



CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

Quarterly Report On Results For The Period Ended 30 Sept 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 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 financial period under review.

A7 Dividend Paid

During the current quarter, no interim dividend was paid. (2010: nil)

A8 Segment Information

	Quarter Ended / Year To Date			
	9/30/2011		9/30/2011	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	33,687	16,018	97,101	43,399
Export	3,080	947	7,995	2,667
	<u>36,767</u>	<u>16,965</u>	<u>105,096</u>	<u>46,066</u>

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 Nov 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 Sept 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 Sept 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>2,129</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>(1,222)</u>
-Sales of goods	<u>1,702</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>(1,992)</u>
-Sales of goods	<u>7,222</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM105.10 million and RM26.89 million respectively for period ended 30 Sept 2011 as compared to RM99.24 million and RM26.80 million for the corresponding period last year. The increase in revenue was mainly due to increase sales to Government Hospitals.

B2 Comparison with the Preceding Quarter's Results

	Qtr 3 2011 (30/9/11) RM'000	Qtr 2 2011 (30/6/11) RM'000	Variance	
			RM'000	%
Revenue	36,767	35,345	1,422	4.02
Profit before tax (PBT)	9,726	9,292	434	4.67
Profit after tax (PAT)	7,521	6,932	589	8.50

The Group recorded a revenue and profit before tax (PBT) of RM36.77 million and RM9.72 million respectively for current quarter ended 30 Sept 2011 as compared to RM35.35 million and RM9.29 million for the preceding financial quarter. The increase in revenue and PBT was mainly due to increase demand in Government Hospitals.

B3 Prospect for the Remainder of Current Financial Year

Barring any 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 30/9/11 RM'000	Current Year To Date 30/9/11 RM'000
Based on results for the quarter/year	(1,362)	(5,866)
Transfer to deferred tax	(843)	(649)
	<u>(2,205)</u>	<u>(6,515)</u>

The Group's effective tax rate is lower than the statutory tax rate mainly due to the utilisation of capital allowances during the financial period under review.

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 Sept 2011 RM'000	As at 30 Sept 2010 RM'000
Current - unsecured	8,334	8,334
Non-current - unsecured	4,165	12,499
Total	<u>12,499</u>	<u>20,833</u>

B10 Off Balance Sheet Financial Instruments

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

B12 Dividend

The Directors do not recommend any interim dividend for the current quarter ended 30 September 2011. (2010: Nil)

B13 Earnings per Share

	Current year quarter 30/9/11	Current year to date 30/9/11
a) Basic EPS		
Net profit (RM'000)	<u>7,521</u>	<u>20,377</u>
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	-	-
	<u>138,822</u>	<u>138,822</u>
Basic EPS (sen)	<u>5.42</u>	<u>14.68</u>
b) Dilutive EPS		
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	-	-
	<u>138,822</u>	<u>138,822</u>
Dilutive EPS (sen)	<u>5.42</u>	<u>14.68</u>

B14 Disclosure of Realised and Unrealised

	Current year to date 30-Sep-11 RM '000	Quarter ended 30-Jun-11 RM '000
Total retained profits:		
- Realised	114,206	105,378
- Unrealised	(5,784)	(4,478)
	108,422	100,900
Less: Consolidation adjustments	(34,723)	(34,723)
Total retained profit	73,699	66,177

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 21 November 2011

By Order of the Board

Noor Azwah binti Samsudin
Secretary
Kuala Lumpur
21 November 2011