



CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2017 RM'000	CURRENT YEAR TO DATE 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2017 RM'000
Revenue	115,634	112,253	498,722	467,987
Cost of Sales	(65,741)	(70,455)	(294,242)	(281,100)
Gross Profit	49,893	41,798	204,480	186,887
Other operating income	860	315	1,083	500
Distribution costs	(21,097)	(17,951)	(76,292)	(78,479)
Administration expenses	(10,466)	(9,279)	(61,535)	(50,195)
Other operating expenses	39	(1,717)	(2,452)	(4,390)
Profit from operations	19,229	13,166	65,284	54,323
Finance income	1,076	1,037	2,111	2,718
Finance costs	(2,647)	(1,402)	(7,729)	(5,269)
Profit before taxation	17,658	12,801	59,666	51,772
Taxation	(3,289)	(670)	(12,025)	(9,309)
Profit after tax for the period	14,369	12,131	47,641	42,463
Other comprehensive income				
Fair value of available-for-sale financial assets	(18,205)	-	(27,649)	-
Foreign currency translation differences for foreign operations	225	728	(158)	1,018
Total other comprehensive income/ (loss) for the period	(3,611)	12,859	19,834	43,481
Profit attributable to:				
Shareholders of the Company	14,369	12,131	47,641	42,463
Minority interest	-	-	-	-
	14,369	12,131	47,641	42,463
Total comprehensive income/ (loss) attributable to:				
Shareholders of the Company	(3,611)	12,859	19,834	43,481
Minority interest	-	-	-	-
	(3,611)	12,859	19,834	43,481
Earnings per share (sen)				
Basic (based on weighted average)	2.17	1.86*	7.26	6.52*
Diluted (based on weighted average)	2.17	1.86*	7.26	6.52*

*Pursuant to MFRS 133 Earnings Per Share, the Earnings Per Share for the corresponding quarter and year to date ended 31 December 2017 had been retrospectively adjusted to reflect the effect of the bonus issue.

- The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



CCM DUOPHARMA BIOTECH BERHAD (524271-W)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	AS AT 31.12.2018 RM'000	AS AT 31/12/2017 RM'000
ASSETS		
Property, Plant and Equipment	386,222	321,335
Investment Property	1,200	1,200
Intangible Assets	19,403	16,235
Other Investments	52,062	-
Deferred Tax Assets	10,200	9,851
Total non-current assets	<u>469,087</u>	<u>348,621</u>
Inventories	139,608	136,303
Trade & Other Receivables	126,508	107,720
Amount Due From Related Company	72	5,789
Current Tax Assets	3,396	10,786
Cash & Cash Equivalents	98,254	96,021
Total current assets	<u>367,838</u>	<u>356,619</u>
Total Assets	<u>836,925</u>	<u>705,240</u>
EQUITY		
Share Capital	347,188	333,684
Translation Reserves	427	585
Fair Value Reserves	(27,649)	-
Retained earnings	161,075	145,596
Total Equity	<u>481,041</u>	<u>479,865</u>
LIABILITIES		
Deferred Tax Liability	11,242	12,568
Borrowings	121,650	91,148
Total non-current liabilities	<u>132,892</u>	<u>103,716</u>
Trade & Other Payables	94,997	61,110
Amount Due To Related Company	5,833	23,040
Borrowings	121,841	36,291
Taxation	321	1,218
Total current liabilities	<u>222,992</u>	<u>121,659</u>
Total Liabilities	<u>355,884</u>	<u>225,375</u>
Total Equity & Liabilities	<u>836,925</u>	<u>705,240</u>
	-	-
Net assets per share (RM)	0.73	0.74 *

*For comparative purposes, the Net Assets per share for the corresponding year to date ended 31 December 2017 had been retrospectively adjusted to reflect the effect of the bonus issue.

