

DKSH HOLDINGS (MALAYSIA) BERHAD (231378-A)

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter and nine months ended September 30, 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER
AND NINE MONTHS ENDED SEPTEMBER 30, 2015**

	INDIVIDUAL 3 RD QUARTER		CUMULATIVE 3 RD QUARTER	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
1 Revenue	1,425,143	1,311,159	4,216,281	3,959,186
2 Operating expenses	(1,419,338)	(1,292,241)	(4,181,206)	(3,903,315)
3 Other operating income	2,121	1,311	4,646	3,276
4 Profit from operations	7,926	20,229	39,721	59,147
5 Finance cost	(1,314)	(709)	(2,511)	(1,940)
6 Profit before taxation	6,612	19,520	37,210	57,207
7 Taxation	(2,099)	(4,842)	(10,455)	(14,573)
8 Profit for the period from operations, net of tax	4,513	14,678	26,755	42,634
10 Net profit for the period	4,513	14,678	26,755	42,634
11 Other comprehensive income :				
- Currency translation differences arising from consolidation	66	(1)	100	(8)
12 Total comprehensive income	4,579	14,677	26,855	42,626
13 Net profit attributable to owners of the parent	4,513	14,678	26,755	42,634
14 Total comprehensive income attributable to owners of the parent	4,579	14,677	26,855	42,626
15 Earnings per share (EPS) based on item 13 above (See Note 1 below)				
(i) EPS attributable to owners of parent	2.86	9.31	16.97	27.04

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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015**

	30/09/2015 Unaudited RM'000	31/12/2014 Audited RM'000
1 Non Current Assets		
Property, plant and equipment	31,599	19,582
Intangible assets	1,876	2,629
Deferred tax assets	3,780	3,272
	<u>37,255</u>	<u>25,483</u>
2 Current Assets		
Inventories	567,894	473,889
Trade and other receivables	1,105,559	902,187
Derivative financial instrument	2,028	79
Deposits, bank and cash balances	63,513	93,923
	<u>1,738,994</u>	<u>1,470,078</u>
3 Total Assets	<u>1,776,249</u>	<u>1,495,561</u>
4 Equity		
Ordinary share capital	157,658	157,658
Share premium	24,514	24,514
Foreign currency translation reserve	168	68
Retained earnings	303,170	291,393
Equity attributable to owners of parent	<u>485,510</u>	<u>473,633</u>
5 Current Liabilities		
Trade and other payables	1,140,449	997,141
Borrowings	148,758	20,100
Taxation	761	3,832
	<u>1,289,968</u>	<u>1,021,073</u>
6 Non Current Liabilities		
Long term liabilities	771	855
	<u>771</u>	<u>855</u>
7 Total Liabilities	<u>1,290,739</u>	<u>1,021,928</u>
8 Total Equity and Liabilities	<u>1,776,249</u>	<u>1,495,561</u>
9 Net assets per share attributable to ordinary equity holders of the company (RM)	<u>3.0795</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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

	Issued and fully paid ordinary shares of RM1.00 each		Attributable to owners of the parent		Total Equity	
			Non-distributable		Distributable	
			No of shares 000	Nominal value RM'000	Share premium on ordinary shares RM'000	Foreign currency translation reserve RM'000
<u>NINE MONTHS ENDED SEPTEMBER 30, 2015</u>						
At January 1, 2015	157,658	157,658	24,514	68	291,393	473,633
Total comprehensive income for the period	-	-	-	100	26,755	26,855
Dividends	-	-	-	-	(14,978)	(14,978)
At September 30, 2015	157,658	157,658	24,514	168	303,170	485,510
<u>NINE MONTHS ENDED SEPTEMBER 30, 2014</u>						
At January 1, 2014	157,658	157,658	24,514	60	266,955	449,187
Total comprehensive income for the period	-	-	-	(8)	42,634	42,626
Dividends	-	-	-	-	(35,473)	(35,473)
At September 30, 2014	157,658	157,658	24,514	52	274,116	456,340

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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR NINE MONTHS ENDED SEPTEMBER 30, 2015**

