



# CCM DUOPHARMA BIOTECH BERHAD

Company No: 524271-W | Incorporated in Malaysia

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Sixteenth (16<sup>th</sup>) Annual General Meeting ("AGM") of the Company will be held at **Premiere Hotel, Bandar Bukit Tinggi, 1/KS6, Jalan Langat, 41200 Klang, Selangor Darul Ehsan on Monday, 22 May 2017 at 2.30 p.m.** for the following purposes:

### AGENDA

#### As Ordinary Business

- To consider and adopt the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon.  
**Ordinary Resolution 1**
- To approve a Final Single Tier Dividend of 4 sen per ordinary share for the financial year ended 31 December 2016.  
**Ordinary Resolution 2**
- To re-elect Dato' Azmi bin Mohd Ali who retires in accordance with Article 93 of the Company's Constitution.  
**Ordinary Resolution 3**
- To re-elect the following Directors, who retire in accordance with Article 99 of the Company's Constitution.
  - Dato' Hajah Normala binti Abdul Samad  
**Ordinary Resolution 4**
  - Razalee bin Amin  
**Ordinary Resolution 5**
  - Puan Sri Datuk Rohani Parkash binti Abdullah  
**Ordinary Resolution 6**
  - Zaiton binti Jamaluddin  
**Ordinary Resolution 7**
  - Dato' Eisah binti A. Rahman  
**Ordinary Resolution 8**
- To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.  
**Ordinary Resolution 9**
- To approve the payment of total Directors' Fees amounting to RM557,000 for the financial year ended 31 December 2016 and proposed total Directors' Fees amounting to RM775,000 for the period commencing 1 January 2017 until the conclusion of the next AGM of the Company in 2018, and further, to authorise the Directors to divide the remuneration among them in such proportions and manner as the Directors may determine.  
**Ordinary Resolution 10**
- To approve the proposed payment of Directors' Remuneration (excluding Directors' Fees) up to an amount of RM270,000 for the period from 31 January 2017 until the conclusion of the next AGM of the Company ("Relevant Period").  
**Ordinary Resolution 11**

#### As Special Business

To consider and if thought fit, to pass the following Resolutions:

#### 8. AUTHORITY TO DIRECTORS TO ISSUE SHARES

"That subject always to the Companies Act, 2016, the Company's Constitution, the Listing Requirement of Bursa Securities and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 75 & 76 of the Companies Act 2016, to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be allotted pursuant to the said allotment does not exceed ten percent (10%) of the total issued share capital of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment and listing and quotation of the additional shares so allotted on Bursa Securities and that such authority to allot shares shall continue to be in force until the conclusion of the next annual general meeting of the Company."

**Ordinary Resolution 12**

#### 9. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"That subject to the Listing Requirements of Bursa Securities, the Company and/or its subsidiary shall be mandated to enter into the recurrent related party transactions of a revenue or trading nature with the related party as specified in Section 2.2.1 of the Circular to Shareholders dated 27 April 2017 which are necessary for the Company and/or its subsidiary's day-to-day operations subject further to the following:

- the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, and the transactions are undertaken on arm's length basis and are not to the detriment of the minority shareholders;
- the approval is subject to annual renewal and shall continue to be in force until:
  - the conclusion of the next AGM of the Company following the forthcoming AGM at which such mandate was passed, at which time it will lapse, unless further renewed by a resolution passed at the next AGM;
  - the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Sections 340(1) and 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
  - revoked or varied by resolution passed by the shareholders in a general meeting of the Company, whichever is the earlier; and
- the disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year.

And that the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**Ordinary Resolution 13**

- To transact any other business of which due notice shall have been received.

### NOTICE OF BOOKS CLOSURE

**NOTICE IS HEREBY GIVEN** that subject to the approval of the Shareholders at the forthcoming AGM, a Final Single Tier Dividend of 4 sen per ordinary share, in respect of the Company's financial year ended 31 December 2016 will be paid on 23 June 2017 to shareholders whose names appear in the Record of Depositors on 30 May 2017.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

- Shares transferred into the Depositor's Securities Account before 5.00 p.m. on 30 May 2017 in respect of ordinary transfer; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

**NOOR AZWAH BINTI SAMSUDIN (LS 0006071)**

Company Secretary

Kuala Lumpur

Date: 27 April 2017



### NOTES:

- All Resolutions in the Notice of AGM are to be conducted by poll voting as per Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").
- A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company.
- Where a member of the Company appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member of the company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registrars of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than twenty-four (24) hours before the time appointed for taking of the poll as per Section 334(3) of the Companies Act, 2016.
- Only depositors whose names appear in the Record of Depositors as at 15 May 2017 be regarded as members and entitled to attend and vote at the meeting.