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)



CCM DUOPHARMA BIOTECH BERHAD (524271-W)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

Group	Reserves				Retained Earnings RM '000	Total RM '000
	Non-distributable		Distributable			
	Share Capital RM '000	Share Premium RM '000	Translation Reserve RM '000	Fair Value Reserve RM '000		
At 1 January 2018	333,684	0	585	0	145,596	479,865
Adjustment on initial application of MFRS 9					(1,057)	(1,057)
Adjustment on initial application of MFRS 15					(4,439)	(4,439)
Fair value of available-for-sale financial assets*				(27,649)		(27,649)
Foreign exchange translation differences			(158)			(158)
Total other comprehensive income for the period	333,684	-	427	(27,649)	140,100	446,562
Profit for the year					47,641	47,641
Profit and total comprehensive income for the period	333,684	-	427	(27,649)	187,741	494,203
Issuance of 10,978,985 new shares pursuant to Dividend Reinvestment Plan	13,504					13,504
2017 final dividend (6 sen)					(16,738)	(16,738)
2018 interim dividend (1.5 sen)					(9,928)	(9,928)
At 31 December 2018	347,188	0	427	(27,649)	161,075	481,041

* The Group recorded a total other comprehensive loss of RM27.65 million for the 12 months ended 31 December 2018 due to fair value loss from its investment in quoted equity acquired on 28 June 2018. This non cash write down will not affect the Group's dividend payout and has no impact on the Group's operational earnings.



CCM DUOPHARMA BIOTECH BERHAD (524271-W)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

Group	Reserves				Retained Earnings RM '000	Total RM '000
	Non-distributable		Distributable			
	Share Capital RM '000	Share Premium RM '000	Translation Reserve RM '000	Fair Value Reserve RM '000		
At 1 January 2017	139,479	194,205	(433)	-	121,265	454,516
Foreign currency translation differences for foreign operations	-	-	1,018		-	1,018
Total other comprehensive income for the period	139,479	194,205	585	-	121,265	455,534
Profit for the year	-	-	-		42,463	42,463
Profit and total comprehensive income for the period	139,479	194,205	585	-	163,728	497,997
Transfer in accordance with section 618(2) of the Companies Act 2016	194,205	(194,205)				
2016 final dividend (4 sen per share)					(11,158)	(11,158)
2017 interim dividend (2.5 sen)					(6,974)	(6,974)
At 31 December 2017	333,684	0	585	0	145,596	479,865

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)



CCM DUOPHARMA BIOTECH BERHAD (524271-W)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 Dec 2018	31 Dec 2017
	RM '000	RM '000
Cash flows from operating activities		
Profit before taxation	59,666	51,772
Adjustments for:		
Amortisation of intangible assets	159	169
Depreciation of property, plant and equipment	23,864	23,951
Change in fair value for investment properties		(200)
Interest income	(2,111)	(2,718)
Finance costs	7,729	5,269
Net unrealised foreign exchange gain		(438)
Net impairment loss on trade receivables	1,908	1,508
Net inventories written down	11,894	3,675
Provision for warranty		200
Write off on property, plant and equipment		267
Impairment loss on intangible assets		1,600
<i>Operating profit before changes in working capital</i>	103,109	85,055
Change in inventories	(15,199)	(877)
Change in receivables, deposits and prepayments	(14,979)	(13,986)
Change in payables and accruals	11,184	2,730
<i>Cash generated from operations</i>	84,115	72,922
Finance costs paid	(7,729)	(5,269)
Interest income	2,111	2,718
Income tax paid	(7,213)	(11,839)
Tax refund	6	235
Net cash generated from operating activities	71,290	58,767
Cash flows from investing activities		
Acquisition of other investment	(79,711)	-
Acquisition of property, plant and equipment	(88,751)	(69,312)
Acquisition of intangible assets	(3,327)	(5,277)
Net cash used in investing activities	(171,789)	(74,589)
Cash flows from financing activities		
Drawdown of borrowings	128,540	29,143
Repayment of borrowings	(12,488)	(15,000)
Dividends paid to shareholders of the Company	(13,161)	(18,132)
Net cash used in financing activities	102,891	(3,989)
Net decrease in cash and cash equivalents	2,392	(19,811)
Exchange differences on translation of financial statement of foreign operations	(158)	1,018
Cash and cash equivalents at 1 January	96,021	114,814
Cash and cash equivalents as at 31 Dec	98,255	96,021
-		
(I) Cash and cash equivalents comprise:		
	RM '000	RM '000
Cash and bank balances	75,351	47,161
Deposits placed with licensed financial institutions	22,904	48,860
	98,255	96,021

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)



CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

Quarterly Report On Results For The Period Ended 31 December 2018

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 the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting.

