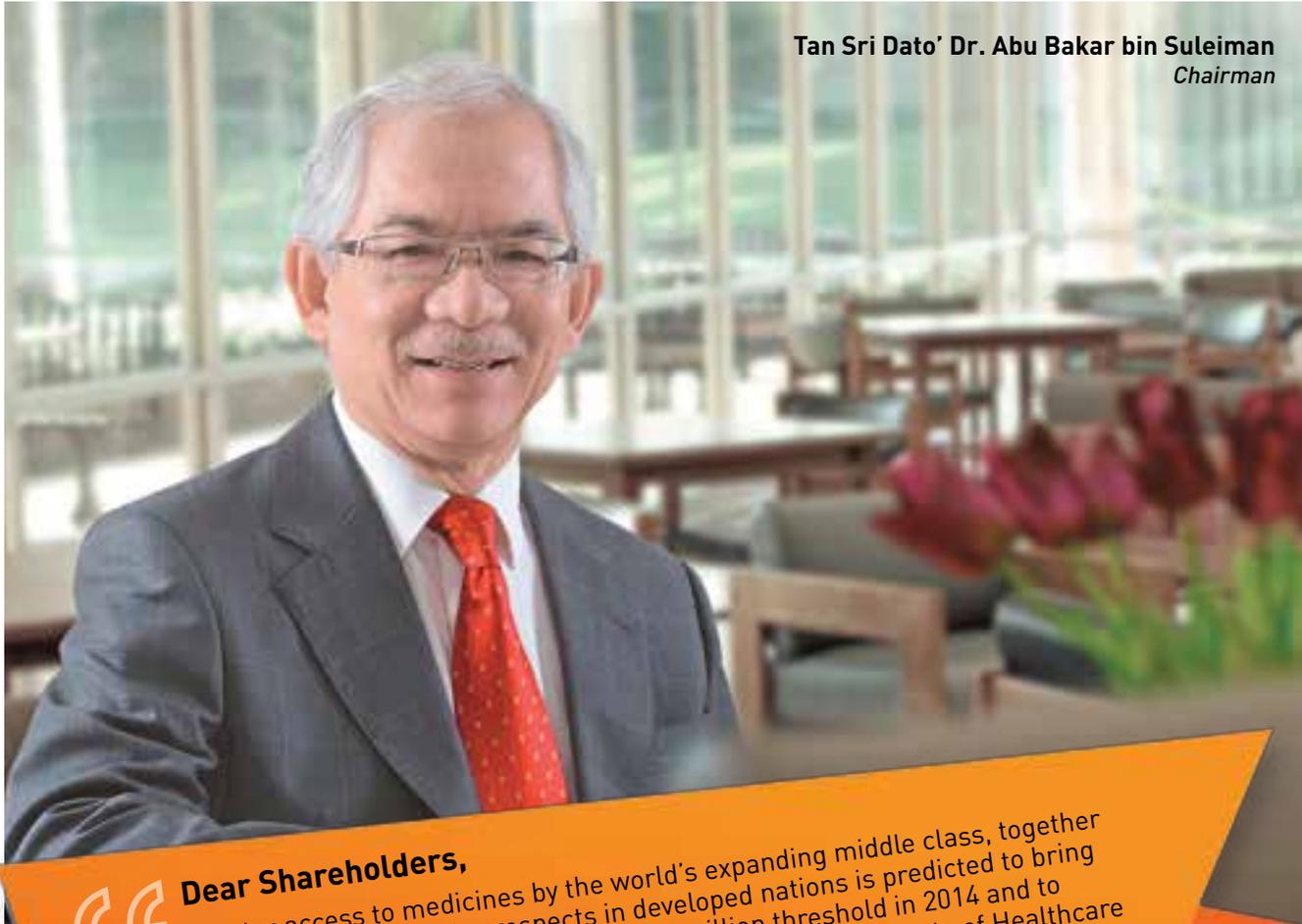


CHAIRMAN'S Statement



Tan Sri Dato' Dr. Abu Bakar bin Suleiman
Chairman



Dear Shareholders,

Greater access to medicines by the world's expanding middle class, together with stronger economic prospects in developed nations is predicted to bring total spending on medicines to the USD1 trillion threshold in 2014 and to USD1.2 trillion by 2017, according to a research by IMS Institute of Healthcare Informatics. At the same time, the Malaysian healthcare and pharmaceuticals market is expected to post strong growth in 2014 with the government's budget allocation of RM22.1 billion for the health sector.