	30/09/15 Unaudited RM'000	30/09/14 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,210	57,207
Adjustments for non cash flows:		
Depreciation	6,644	5,742
Amortization of trademark	753	732
(Gain)/loss on derivatives	(1,949)	95
Gain on disposal of property, plant and equipment	(64)	(127)
Interest income	(396)	(1,061)
Interest expenses	2,511	1,940
Allowance for impairment of trade receivables	933	299
Inventories written off	7,816	6,055
Write back of inventory obsolescence	(110)	(152)
Accruals for post-employment benefits obligations	40	29
Net unrealised foreign exchange (gain)/loss	(221)	1,236
Currency translation differences arising from consolidation	100	(8)
Other non cash items	-	10
Operating profit before changes in working capital	<u>53,267</u>	<u>71,997</u>
Changes in working capital:		
Inventories	(101,711)	(126,184)
Trade and other receivables	(202,847)	(45,806)
Trade and other payables	143,901	106,007
	<u>(160,657)</u>	<u>(65,983)</u>
Interest paid	(2,435)	(1,932)
Interest received	396	1,061
Tax paid	(15,492)	(14,604)
Post-employment benefit obligation paid	(352)	(5,106)
Net cash flow from operating activities	<u>(125,273)</u>	<u>(14,567)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,999)	(3,960)
Proceed from disposal of property, plant and equipment	182	141
Net cash flow from investing activities	<u>(18,817)</u>	<u>(3,819)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing	128,658	18,825
Dividend paid	(14,978)	(35,473)
Net cash flow from financing activities	<u>113,680</u>	<u>(16,648)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(30,410)</u>	<u>(35,034)</u>
CASH AND CASH EQUIVALENTS B/F	93,923	111,995
CASH AND CASH EQUIVALENTS C/F	<u>63,513</u>	<u>76,961</u>
Note : Cash and cash equivalents comprise of :-		
Deposits, bank and cash balances	63,513	76,961
	<u>63,513</u>	<u>76,961</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.

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The figures have not been audited

SEGMENTAL INFORMATION

	<u>Marketing & Distribution Services</u>	<u>Logistics Services</u>	<u>Others</u>	<u>Consolidated</u>
<u>For the Nine Months Ended September 30, 2015</u>	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue	1,899,841	2,275,047	41,393	4,216,281
Results				
Segment result	29,672	10,711	(662)	39,721
Finance cost				(2,511)
Taxation				(10,455)
Profit for the financial year				<u>26,755</u>
<u>As at September 30, 2015</u>				
Other Information				
Segment assets	892,541	761,379	37,005	1,690,925
Unallocated assets				85,324
Total assets				<u>1,776,249</u>
Segment liabilities	(440,246)	(606,785)	(2,250)	(1,049,281)
Unallocated liabilities				(241,458)
Total liabilities				<u>(1,290,739)</u>
Capital expenditure	1,665	2,080	15,030	18,775
Depreciation	(1,893)	(2,071)	(2,680)	(6,644)

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SEGMENTAL INFORMATION

<u>For the Nine Months Ended September 30, 2014</u>	<u>Marketing & Distribution Services</u>	<u>Logistics Services</u>	<u>Others</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue	1,799,605	2,115,515	44,066	3,959,186
Results				
Segment result	43,986	13,753	1,408	59,147
Finance cost				(1,940)
Taxation				(14,573)
Profit for the financial year				<u>42,634</u>

<u>As at September 30, 2014</u>	<u>Marketing & Distribution Services</u>	<u>Logistics Services</u>	<u>Others</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000
Other Information				
Segment assets	763,156	635,814	19,328	1,418,298
Unallocated assets				94,363
Total assets				<u>1,512,661</u>
Segment liabilities	(367,985)	(520,941)	(218)	(889,144)
Unallocated liabilities				(167,177)
Total liabilities				<u>(1,056,321)</u>
Capital expenditure	1,077	1,073	1,810	3,960
Depreciation	(1,572)	(1,686)	(2,484)	(5,742)

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Quarterly report on consolidated results for the financial quarter ended September 30, 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 November 24, 2015.

2. Accounting Policies and Basis of Preparation

The unaudited condensed consolidated interim financial statements for the current quarter and nine months ended September 30, 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.

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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

The following dividend payment was made during the period ended September 30, 2015:

	RM'000
In respect of the financial year ended December 31, 2014:	
- Final single tier dividend of 9.5 sen per share paid on August 20, 2015	<u>14,978</u>

9. Segment Information

The Group's segmental information for the financial nine months ended September 30, 2015 and September 30, 2014 is presented separately in this interim financial report.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Profit before Tax from Operations

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

	Current quarter ended		Cumulative Year-to-Date ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	RM'000	RM'000	RM'000	RM'000
Depreciation	2,560	1,962	6,644	5,742
Amortization of trademark	251	244	753	732
(Gain)/loss on derivatives	(1,266)	(340)	(1,949)	95
Rental income	(54)	(66)	(226)	(204)
Interest income	(41)	(423)	(396)	(1,061)
Interest expenses	1,314	709	2,511	1,940
Gain on disposal of property, plant and equipment	(47)	(1)	(64)	(127)
Allowance for impairment of trade receivables	511	424	933	299
Inventories written off	2,946	1,849	7,816	6,055
Write back of inventory obsolescence	(211)	217	(110)	(152)
Net unrealized foreign exchange (gain)/loss	(253)	(17)	(221)	1,236
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 nine months ended September 30, 2015.

