



DUOPHARMA

**DUOPHARMA BIOTECH BERHAD**

Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2022**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 3/31/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 3/31/2021 RM'000	CURRENT YEAR TO DATE 3/31/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 3/31/2021 RM'000
Revenue	185,941	166,454	185,941	166,454
Cost of Sales	(110,018)	(98,628)	(110,018)	(98,628)
<b>Gross Profit</b>	<b>75,923</b>	<b>67,826</b>	<b>75,923</b>	<b>67,826</b>
Other operating income	54	154	54	154
Distribution costs	(27,896)	(23,721)	(27,896)	(23,721)
Administration expenses	(19,988)	(19,144)	(19,988)	(19,144)
Other operating expenses	(158)	(560)	(158)	(560)
<b>Profit from operations</b>	<b>27,935</b>	<b>24,555</b>	<b>27,935</b>	<b>24,555</b>
Finance income	301	414	301	414
Finance costs	(1,590)	(1,793)	(1,590)	(1,793)
<b>Profit before taxation</b>	<b>26,646</b>	<b>23,176</b>	<b>26,646</b>	<b>23,176</b>
Taxation	(6,355)	(5,562)	(6,355)	(5,562)
<b>Profit after tax for the period</b>	<b>20,291</b>	<b>17,614</b>	<b>20,291</b>	<b>17,614</b>
<b>Other comprehensive income</b>				
Fair value of available-for-sale financial assets	(9,019)	(22,277)	(9,019)	(22,277)
Foreign currency translation differences for foreign operations	195	(375)	195	(375)
<b>Total other comprehensive income for the period</b>	<b>11,467</b>	<b>(5,038)</b>	<b>11,467</b>	<b>(5,038)</b>
<b>Profit attributable to:</b>				
Shareholders of the Company	20,291	17,614	20,291	17,614
Minority interest	-	-	-	-
	<b>20,291</b>	<b>17,614</b>	<b>20,291</b>	<b>17,614</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	11,467	(5,038)	11,467	(5,038)
Minority interest	-	-	-	-
	<b>11,467</b>	<b>(5,038)</b>	<b>11,467</b>	<b>(5,038)</b>
Earnings per share (sen)				
Basic (based on weighted average)	2.19	1.90*	2.19	1.90*
Diluted (based on weighted average)	2.19	1.90*	2.19	1.90*

\*Pursuant to MFRS 133 *Earnings Per Share*, the Earnings Per Share for the corresponding quarter and year to date ended 31 March 2021 had been retrospectively adjusted to reflect the effect of the bonus shares allotted on 7 September 2021.

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)



**DUOPHARMA BIOTECH BERHAD**

Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2022**

	AS AT 31/3/2022 RM'000	AS AT 31/12/2021 RM'000
<b>ASSETS</b>		
Property, Plant and Equipment	559,559	542,525
Investment property	1,050	1,050
Intangible assets	39,062	39,524
Other investments	64,517	73,536
Deferred Tax Assets	13,531	12,700
<b>Total non-current assets</b>	<b>677,719</b>	<b>669,335</b>
Inventories	203,153	222,192
Current Tax Assets	2,709	2,922
Trade & Other Receivables	167,850	131,702
Cash & Cash Equivalents	152,548	137,980
<b>Total current assets</b>	<b>526,260</b>	<b>494,796</b>
<b>Total Assets</b>	<b>1,203,979</b>	<b>1,164,131</b>
<b>EQUITY</b>		
Share Capital	405,856	405,856
Reserves	(30,648)	(21,824)
Retained earnings	260,263	239,972
<b>Total Equity</b>	<b>635,471</b>	<b>624,004</b>
<b>LIABILITIES</b>		
Borrowings	316,703	297,797
Trade & Other Payables	2,497	2,478
Deferred Tax Liability	8,622	9,543
<b>Total non-current liabilities</b>	<b>327,822</b>	<b>309,818</b>
Borrowings	102,097	102,925
Trade & Other Payables	129,192	121,326
Taxation	9,397	6,058
<b>Total current liabilities</b>	<b>240,686</b>	<b>230,309</b>
<b>Total Liabilities</b>	<b>568,508</b>	<b>540,127</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,203,979</b>	<b>1,164,131</b>
<b>Net assets per share (RM)</b>	<b>0.67</b>	<b>0.66</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)



