue from continuing operations was quite similar to the fourth quarter of 2014 which reported sales of RM 763.7 million. The key contribution to the strong growth came from organic growth with existing clients in the Healthcare business and particularly strong pre-GST sales in Healthcare during the month of March.

The operating result from continuing operations of this segment grew strongly by 35.4% from RM 4.3 million in the first quarter of 2014 to RM 5.8 million in the first quarter of 2015 based on a strong performance in the Healthcare business.

Others segment

This segment consists most notably of the Famous Amos chocolate chip cookie retail chain, as well as central overheads including rental.

Compared to the fourth quarter of 2014, revenue declined by 6.8% from RM 15.1 million in the first quarter of 2014 to RM 14.1 million in the same quarter of 2015, whilst revenue decreased by 17.3% compared to the immediately preceding fourth quarter of 2014, which recorded net sales of RM 17.1 million. The variance to the prior year's result is predominantly due to the continued challenging retail environment, while the variance to the previous quarter is largely influenced by seasonal sales in the fourth quarter of 2014. At the end of the first quarter of 2015, Famous Amos operates 94 outlets nationwide.

The operating result for this segment declined from RM 880 million in the first quarter of 2014 to RM 170 million in the first quarter of 2015. The lower operating result is due to the reduction in revenue noted above and on-going investment in further outlets to militate against the challenging retail environment.

2. Material Changes in Profit before Taxation for the Current Quarter as compared to the Immediate Preceding Quarter

There were no material items that have affected the performance of the first quarter of 2015 compared to the fourth quarter of 2014.

3. Prospects

The Group continues to take a positive outlook on 2015. This is mainly due to new business development, resulting in various sizeable new clients which are supporting the underlying sales growth of the existing client base. The investments the Group has undertaken in distribution centers in 2014 and the move to the new offices mid 2015 are therefore important and timely to support this growth.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Group successfully executed the implementation of the Goods and Services Tax (GST) on April 1, 2015, with no business interruption. There was a large increase in pre-GST revenue in the Healthcare business, but little effect seen in the Consumer Goods business. Consequently, Healthcare sales are expected to be slightly lower in the coming months while Consumer Goods sales are expected to continue apace.

Separately, the client and customer portfolio remains well diversified and supported by a strong sales, marketing and distribution infrastructure with a capillary distribution reach. With a scalable business model, the Group offers a comprehensive portfolio of services along the entire value chain, customized and tailor-made to clients' specific needs. Furthermore, operational risk management processes and controls, supported by an industry leading IT system, continue to support the existing businesses as well as new clients.

Two market trends additionally support a positive medium-to-long-term outlook for the Group. Firstly, the growing middle class in Malaysia supports the demand for consumer goods and healthcare products. Secondly, manufacturers increasingly focus on core competencies and seek specialized service providers in order to grow the market for and with them.

4. Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast.

5. Taxation

	Quarter ended March 31, 2015 RM'000	Quarter ended March 31, 2014 RM'000	Three months ended March 31, 2015 RM'000	Three months ended March 31, 2014 RM'000
Current year	4,811	3,315	4,811	3,315
Deferred tax	(225)	1,120	(225)	1,120
	<u>4,586</u>	<u>4,435</u>	<u>4,586</u>	<u>4,435</u>

The effective tax rate for the quarter ended March 31, 2015 was above the statutory rate and last year's due to high non-deductible expenses in the form of renovations in the new warehouse and Famous Amos outlets.

6. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at May 11, 2015.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Group Borrowings and Debt Securities

	As at March 31, 2015 RM'000
<u>Short Term Borrowings</u>	
Unsecured and fully denominated in Ringgit Malaysia:	
- Advances from holding companies	26,863
	26,863

8. Disclosure of Derivatives

	Contract / Notional Value 31/03/2015 RM'000	Fair Value 31/03/2015 RM'000
Type of derivatives		
Foreign exchange contracts - less than 1 year	22,294	22,477
Total	22,294	22,477

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the date of the statement of financial position, unless hedged by forward foreign exchange contracts when the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the statement of comprehensive income.

Future liabilities in foreign currencies are covered by forward-purchased currencies from reputable banks when their amounts and due dates are known. Forward hedges are exclusively used for bona-fide and documented trade transactions and not for speculative purposes in line with the DKSH Treasury policy.

The Group's open foreign exchange contracts have been fair valued using the current market rates as at March 31, 2015 resulting in a unrealized derivative gain of RM 0.2 million. In total, an unrealised loss on derivative contracts amounting to RM 0.1 million has been charged to the statement of comprehensive income for the three months ended March 31, 2015 representing the gain for the first quarter to date in addition to the unrealized gain on derivatives of RM 0.1 million as at December 31, 2014.

9. Changes in Material Litigation

There is no material litigation as at May 11, 2015.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Dividend Proposed or Declared

The Company had announced that the Directors had recommended a final single tier dividend of 9.5 sen per share (2013: final single tier dividend of 9.5 sen per ordinary share and a special single tier dividend of 13 sen per ordinary share) in respect of the financial year ended December 31, 2014 for shareholders' approval at the forthcoming Annual General Meeting of the Company. Subject to shareholders' approval, the proposed dividend will be payable on August 20, 2015 to shareholders whose names appear in the Record of Depositors maintained by Bursa Malaysia Depository Sdn Bhd on July 22, 2015.

- a) Depositors shall qualify for entitlement to the dividend in respect of:
 - (i) shares transferred to the Depositors' securities accounts before 4.00 pm on July 22, 2015 in respect of transfers; and
 - (ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.
- b) No dividend was declared or recommended for the current financial period ended March 31, 2015.

11. Earnings Per Share

- (a) The earnings used as the numerator in calculating basic and diluted earnings per share for the quarter under review and for the three months ended March 31, 2015 are RM 12,225,000 and RM 12,225,000 respectively.
- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the quarter under review and for the three months ended March 31, 2015 is 157,658,076.

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. Disclosure of Realised and Unrealised Profits

	Current Financial Quarter March 31, 2015 RM'000	As at the end of preceding Financial Year December 31, 2014 RM'000
Total retained profits of DKSH Holdings (Malaysia) Berhad and its subsidiaries:		
- Realised	287,322	275,418
- Unrealised	2,834	2,513
	<hr/> 290,156	<hr/> 277,931
Consolidated adjustments	13,462	13,462
Total group retained profits as per financial statements	<hr/> 303,618	<hr/> 291,393

By Order of the Board

Chew Ann Nee (MAICSA 7030413)
Company Secretary

Andre' Chai P'o-Lieng (MAICSA 7062103)
Company Secretary

Petaling Jaya
May 11, 2015