



DUOPHARMA

CCM DUOPHARMA BIOTECH BERHAD (524271-W)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth (17th) Annual General Meeting ("AGM") of the Company will be held at Ballroom 1 & 2, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 31 May 2018 at 9.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- 1. To consider and adopt the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. Ordinary Resolution 1
2. To approve a Final Single Tier Dividend of 6 sen per ordinary share for the financial year ended 31 December 2017. Ordinary Resolution 2
3. To re-elect the following Directors who retire in accordance with Article 93 of the Company's Constitution:- Ordinary Resolution 3, Ordinary Resolution 4
4. To re-elect the following Directors who retire in accordance with Article 99 of the Company's Constitution:- Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7
5. To approve the increase in the Directors' Fees payable to the Directors entitled to receive the Directors' Fees with effect from 1 January 2018, in such proportions and manner as the Directors may determine as follows: Ordinary Resolution 8

Table with 3 columns: Item, Description, Amount. Rows include Chairman of the Board (RM100,000.00 per annum), Member of the Board (other than Foreign Director) (RM75,000.00 per annum), Foreign Director of the Board (USD18,750 per annum), Chairman of the Board Committees (RM10,000.00 per annum), Member of the Board Committees (RM8,000.00 per annum).

AND to approve the increase in the Directors' Meeting Allowances payable to the Directors entitled to receive the Directors' Meeting Allowances with effect from 1 January 2018, in such manner as the Directors may determine:-

Table with 3 columns: Item, Description, Amount. Rows include Chairman of the Board (RM1,300 per meeting), Member of the Board (RM1,000 per meeting), Chairman of the Board Committees (RM1,200 per meeting), Member of the Board Committees (RM1,000 per meeting).

NOTES:

- 1. All Resolutions in the Notice of AGM are to be conducted by poll voting as per Paragraph 8.29A(1) of the Listing Requirements.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. The instrument appointing a proxy must be deposited at the Company's Registrar, 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.
8. Only depositors whose names appear in the Record of Depositors as at 23 May 2018 shall be regarded as members and entitled to attend and vote at the meeting.

Explanatory Notes on Ordinary Business

Ordinary Resolution 2 – Approval for a Final Single Tier Dividend of 6 sen per ordinary share for the financial year ended 31 December 2017

Pursuant to Paragraph 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final single tier dividend under Ordinary Resolution 2, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval. The final single tier dividend entitlement and payment date shall be determined and announced by the Board of Directors in due course, in view of the Proposed Dividend Reinvestment Plan as set out in the Circular to Shareholders dated 30 April 2018, which is dispatched together with the Company's Annual Report 2017.

Ordinary Resolution 8 – Approval for the increase in Directors' Fees and Directors' Meeting Allowances

The Company, had in 2014, sought the shareholders' approval to increase the Directors' Fees 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 set out in Column II of the table below. The shareholders also resolved that the amount of Directors' Fees that was increased as aforesaid shall continue to be in force until varied by resolution passed by the shareholders in a general meeting. The Company had also in 2016 sought the shareholders' approval on the Directors' Fees 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 set out in Column II of the table below.

The current board remuneration policy with regards to Meeting Allowances payable to the Directors is also set out in Column II of the table below.

During the time when the Company was a subsidiary of Chemical Company of Malaysia Berhad ("CCMB"), the Directors' fees and Directors' Meeting Allowances payable to non-executive members of the Board and Board Committees of the Company were lower than that payable to Directors of CCMB due to the stature of the Company being a subsidiary company of CCMB. Since the Company was no longer a subsidiary of CCMB following the demerger of the Company from the CCMB group of companies that was completed on 28 December 2017 and having considered that the last revision to the Directors' Fees was undertaken in 2014 (with respect to Directors' Fees for non-Foreign Directors) and in 2016 (with respect to Directors' Fees for Foreign Directors), the Board is of the view that it is fair and equitable that the Directors' Fees and Directors' Meeting Allowances payable to Directors of the Company be reviewed and that the Directors' Fees and Directors' Meeting Allowances be revised to that as set out in Column III of the table below with effect from 1 January 2018.

Table with 3 columns: Column I, Column II, Column III. Rows include Directors' Fees (Existing, Proposed Revision), Board Committee Fees (Existing, Proposed Revision), Directors' Meeting Allowance (Existing, Proposed Revision).

AND FURTHER THAT the amount of the Directors' Fees and the Directors' Meeting Allowances which is increased as aforesaid shall respectively continue to be in force until varied by resolution passed by the shareholders in a general meeting.