The pharmaceutical sector is also one of the National Key Economic Areas ("NKEA") under the government's Economic Transformation Programme ("ETP"), recognising this sector as a pivotal aspect of the Malaysian economy. Besides this, the establishments of the 1Malaysia clinics and new hospitals across the country will also help boost the pharmaceutical industry.

For the year under review, your Company performed well, leveraging on its innovative products and emphasis on market penetration. Our revenue grew higher than the general market due to strong growth in both the domestic government and private sectors as well as the export market. The contraction of the dangerous drugs

market due to quota imposition a few years ago has largely been overcome.

CCMD focused on its strategy of expanding its portfolio, either through new products or innovation of our existing products to better suit our customers' needs. Besides this, we also heightened our efforts to develop a Biotherapeutics portfolio and renovation of our manufacturing assets. The Company continuously worked on its strategic initiatives in place to exceed expectations of the domestic and export markets, particularly in the ASEAN region. Research and Development ("R&D") was also at the forefront of our business to help us serve the market needs better.

On the Safety, Health and Environment ("SHE") performance of our Company, 2013 saw an improvement in performance due to added emphasis placed on educating our workforce together with replacement of equipment with built-in safety features. Our workforce were also committed and driven to ensure SHE remains as an important aspect of the business.

With this, I present you the Annual Report and Financial Statements of the Company for the financial year ended 31 December 2013.

OUR FINANCIAL PERFORMANCE

The Group recorded a revenue and profit before tax ("PBT") of RM162.41 million and RM40.18 million respectively for the current year ended 31 December 2013 as compared to RM135.31 million and RM35.30 million for the corresponding period last year. The growth was largely due to increase in demand from government hospitals via the tender business and export market. The increase in revenue coupled with incorporation of changes in fair value of investment property also led to the increase in profit. At the same time, the quality of the balance sheet has improved with lower working capital to sustain the business. The implementation of the Lean 6 Sigma initiatives has also assisted in bringing down the cost base of the Company.

DIVIDEND PAYOUT

The Board of Directors is recommending a final dividend of 13.5 sen per ordinary share, tax exempt dividend under the single-tier tax system for the financial year ended 31 December 2013.

BUSINESS OUTLOOKS AND PROSPECTS

According to a research by IMS Institute of Healthcare Informatics, annual growth in global medicine spending is expected to rise from 2 to 3 percent in 2013 to 5 to 7 percent in 2017, the highest pace of growth since 2009. Additionally, the gradual return of global GDP growth to more than 4 percent by 2017 will be a key factor towards the upward trajectory in medicine spending levels.

In Malaysia, the increasing emphasis on proper medicinal care and greater demand for wellness products provides the Company with an array of opportunities in the coming years. As the Malaysian pharmaceutical market continues to grow, we look forward to being at the forefront of this growth and contributing towards the growth and development of the industry and our country as a whole.

2014 will see the implementation of the latest round of the Malaysia's Ministry of Health Approved Pharmaceutical Products List ("APPL") tenders for 2014-2017. We are reasonably confident that this round of tenders will see your Company improve on its recent performance. The upcoming year will also see your Company well on its way in the Clinical III trial of Erythropoietin ("EPO") sourced from our Korean partner whilst focusing on opportunities in new therapeutic areas.

At the same time, we are also anticipating growth in our Halal segment, leveraging on the growing awareness of the benefits of consuming Halal products. The Company will continue its efforts to become a leader in the Halal industry, locally and in the region.

Our focus for the upcoming year will be to upgrade the quality of manufacturing assets, develop our Biotherapeutics portfolio, improve penetration into both the private and government sectors, expand our export market and develop new niche therapeutic areas.

At the same time, the Company is also aware of the many challenges present including the changing healthcare landscape, competition and economic slowdown, among others, and is determined to continuously innovate and reinvent ourselves for the betterment of our customers and the community we operate in.

ACKNOWLEDGEMENTS

I take this opportunity to thank each and every one of you for playing a significant role in the growth of our Company. On behalf of the Company's Board of Directors, I would like to thank our dedicated team of managers and employees, who have worked relentlessly over the year to develop our Company from strength to strength.

My gratitude also goes out to my fellow Directors for their wisdom and guidance in leading our Company to achieve greater success. I am pleased to welcome Dato' Mohamad Kamarudin bin Hassan to the Board of the Company.

Our thanks to all our shareholders, customers, business associates and partners who have always given us their support. We look forward to many more years of rewarding relationships with all of you. I wish you a prosperous and fulfilling year ahead.

Tan Sri Dato' Dr. Abu Bakar bin Suleiman
Chairman