The following MFRSs and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2018 :

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 140, Investment Property – Transfers of Investment Property

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above pronouncements did not have any material impact to the consolidated financial statements of the Group except as mentioned below.

(i) MFRS 9 Financial Instruments

The Group adopted MFRS 9, Financial Instruments on 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting. MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The three principal classifications categories for financial assets are: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

There was no material impact on the accounting for the Group's financial assets upon initial application of the new classification requirements.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12 month ECLs or Lifetime ECLs. As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives. Adjustments arising from the initial application of the new impairment model has been recognised in the opening balance of the retained earnings and the carrying amount of the financial assets as at 1 January 2018 as disclosed below:

	Impact of adoption of MFRS 9 to opening balance at 1 January 2018 In RM'000
Decrease in retained earnings	1,057
Decrease in trade and other receivables	1,057

(ii) MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services. MFRS 15 provides a single model for accounting for revenue arising from the contracts with customers, focusing on the identification and satisfaction of performance obligation. The standard specifies that the revenue is to be recognised when control over the goods or services is transferred to customer, moving from the transfer of risks and rewards

Impact on the Group Consolidated Financial Statement upon application of MFRS 15 has been incorporated in current financial statement.

	Impact of adoption of MFRS 15 to opening balance at 1 January 2018 In RM'000
Decrease in retained earnings	4,439
Increase in provision for stock returns	4,439

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 change in estimates that have a material effect in the current quarter results.

However, during previous financial year, the Group had conducted the following operational review and incorporated results thereof accordingly:-

a) Machinery useful life in Oral Solid Dosage (OSD) plant (K1) in Klang.

- As part of our manufacturing strategy, the Group has commenced construction of a new state of the art OSD plant (to be named K3) to replace the aging K1 facility. Construction of K3 is expected to take around 3 years to complete. Certain machinery has been identified to be transferred to K3, upon its completion with newly enhanced GMP features. In view of the above firm plan, the remaining unutilized machinery in K1 will have a finite useful life of approximately 3 years, and hence necessitates the need to accelerate depreciating current net book value with effect from 01/07/2017.

- The effect of accelerated depreciation, recognized in cost of sales, in previous and current financial years is as follows:-

	FY 2017	FY 2018	FY2019
Increase in depreciation	3,192	2,776	2,531

A6 Debts and Equity Securities

There were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current quarter.

A7 Dividend Paid

The Group paid an interim dividend of 1.5 sen per share (2017 : 2.5 sen) amounting to approximately RM 9.93 million (2017 : RM 6.97 million) in respect of financial year ended 31 December 2018 during the current quarter.

A8 Segment Information

	Quarter Ended		Year To Date	
	31.12.2018		31.12.2018	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	105,642	45,376	455,387	189,714
Export	9,992	4,517	43,335	14,766
	115,634	49,893	498,722	204,480

A9 Post Balance Sheet Events

Subsequent to Balance Sheet date, the Board has approved the following proposal:

a) On 18 February 2019, the Board of Directors of the Company has approved the proposed Dividend Reinvestment Plan which will provide shareholders of CCMD with the option to elect to reinvest their cash dividends in new CCMD Shares (depending on the electable portion to be determined by the Board at a later date).

A10 Changes in the Composition of the Group

The Internal Restructuring for the Group was completed on 24 May 2018 which entails the transfer of following:

- Entire equity interest in CCM Biopharma Sdn Bhd (CCMBSB) (now known as Duopharma HAPI Sdn. Bhd.) and Negeri Pharmacy Sdn Bhd (NPSB) from CCM Pharmaceuticals Sdn Bhd (CCMP) (now known as Duopharma Marketing Sdn. Bhd.) to CCMD; and
- Entire equity interest in Upha Pharmaceuticals Manufacturing (M) Sdn Bhd (UPMSB) now known as Duopharma Manufacturing (Bangi) Sdn. Bhd.) from Duopharma (M) Sdn Bhd (DMSB) to CCMD.