- 6. To approve the increase of the total Directors' Fees payable that was approved by the shareholders at the AGM of the Company held on 22 May 2017 for the period commencing 1 January 2017 until the conclusion of the AGM of the Company in 2018 by an amount of RM56,000 only and thereby increasing the total Directors' Fees payable for the period commencing 1 January 2017 until the conclusion of the AGM of the Company in 2018 from RM775,000 to RM831,000, and further, to authorise the Directors to divide the remuneration among them in such proportion and manner as the Directors may determine. Ordinary Resolution 9
7. To approve the payment of total Directors' Fees amounting to RM825,000 for the period commencing 1 June 2018 until the conclusion of the next AGM of the Company, 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
8. To approve the proposed payment of total Directors' Remuneration (excluding Directors' Fees) up to an amount of RM400,000 for the period from 1 June 2018 until the conclusion of the next AGM of the Company. Ordinary Resolution 11
9. To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 12

As Special Business

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

10. PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in the Circular to Shareholders dated 30 April 2018 accompanying the Company's Annual Report 2017 for the financial year ended 31 December 2017 be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing." Special Resolution 13

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

By Order of the Board

IBRAHIM HUSSIN SALLEH (LS 0009121) Company Secretary

Kuala Lumpur Date: 30 April 2018

Table with 3 columns: Directors' Meeting Allowance (for Board Committee), Existing, Proposed Revision. Rows include Chairman (RM700 per meeting, RM1,200 per meeting), Member (RM500 per meeting, RM1,000 per meeting).

\*Based on exchange rate of approximately USD1.00 = RM4.00.

Ordinary Resolution 9 – Approval for the proposed increase in the Total Directors' Fees payable for the period from 1 January 2017 until the forthcoming AGM of the Company on 31 May 2018

At the AGM of the Company held on 22 May 2017, the shareholders had approved the payment of 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 ("the said period"), and further authorised the Directors to divide the remuneration among them in such proportions and manner as the Directors may determine.

Following the increase in the Directors' Fees under Ordinary Resolution 8, if approved, and as a result of the increase in the number of non-executive Directors and the number of Board Committees during the said period, the Directors' Fees payable to the Directors in respect of the said period is expected to exceed the aforesaid amount of RM775,000 that was approved by the shareholders at the previous AGM of the Company in 2017.

The estimated total Directors' Fees payable to the Directors in respect of the said period based on the existing rates of Directors' Fees (i.e. before the revision under Ordinary Resolution 8) is approximately RM770,000. The estimated total Directors' Fees payable to the Directors in respect of the said period based on existing rates of Directors' Fees (i.e. before the revision under Ordinary Resolution 8) for the period before 1 January 2018 and revised rates of Directors' Fees (i.e. after revision under Ordinary Resolution 8, if approved) for the period commencing 1 January 2018 is approximately RM831,000.

Ordinary Resolution 10 – Approval for the proposed payment of Total Directors' Fees for the period commencing from 1 June 2018 until the conclusion of the next AGM of the Company

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors shall be approved at a general meeting. Pursuant to Paragraph 7.24 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the fees of directors shall be subject to annual shareholders approval at a general meeting.

The estimated total Directors' Fees payable to the Directors for the period commencing from 1 January 2017 until the conclusion of this AGM is as set out in the above Explanatory Notes in respect of Ordinary Resolution 9.

With respect to the proposed total Directors' Fees for the period commencing from 1 June 2018 until the conclusion of the next AGM of the Company in 2019, following the increase in the Directors' Fees under Ordinary Resolution 8, if approved, and assuming that the number of directors remains the same and that additional Board Committee(s) may be set up (in addition to the existing Board Committee(s) and further assuming that each Board Committee comprises of not more than three (3) members, the amount is estimated to be approximately RM825,000.00. This resolution, if passed, will facilitate the payment of directors' fees on current financial year basis.

Ordinary Resolution 11 – Approval for the proposed payment of Total Directors' Remuneration (excluding Directors' Fees) for the period commencing from 1 June 2018 until the conclusion of the next AGM of the Company

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 includes the payment of Meeting Allowances for meetings of the Board and Board Committees as well as other benefits comprising business travel and accommodation and other claimable benefits. The details on Meeting Allowances, both existing as well as the proposed revision to the Meeting Allowance rates, are set out in the above Explanatory Notes in respect of Ordinary Resolution 8.

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, potential additional unscheduled meetings, the number of Directors involved in these meetings, the proposed increase in Directors' Fees under Ordinary Resolution 8, as well as the potential setting up of additional Board Committee(s).

With respect to the proposed Total Directors' Remuneration (excluding Directors' Fees) for the period commencing from 1 June 2018 until the conclusion of the next AGM of the Company in 2019 ("Relevant Period"), the amount is estimated to be approximately RM400,000.00. 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 in 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

Special Resolution 13 - Proposed Adoption of the New Constitution of the Company

The proposed Resolution 13, if passed, will bring the Company's Constitution in line with the enforcement of Companies Act 2016 and will enhance administrative efficiency. The proposed new Constitution is set out in the Circular to Shareholders dated 30 April 2018 accompanying the Company's Annual Report 2017.