#### Explanatory Notes on Ordinary Business

##### Ordinary Resolution 10 – Directors Fees

The Company, had in 2014, sought the shareholders' approval to increase the ordinary remuneration payable to the Directors entitled to receive the ordinary remuneration with effect from 1 January 2014, in the manner as determined by the Board as follows:

	RM per annum
(a) Chairman of the Board	85,000
(b) Member of the Board (local)	60,000
(c) Chairman of Board Committees	7,000
(d) Member of Board Committees	5,000

The Company, had also, in 2016 sought the shareholders' approval on the ordinary remuneration payable to foreign Directors entitled to receive the ordinary remuneration with effect from 5 October 2015, in the manner as determined by the Board as follows:

	USD per annum
(a) Foreign Directors	15,000

Pursuant to Para 7.24 of the MMLR and Bursa Malaysia's Clarification Letter issued on 30 May 2016, under item (3), public listed companies ("PLC") are required to seek specific shareholder approval at the general meeting, on any increase in total directors' fees payable/paid to the directors. PLC must not rely on a mandate for the capped amount obtained previously, even though its Constitution may allow for it or such mandate is still valid. In addition to this, under Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017, the fees of the directors, and any benefits payable to directors of a listed company and its subsidiaries shall be approved at a general meeting.

As such, following the increase in the total directors fees paid to directors from RM380,000 in financial year ended 2015 to RM557,000 in financial year 2016 as a result of the increase in number of non-executive directors during the financial year, the Company is now required to obtain a specific shareholders' approval at this Annual General Meeting despite obtaining prior approval on director fees.

The actual total directors' fees incurred for Financial Year 2016 was RM557,000. With respect to the proposed total Directors' Fees for financial year 2017 until the conclusion of the next AGM of the Company in 2018, assuming that the number of directors and Board Committees as well as the members of the Board Committees remain the same, the amount is expected to increase to RM775,000 as the newly appointed directors in financial year 2016 is expected to have served a full financial year in 2017 until the conclusion of the next

AGM in 2018 despite the entitled amount being the same as per the shareholders' resolution in 2012 and 2015, respectively. This resolution, if passed, will facilitate the payment of directors' fees on current financial year basis.

	2016	2017
Chairman of the Board	RM85,000	RM85,000
Member of the Board	RM60,000	RM60,000
Foreign Directors	USD15,000	USD15,000
Chairman of Board Committees	RM7,000	RM7,000
Member of Board Committees	RM5,000	RM5,000

##### Ordinary Resolution 11 – Directors' Remuneration (excluding Directors' Fees)

The directors' remuneration (excluding Directors' Fees) comprises other emoluments/benefits payable to the Chairman and members of the Board and Board Committees. The current board remuneration policy is set out below:

Description	Chairman (RM)	Members (RM)
Meeting allowance (per meeting)	Board	700
	Board Committees	500
Other benefits:	Business travel and accommodation and other claimable benefits	

In determining the estimated total amount of remuneration (excluding Directors' Fees) for the directors of the Company, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Directors involved in these meetings. The estimated amount of RM270,000 is derived from a total of RM200,000 for Financial Year 2017 and one-third (1/3<sup>rd</sup>) of the said amount equivalent to RM70,000 for the period from 1 January 2018 until the next AGM in 2018. In the event that the Directors Remuneration (excluding Directors' Fees) proposed is insufficient (e.g. due to more meetings or enlarged board size etc.), approval will be sought at the next AGM for the additional remuneration to meet the shortfall.

Ordinary Resolution 11, if passed, will be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the directors to be paid the Directors' Remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

#### Explanatory Notes on Special Business

##### Ordinary Resolution 12 – Authority to Directors to Issue Shares

The proposed Ordinary Resolution No. 12 is the general mandate to be obtained from the shareholders of the Company at this AGM and, if passed, will empower the Directors pursuant to Section 75 & 76 of the Companies Act, 2016 to allot ordinary shares in the share capital of the Company of up to an aggregate amount not exceeding ten percent (10%) of the issued share capital of the Company as at the date of such allotment of shares without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting will expire at the conclusion of the next annual general meeting of the Company.

The general mandate from shareholders is to provide the Company flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposal is to allow possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisition as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot new shares on an urgent basis and thereby reducing administrative time and costs associated with the convening of additional shareholders meetings(s). In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

##### Ordinary Resolution 13 – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The explanatory notes on Ordinary Resolution 13 are set out in the Circular to Shareholders dated 27 April 2017.