After the completion of the exercise on 25 May 2018, CCMBSB, NPSB, and UPMSB are now direct wholly-owned subsidiaries of CCMD.

Details of the Internal Restructuring are set out in paragraph R7 (Status of Corporate Proposals) below

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1 Review of Performance**

	Year To Date 31.12.2018 RM'000	Year To Date 31/12/2017 RM'000	Variance	
			RM'000	%
Net Revenue	498,722	467,987	30,735	6.57
Profit before tax (PBT)	59,666	51,772	7,894	15.25
Profit after tax (PAT)	47,641	42,463	5,178	12.19

The Group recorded a net revenue and PBT of RM498.72 million and RM59.67 million respectively for financial year ended 31 December 2018 as compared to RM467.99 million and RM51.77 million for the corresponding period last year. The Group's revenue improved as compared to last year corresponding period mainly due to higher demand from private and public health sector. PBT increased 15.25% as compared to last year corresponding period due to increase in revenue as well as due to changes in accounting policies arising from adoption of Malaysian Financial Reporting Standards (MFRS).

B2 Comparison with the Preceding Quarter's Results

	Qtr 4 2018 31.12.2018 RM'000	Qtr 3 2018 30.09.2018 RM'000	Variance	
			RM'000	%
Net Revenue	115,634	125,838	(10,204)	(8.11)
Profit before tax (PBT)	17,658	15,838	1,820	11.49
Profit after tax (PAT)	14,369	12,286	2,083	16.95

The Group recorded a net revenue and PBT of RM115.63 million and RM17.66 million respectively for current quarter ended 31 December 2018 as compared to RM125.84 million and RM15.84 million for the preceding financial quarter. The Group's revenue has dropped 8.11% due to lower demand from public health sector. However, PBT improved 11.49% due to changes in accounting policies arising from adoption of Malaysian Financial Reporting Standards (MFRS).

B3 Prospects for the next Financial Year

Based on Ministry of Finance's Economic Outlook 2019, the global growth is projected to decline to 3.5% in 2019, as a result of challenging financial conditions, escalating trade threats and risks of a shift towards protectionism as well as geopolitical tension.

Despite the economic challenges internationally and domestically, Malaysia's economy is projected to grow 4.9% in 2019. The recent budget 2019 has seen an increase in allocation for health services to RM 29 billion. It includes RM 10.8 billion to restore clinics and hospitals as well as purchase of medicine and medical equipment. These present opportunities for the Company.

Group will also continue its foray into the specialty products as one of its strategies moving forward to create a pool of niche products. It has recently received registration approval for Erysaa, an Erythropoietin product.

Recent strengthening of United States Dollar (USD) globally poses challenges to CCMD as it affects our production and other operational costs. It is expected to put pressure on manufacturing margin and hence our profit thereof.

Barring any unforeseen circumstances, CCMD Group is expected to achieve satisfactory results in FY 2019.

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 31.12.2018 RM'000	Current Year To Date 31.12.2018 RM'000
Based on results for the quarter/year	(5,343)	(13,700)
Transfer to deferred tax	2,054	1,675
	<u>(3,289)</u>	<u>(12,025)</u>

The Group's effective tax rate is lower than the statutory tax rate mainly due to utilisation of unabsorbed allowances by a subsidiary company during the financial year.

B6 Unquoted Investments and Properties

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

B7 Status of corporate proposals.

