



CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

Quarterly Report On Results For The Period Ended 30 June 2011

NOTES TO INTERIM FINANCIAL REPORT

#### A1 Accounting Policies and Method of Computation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and FRS 134, *Interim Financial Reporting*.

The interim financial report has been prepared in accordance with the same accounting policies in the consolidated financial statement as at and for the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2010 except for the mandatory adoption of the following new and

FRSs/Interpretations

FRS 3 : Business Combinations (revised)
Amendments to FRS 2 : Share-based Payment
Amendments to FRS 2 : Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127 : Consolidated and Separate Financial Statements
Amendments to FRS 138 : Intangible Assets
Amendments to IC Int. 9 : Reassessment of Embedded Derivatives
Amendments to IC Int. 13 : Customer Loyalty Programmes
IC Int. 17 : Distributions of Non-cash Assets to Owners
IC Int. 4 : Determining Whether an Arrangement contains a lease
Amendments to FRS 132 : Classification of Rights Issues
Amendments to FRS 1 : limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 7 : Improving Disclosure about Financial Instruments
Amendments to FRSs : Improvements to FRSs (2010)

#### A2 Audit Report

The audited report of the Company's preceding annual financial statements was not qualified.

#### A3 Seasonal or Cyclical Factors

The business operations of the Group during financial quarter under review were not materially affected by any seasonal or cyclical factors.

#### A4 Exceptional/Extraordinary Items

There were no exceptional/extraordinary items for the financial period under review.

#### A5 Changes in Estimates

There was no material change in estimates of amounts reported in the prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

#### A6 Debts and Equity Securities

There are no issuance, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter to date

#### A7 Dividend Paid

The Group paid Final tax exempt dividend 22% (11.0 sen) per share amounting RM 15.27 million in respect of financial year ended 31 December 2010 during the current quarter.

During the corresponding quarter last year the Group has paid tax exempt final dividend of 10% (5.0 sen) per share and also dividend of 14% (7.0 sen) per share less 25% income tax amounting RM 14.22 million in respect of financial year ended 31 December 2009.

**A8 Segment Information**

	Quarter Ended / Year To Date			
	6/30/2011		6/30/2011	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	32,600	14,548	63,414	27,380
Export	2,745	926	4,915	1,721
	35,345	15,474	68,329	29,101

**A9 Property, Plant and Equipment**

The valuation of property, plant and equipment used in the condensed financial statements have been brought forward without amendment from the previous annual financial statements.

**A10 Post Balance Sheet Events**

There are no material events after the period end up to 17 Aug 2011 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report) that have not been reflected in the financial statements for the financial period ended 30 June 2011.

**A11 Changes in the Composition of the Group**

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

**A12 Related Parties Transactions**

Significant related parties transactions of the Group for the year ended 30 June 2011 are as follows:-

	<u>RM ' 000</u>
a) With CCM Pharmaceuticals (S) Pte Ltd, a wholly owned subsidiary of CCM International Sdn Bhd which in turn is a wholly-owned subsidiary of CCM Marketing Sdn Bhd.	
-Sales of goods	<u>1,433</u>
b) With CCM Pharmaceuticals Sdn Bhd, a company in which Chemical Company of Malaysia Berhad has a direct interest of 100.0%	
-Purchase of goods	<u>(744)</u>
-Sales of goods	<u>561</u>
c) With UPHA Pharmaceuticals Sdn Bhd, a company in which Chemical Company of Malaysia Berhad has a direct interest of 100.0%	
-Purchase of goods	<u>(1,803)</u>
-Sales of goods	<u>7,018</u>

## ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

### B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM68.33 million and RM17.17 million respectively for the six months period ended 30 June 2011 as compared to RM64.78 million and RM16.58 million for the corresponding period last year. The increase in revenue and PBT was mainly due to increase demand in local private market.

### B2 Comparison with the Preceding Quarter's Results

	Qtr 2 2011 (30/6/11) RM'000	Qtr 1 2011 (31/3/11) RM'000	Variance	
			RM'000	%
Revenue	35,345	32,984	2,361	7.16
Profit before tax (PBT)	9,292	7,875	1,417	17.99
Profit after tax (PAT)	6,932	5,924	1,008	17.02

The Group recorded a revenue and profit before tax (PBT) of RM35.35 million and RM9.29 million respectively for current quarter ended 30 June 2011 as compared to RM32.98 million and RM7.88 million for the preceding financial quarter. The increase in revenue and PBT was mainly due to increase demand in local private market.

### B3 Prospect for the Remainder of Current Financial Year

Barring any other unforeseen circumstances, the Group is expected to remain profitable.

### B4 Profit Forecast

No commentary is made on any variance between actual profit from forecast profit as it does not apply to the Group.

### B5 Taxation

Details of taxation are as follows :-

	Current Year Quarter 30/6/11 RM'000	Current Year To Date 30/6/11 RM'000
Based on results for the quarter/year	(2,478)	(4,503)
Transfer to deferred tax	118	193
	<u>(2,360)</u>	<u>(4,310)</u>

The Group's effective tax rate is approximate to the statutory tax rate.

### B6 Unquoted Investments and Properties

There is no disposal of unquoted investment and/or properties during the current financial quarter.

### B7 Quoted Investments

There was no purchase or disposal of quoted securities during the current financial quarter.

### B8 Status of corporate proposals.

There were no new corporate proposal announced as at the date of the report.

**B9 Borrowings and Debt Securities**

Details of Group's borrowings are as follows :-

	As at 30 June 2011 RM'000	As at 30 June 2010 RM'000
Current - unsecured	8,334	4,167
Non-current - unsecured	6,249	18,750
Total	14,583	22,917

**B10 Off Balance Sheet Financial Instruments**

The Group does not have any off balance sheet financial instruments after the period end up to 17 Aug 2011 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report)

**B11 Material litigation**

There was no material litigation up to 17 August 2011 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

**B12 Dividend**

For the current financial period ended 30 June 2011, the Board of Directors is recommending an interim tax exempt dividend of 7% (3.5 sen) per share based on paid up capital of approximately 139.4 million share at par value of RM 0.50 each amounting to approximately RM 4.88 million (2010 : 9% (4.5 sen)). The book closure date in respect of the interim tax exempt dividend is on 7 Oct 2011 and the dividend will be paid on 28 Oct 2011.

**B13 Earnings per Share**

	Current year quarter 30/6/11	Current year to date 30/6/11
a) <b>Basic EPS</b>		
Net profit (RM'000)	6,932	12,856
Weighted average number of ordinary shares in issue ('000)		
- Balance b/f	138,822	138,822
-Weighted average number of shares arising from options exercised during the period	-	-
	138,822	138,822
Basic EPS (sen)	4.99	9.26
b) <b>Dilutive EPS</b>		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	138,822	138,822
-Dilutive impact of unexercised share options	-	-
	138,822	138,822
Dilutive EPS (sen)	4.99	9.26

**B14 Disclosure of Realised and Unrealised**

	As at 30-Jun-11 RM '000	As at 31-Mar-11 RM '000
Total retained profits:		
- Realised	105,378	113,911
- Unrealised	(4,478)	(4,671)
	<b>100,900</b>	<b>109,240</b>
Less: Consolidation adjustments	(34,723)	(34,723)
Total retained profit	<b>66,177</b>	<b>74,517</b>

**B15 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 August 2011.

By Order of the Board

Noor Azwah binti Samsudin  
Secretary  
Kuala Lumpur  
18 August 2011