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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 nine months ended September 30, 2015 and September 30, 2014, as well as the balances with the related parties as at September 30, 2015 and September 30, 2014:

	Current nine months ended September 30, 2015 RM'000	Preceding nine months ended September 30, 2014 RM'000	Intercompany balances - due from/(to) as at	
			September 30, 2015 RM'000	September 30, 2014 RM'000
Sale of goods and services:				
- related company (goods)	1,666	1,857	555	78
- related company (rental)	226	204	-	-
- related company (human resource and information technology charges)	449	406	70	47
	<u>2,341</u>	<u>2,467</u>	<u>625</u>	<u>125</u>
Purchase of goods and services:				
- related company (goods)	45,025	43,265	(9,743)	(5,969)
- related company (management fee)	3,665	3,336	(1,429)	(1,070)
- related company (information technology charges)	10,569	9,254	(735)	(365)
- other related party (rental)	7,624	7,213	-	-
Others (interest):				
- immediate holding company	345	342	(40)	(40)
- intermediate holding company	240	385	(99)	(141)
- related company	46	197	-	(22)
	<u>67,514</u>	<u>63,992</u>	<u>(12,046)</u>	<u>(7,607)</u>

The amounts receivable from or payable to related parties are unsecured, non-interest bearing and carry credit terms between 30 to 120 days. Of the RM 625,000 due from related parties, RM 102,000 was overdue by more than 30 days due to dispute.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the quarter ended September 30, 2015 and up to November 24, 2015.

16. Capital Commitments

Authorized capital commitments not provided for in this interim financial report as at September 30, 2015 are as follows:

	RM'000
Contracted	4,174
Not contracted	4,840
	<hr/> 9,014
Analyzed as follows:	
- Property, plant and equipment	<hr/> 9,014

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD – NINE MONTHS ENDED SEPTEMBER 30, 2015**

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

1. Review of Performance

Revenues for the third quarter of 2015 grew by 8.7% from RM 1.31 billion to RM 1.43 billion compared to the third quarter of 2014, while they grew by 3.9% from RM 1.37 billion in the second quarter of 2015. Revenues grew monthly during the quarter as consumer demand showed signs of recovering from the post-GST (Goods and Services Tax) downturn seen in the second quarter. The Group remains cautiously optimistic that consumer demand will further recover during the fourth quarter and continuing into the first quarter of 2016. Reported growth was primarily contributed by new business development in both Consumer Goods and Healthcare.

In the third quarter of 2015, operating costs increased by 9.8% compared to the third quarter of 2014 and by 4.4% compared to the preceding second quarter of 2015. In both cases, this growth was slightly above that seen in revenues and was primarily caused by additional distribution center space, depreciation of new offices and increased office rental costs. The investment in new office and distribution center facilities will support the future growth of the Group.

Profit before tax in the third quarter 2015 declined by 66.1% compared to the third quarter of 2014 and by 52.0% compared to the second quarter of 2015, primarily due to increased operating costs. Year-to-date profit before tax for the first three quarters of 2015 was 35% below year-to-date profit before tax for the first three quarters of 2014. The reduction in profit was primarily caused by the temporary downturn of revenues as a result of current economic and market conditions and by additional costs as noted above.

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.

Revenues for the third quarter 2015 were RM 602.3 million, which was 2.7% higher than revenues of RM 586.4 million in the corresponding third quarter of 2014 and 7.1% lower than the RM 648.1 million revenues of the preceding second quarter of 2015. This segment's decline against prior period relates to the downturn in consumer demand through the third quarter after an initial slight recovery in the second quarter, which led to a particularly strong last month of that quarter. The demand has trended up during the third quarter.

The third quarter 2015 operating result was RM 5.4 million, which was 63.6% down on the same third quarter of 2014 and 58.0% down on the preceding second quarter of 2015. The year-to-date result is 32.5% down on the corresponding year-to-date result as at the third quarter of 2014. This lower result against prior year is due to a sales mix movement towards lower margin clients and increased distribution costs.

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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.

Third quarter 2015 revenues increased by 13.9% compared to the third quarter of 2014, rising from RM 709.5 million to RM 808.2 million. Third quarter 2015 revenues also increased against those of the preceding second quarter of 2015 to rise by 13.6% from RM 711.3 million to RM 808.2 million. This increase was primarily the result of new clients in Healthcare and improved consumer demand in this segment.