As at 31 December 2018, the status of the utilisation of proceeds pursuant to the rights issue exercise of the Company which was completed on 22 July 2015 are as follows:

Details of utilisation	Proceeds utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Repayment of bank borrowing	140,000	133,695	6,305
Expansion of factory	106,963	113,268	(6,305)
Estimated expenses	4,100	4,100	-
Total	251,063	251,063	-

b) The status of the corporate proposals undertaken by CCMD during the current financial period are as follows:

i. Bonus issue of up to 371,945,333 new Bonus Shares on the basis of four (4) Bonus Share for every three (3) existing CCMD Shares held which was completed on 20 June 2018.

ii. Dividend Reinvestment Plan ("DRP") which provide shareholders of CCMD with the option to elect to reinvest their cash dividends in new CCMD Shares, whereby the first DRP was completed on 18 July 2018.

iii. Internal Restructuring involving the transfer of the following:
 - Entire equity interest in CCM Biopharma Sdn Bhd (CCMBSB) (now known as Duopharma HAPI Sdn Bhd) and Negeri Pharmacy Sdn Bhd (NPSB) from CCM Pharmaceuticals Sdn Bhd (CCMP) (now known as Duopharma Marketing Sdn Bhd) to CCMD;
 - Entire equity interest in Upha Pharmaceuticals Manufacturing (M) Sdn Bhd (UPMSB) (now known as Duopharma Manufacturing (Bangi) Sdn Bhd) from Duopharma (M) Sdn Bhd (DMSB) to CCMD; and
 - Partial settlement of intercompany loan owing by UPMSB to CCMD by way of capitalising such amount as an increase in the paid up capital of UPMSB.

After the completion of the Internal Restructuring on 25 May 2018, CCMBSB, NPSB, and UPMSB are now direct wholly-owned subsidiaries of CCMD.

c) On 13 April 2018, the Company has entered into a conditional share sale agreement with Chemical Company of Malaysia Berhad for the acquisition of 806,450 Pangen Biotech Inc. (PanGen) Shares representing approximately 8.39% equity interest in PanGen for a total purchase consideration of RM59.16 million (equivalent to KRW16.35 billion) to be satisfied entirely in cash.

The acquisition was completed on 28 June 2018.

For further details of the proposals, please refer to the separate announcements made by the Company.

d) During the current financial period up to the date of this announcement, the following CCMD Shares were issued:

i. Bonus issue was completed following the listing of and quotation for 371,943,071 new Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m on 20 June 2018.

ii. The Company had issued and allotted 10,978,985 new shares pursuant to the Dividend Reinvestment Plan. The aforesaid new CCMD Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 18 July 2018.

With the listing of the new CCMD Shares, the enlarged issued share capital of the Company is RM347,188,652 comprising 661,881,056 CCMD Shares.

e) On 25 October 2018, the Company entered into the following agreements:-

i. A Share Subscription Agreement ("SSA") with SCM Lifescience Co., Ltd. ("SCM Lifescience"), Sun U. Song and Byung Geon Rhee for the subscription of 164,016 common shares and 109,344 redeemable convertible preference shares representing approximately 5.8% equity stake in SCM Lifescience for a total purchase consideration of Korean Won 5,500,003,200 (approximately Ringgit Malaysia ("MYR") 20.24 million); and

ii. An Exclusive Marketing And Commercialization Agreement ("EMCA") with SCM Lifescience whereby SCM Lifescience grants the Company, in consideration of the Company paying to SCM Lifescience the sum of RM10.00 only upon execution of the EMCA and subject to the terms and conditions of the EMCA, (i) exclusive marketing and commercialization rights in Malaysia, Singapore, Brunei and Philippines (collectively "Principal ASEAN Territories") for all the stem cell therapy products developed by SCM Lifescience; (ii) first right of refusal for exclusive marketing and commercialization rights for all other ASEAN countries, except Indonesia, for all the stem cell therapy products developed by SCM Lifescience; (iii) the technology transfer to the Company for any new future stem cell therapy business undertaken by the Company to the extent it is necessary for SCM Lifescience to fulfil the obligations under the EMCA; and (iv) the license regarding certain patents and patent applications and related know-how to the extent it is necessary for SCM Lifescience to fulfil the obligations under the EMCA.

The Acquisition has been completed on 23 November 2018.

f) On 10 December 2018, the Board of Directors made an announcement on Bursa Securities that the Company intends to seek the approval of its shareholders for the proposed change of Company's name from "CCM Duopharma Biotech Berhad" to "Duopharma Biotech Berhad during the Extraordinary General Meeting which will be held on 20 February 2019.

- g) On 18 February 2019, the Board of Directors of the Company had approved that the Dividend Reinvestment Plan will apply to the Final Single-Tier Dividend.