**DUOPHARMA BIOTECH BERHAD**

**Registration No: 200001021664 (524271-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2022**

Group	←----- Non-distributable ----->			Distributable	
	Share Capital RM '000	Translation Reserve RM '000	Fair value Reserve RM '000	Retained Profit RM '000	Total RM '000
At 1 January 2022	405,856	117	(21,941)	239,972	624,004
Foreign currency translation differences for foreign operations	-	195	-	-	195
Net change in fair value of equity instrument designated at FVOCI	-	-	(9,019)	-	(9,019)
Profit for the year	-	-	-	20,291	20,291
Profit and total comprehensive income for the period	-	195	(9,019)	20,291	11,467
At 31 March 2022	405,856	312	(30,960)	260,263	635,471



**DUOPHARMA BIOTECH BERHAD**

**Registration No: 200001021664 (524271-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2022**

Group	<----- Non-distributable ----->			Distributable	
	Share Capital RM '000	Translation Reserve RM '000	Fair value Reserve RM '000	Retained Profit RM '000	Total RM '000
At 1 January 2021	404,922	(123)	18,840	220,182	643,821
Foreign currency translation differences for foreign operations		240			240
Net change in fair value of equity instrument designated at FVOCI			(40,781)		(40,781)
Profit for the year				65,683	65,683
Profit and total comprehensive income for the period	-	240	(40,781)	65,683	25,142
Issuance of 303,275 new shares pursuant to Dividend Reinvestment Plan	934	-	-	-	934
2020 Second Interim Dividend ( 6.0 sen )	-	-	-	(42,362)	(42,362)
2021 First Interim Dividend ( 0.5 sen)	-	-	-	(3,531)	(3,531)
At 31 December 2021	405,856	117	(21,941)	239,972	624,004

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)



**DUOPHARMA**  
**DUOPHARMA BIOTECH BERHAD**  
Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

	31 March 2022	31 March 2021
	RM '000	RM '000
<b>Cash flows from operating activities</b>		
Profit before taxation	26,646	23,176
Adjustments for:		
Depreciation of property, plant and equipment	7,732	7,153
Amortisation of intangible asset	618	570
Finance income from		
- Cash and cash equivalents	(301)	(414)
Impairment of inventories	8,858	372
Finance costs	1,590	1,793
Net impairment loss/(gain) on trade receivables	328	(274)
Net unrealised foreign exchange loss	101	470
<i>Operating profit before changes in working capital</i>	<u>45,572</u>	<u>32,846</u>
Change in inventories	10,181	(25,031)
Change in receivables, deposits and prepayments	(36,476)	(38,684)
Change in payables and accruals	7,484	33,949
<i>Cash generated from operations</i>	<u>26,761</u>	<u>3,080</u>
Finance costs paid	(1,590)	(1,793)
Net Income tax paid	(3,915)	(1,341)
Net cash from/(used in) operating activities	<u>21,256</u>	<u>(54)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(24,766)	(25,538)
Acquisition of intangible assets	(156)	(1,034)
Interest received from		
- Cash and cash equivalents	301	414
Net cash used in investing activities	<u>(24,621)</u>	<u>(26,158)</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	26,489	21,506
Repayment of borrowings	(8,563)	(3,517)
Payment of lease liabilities	(188)	(161)
Net cash from financing activities	<u>17,738</u>	<u>17,828</u>
Net increase/(decrease) in cash and cash equivalents	14,373	(8,384)
Exchange differences on translation of financial statement of foreign operations	195	(375)
Cash and cash equivalents at 1 January	137,980	158,029
Cash and cash equivalents as at 31 March	<u>152,548</u>	<u>149,270</u>
	-	-
(l) Cash and cash equivalents comprise:		
	<u>RM '000</u>	<u>RM '000</u>
Deposits placed with licensed banks	17,847	1,462
Cash and bank balances	69,988	111,687
Highly liquid investment with financial institutions	64,713	36,121
	<u>152,548</u>	<u>149,270</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)



**DUOPHARMA**  
**DUOPHARMA BIOTECH BERHAD**  
**Registration No: 200001021664 (524271-W)**

(Incorporated in Malaysia)

**Quarterly Report On Results For The Period Ended 31 March 2022**  
**NOTES TO INTERIM FINANCIAL REPORT**

**A1 Accounting Policies and Method of Computation**

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, MFRS 134: *Interim Financial Reporting* and with IAS 34, *Interim Financial Reporting*.

These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the explanatory notes attached to the interim financial statements.

The following MFRSs and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2022 :

**MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021**

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

**MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022**

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

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 2023**

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

**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.

**A2 Audit Report**

The audited report of the Company's preceding annual financial statements was not qualified.