The operation result for this segment in the third quarter was RM 2.5 million, which is a 49.3% reduction on the same third quarter of 2014 and a 4.5% increase on the preceding second quarter of 2015. This reflects increased operating costs in relation to 2014 and stable costs and increasing sales in relation to the preceding second quarter of 2015. Year-to-date profit before tax for the first three quarters of 2015 was 22.1% below year-to-date profit before tax for the first three quarters of 2014.

Others segment

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

Revenues were RM 14.6 million in the third quarter of 2015 which was slightly down by 3.9% on the same third quarter of 2014. However, this was an improvement of 15.3% compared to the RM 12.7 million seen in the second quarter and this was the highest quarter so far in 2015. The result compared to 2014 reflects the challenging market environment currently being experienced, with a distinct effect from the implementation of GST and the subsequent downturn in consumer demand. The result compared to prior quarter shows that there is a beginning of a recovery in consumer demand observed in the third quarter of 2015. At the end of the third quarter of 2015, Famous Amos operated 93 outlets nationwide.

The operating result for the third quarter of 2015 was RM 0.4 million lower than the third quarter of 2014 which is largely in line with the reduced revenues noted above and continued investment in further outlets to enable future growth. The third quarter 2015 operating result was a RM 0.8 million improvement on the preceding second quarter which reflects the positive revenue result and stable cost base. Year-to-date profit before tax for the first three quarters of 2015 was 147% below year-to-date profit before tax for the first three quarters of 2014.

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 third quarter of 2015 compared to the second quarter of 2015.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. Prospects

The Group continues to take a cautiously positive outlook on the remainder of 2015. This is mainly due to new business development, resulting in various sizeable new clients. Market conditions remain challenging, particularly following the implementation of GST. However, the Group is somewhat optimistic that consumer demand had begun to recover during the third quarter. A major change in client in the telecommunications business will result in significantly reduced revenues in future periods, although profitability in this segment will not be affected.

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 September 30, 2015 RM'000	Quarter ended September 30, 2014 RM'000	Nine months ended September 30, 2015 RM'000	Nine months ended September 30, 2014 RM'000
Current year	2,026	5,742	10,963	14,824
Deferred tax	73	(900)	(508)	(251)
	<u>2,099</u>	<u>4,842</u>	<u>10,455</u>	<u>14,573</u>

The effective tax rate for the quarter ended September 30, 2015 was above the statutory rate as compared to previous quarters and comparable quarter last year due to lower profit before tax for the quarter whilst non-deductible expenses in the form of renovations in the new warehouse and Famous Amos outlets remains unchanged. In addition, non-deductible expenses in the form of depreciation of the new offices affected the current quarter.

The year to date effective rate was higher than last year due to the reversal of excess deferred tax assets recognized in respect of the previous year in addition to the reasons mentioned above.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at November 24, 2015.

7. Group Borrowings and Debt Securities

	As at September 30, 2015 RM'000
<u>Short Term Borrowings</u>	
Unsecured and fully denominated in Ringgit Malaysia:	
- Bank borrowing	115,458
- Advances from holding companies	33,300
	<u>148,758</u>

8. Disclosure of Derivatives

Type of derivatives	Contract / Notional Value 30/09/2015 RM'000	Fair Value 30/09/2015 RM'000
Foreign exchange contracts		
- less than 1 year	25,865	27,893
Total	<u>25,865</u>	<u>27,893</u>

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 September 30, 2015 resulting in an unrealized derivative gain of RM 2.0 million. The unrealized gain for the quarter ended September 30, 2015 amounted to RM 1.3 million due to the weakening ringgit after contracts have been entered into. In total, an unrealized gain on derivative contracts amounting to RM 1.9 million has been charged to the statement of comprehensive income for the nine months ended September 30, 2015 representing the gain for the nine months to date after reversal of the unrealized gain on derivatives of RM 0.1 million as at December 31, 2014.

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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended September 30, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Changes in Material Litigation

There is no material litigation as at November 24, 2015.

10. Dividend Proposed or Declared

There was no dividend declared or recommended for the quarter under review.

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 nine months ended September 30, 2015 are RM 4,513,000 and RM 26,755,000 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 nine months ended September 30, 2015 is 157,658,076.

12. Disclosure of Realised and Unrealised Profits

	Current Financial Quarter September 30, 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	284,838	275,418
- Unrealised	4,870	2,513
	<hr/> 289,708	<hr/> 277,931
Consolidated adjustments	13,462	13,462
Total group retained profits as per financial statements	<hr/> 303,170	<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
November 24, 2015