B8 Borrowings and Debt Securities

Details of Group's borrowings are as follows :-

	As at 31 Dec 2018 RM'000	As at 31 Dec 2017 RM'000
Current - unsecured	121,841	36,291
Non-current - unsecured	121,650	91,148
Total	<u>243,491</u>	<u>127,439</u>

B9 Material litigation

There was no material litigation up to 18 February 2019.

B10 Dividend

- a) For the current financial year ended 31 December 2018, the Board of Directors recommends a final dividend of 4 sen (2017 : a final dividend of 6 sen per share). The final dividend is subjected to shareholders' approval at the forthcoming Annual General Meeting ("AGM") of the Company.

Subject to the shareholders' approval for the proposed single-tier final dividend and the shareholders' approval for the Issuance of New CCM Duopharma Shares pursuant to the DRP to be obtained at the forthcoming Annual General Meeting of the Company, the Board of Directors has resolved that the Dividend Reinvestment Plan would apply to the final dividend. The entitlement date, payment date and electable portion of the proposed single-tier final dividend will be announced on a later date.

- b) The total dividend for the current financial year ended 31 December 2018 is 5.5 sen per share consists of a final dividend as stated in (a) above and an interim dividend of 1.5 sen amounting to approximately RM 9.93 million paid on 23 November 2018 as compared to 2017 dividend as follows:-

i) Interim dividend of 2.5 sen per share amounting to approximately RM 6.97 million in respect of financial year ended 31 December 2017 was paid on 10 November 2017.

ii) A final dividend of 6 sen per share (2017: 4 sen) equivalent to RM 16.74 million (2017: RM 11.16 million) in respect of financial year ended 31 December 2017 was paid on 17 July 2018.

Out of the total cash distribution, a total of RM 13.5mil was converted into 10,978,985 new ordinary shares of the Company at the conversion price of RM 1.23 per ordinary share under the Dividend Reinvestment Plan.

B11 Earnings per Share

	Current year quarter ended 31.12.2018	Corresponding quarter ended 31/12/2017	Current year to date 31.12.2018	Corresponding year to date 31/12/2017
a) Basic EPS				
Net profit (RM'000)	14,369	12,131	47,641	42,463
Weighted average number of ordinary shares in issue ('000)				
- Balance b/f	650,902	650,902	278,959	278,959
-Weighted average number of shares arising from Effect of bonus issue			371,943	371,943
Effect of Dividend Reinvestment Plan	10,979	-	5,023	-
	<u>661,881</u>	<u>650,902</u>	<u>655,925</u>	<u>650,902</u>
Basic EPS (sen)	<u>2.17</u>	<u>1.86</u>	<u>7.26</u>	<u>6.52</u>
b) Dilutive EPS				
Adjusted weighted average number of ordinary shares in issue ('000)				
-In issue during the period	661,881	650,902	655,925	650,902
-Dilutive impact of unexercised share options	-	-	-	-
	<u>661,881</u>	<u>650,902</u>	<u>655,925</u>	<u>650,902</u>
Dilutive EPS (sen)	<u>2.17</u>	<u>1.86</u>	<u>7.26</u>	<u>6.52</u>

Pursuant to MFRS 133 Earnings Per Share, the Earnings Per Share for the corresponding quarter and year to date ended 31 December 2017 had been retrospectively adjusted to reflect the effect of the bonus issue.

B12 Profit Before Tax

	Current year quarter 31.12.2018 RM '000	Current year to date 31.12.2018 RM '000
Operating profit is arrived at after charging / (crediting):		
Depreciation of property, plant and equipment	6,929	23,864
Finance costs	2,647	7,729
Stock write off and/or impairment of inventories	2,208	11,894
Net foreign exchange loss / (gain)	(1,046)	3,178
Interest income	1,076	2,111

Other than the above, there were no impairment of assets and gain or loss on derivatives for the current quarter and current year ended 31 December 2018.

B14 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 February 2019.

By Order of the Board

Ibrahim Hussin Salleh
Secretary
Kuala Lumpur
18 February 2019