**A3 Seasonal or Cyclical Factors**

The Group's sales typically peak in the first three quarters of the calendar year with higher demand in the public health sector and will gradually taper off in the final quarter of the calendar year.

**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.

**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 financial period.

**A7 Dividend Paid**

No dividend was paid during the current quarter. (2021: Nil)

**A8 Segment Information**

	Quarter Ended		Year To Date	
	3/31/2022		3/31/2022	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	177,832	73,805	177,832	73,805
Export	8,109	3,068	8,109	3,068
	185,941	75,923	185,941	75,923

**A9 Post Balance Sheet Events**

There are no material events after the period ended up to 17 May 2022 (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 31 March 2022.

**A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter.

## ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

### B1 Review of Performance

	Year To Date (31/3/22) RM'000	Year To Date (31/3/21) RM'000	Variance	
			RM'000	%
Revenue	185,941	166,454	19,487	11.71
Profit before tax (PBT)	26,646	23,176	3,470	14.97
Profit after tax (PAT)	20,291	17,614	2,677	15.20

The Group recorded a revenue and PBT of RM185.94 million and RM26.65 million respectively for current period ended 31 March 2022 as compared to RM166.45 million and RM23.18 million for the corresponding period last year. The Group's revenue has improved as compared to last year corresponding period mainly due to higher sales to consumer healthcare and private ethical sector. The Group's PBT also improved as compared to last year corresponding period mainly due to the increase in sales during the quarter.

### B2 Comparison with the Preceding Quarter's Results

	Qtr 1 2022 (31/3/22) RM'000	Qtr 4 2021 (31/12/21) RM'000	Variance	
			RM'000	%
Revenue	185,941	145,444	40,497	27.84
Profit before tax (PBT)	26,646	17,128	9,518	55.57
Profit after tax (PAT)	20,291	15,716	4,575	29.11

The Group has recorded a higher revenue and PBT of RM185.94 million and RM26.65 million for the current period ended 31 March 2022 as compared to RM145.44 million and RM17.13 million respectively for the preceding financial quarter. Increase in Group's revenue was mainly due to higher demand from consumer healthcare, private ethical and public health sector. Higher revenue throughout the current quarter led to higher PBT as compared to preceding financial quarter.

### B3 Prospects for the Remainder of Current Financial Year

According to World Bank, following the reopening of borders and driven by expansion in exports and recovery in domestic demand, Malaysia's economy is expected grow 5.5% in 2022, slightly trimmed from the previous projection of 5.8%. This is in line with the latest prediction by Bank Negara Malaysia ("BNM") that Malaysia's real GDP growth in 2022 is lowered to between 5.3% and 6.3%, from its previous forecast of between 5.5% to 6.5%, mainly due to economic uncertainties arising from Russia-Ukraine conflict. Nevertheless, the GDP growth in 2022 as forecasted by both World Bank and BNM is higher than the 3.1% growth in 2021.

Along with growing healthcare needs, the Malaysia Government has increased its allocation to pharmaceutical sector in its 2022 Budget to RM 32.4 billion, the highest allocation in history. The outlook of pharmaceutical industry is expected to bode well with the continuous emphasis placed by the Malaysia Government in the healthcare sector. The following developments also augur well for the overall business of Duopharma Group:

a) The Government of Malaysia had accepted the tender offer from Duopharma Marketing Sdn. Bhd. ("DMktg") (a wholly-owned subsidiary of Duopharma Biotech Berhad) and Biocon Sdn. Bhd. ("Biocon") to supply Insugen-Insulin Recombinant Human Formulations (hereinafter referred to as the "Products") under the Ministry of Health's ("MOH") procurement by way of direct negotiation for a period of three (3) years commencing on 29 April 2022 until 28 April 2025 with a total contract value of RM375 million (hereinafter referred to as the "Revised Letter of Award"). DMktg and Biocon (M) Sdn. Bhd. have acknowledged receipt and acceptance of the Revised Letter of Award on 25 April 2022 and submitted the same to the Ministry of Health on 25 April 2022. The supply of the Products to the Government of Malaysia has already commenced. Pursuant to the terms of the Revised Letter of Award, the previous letter of award that was issued to DMktg for the supply of the Products that was announced to Bursa Malaysia Securities Berhad on 17 December 2021 was revoked.

b) The Contract Period for the supply of pharmaceutical and/or non-pharmaceutical products to hospitals, clinics and others under the Government of Malaysia for APPL 2017-2019 vide the Supply Agreements between Pharamaniaga Logistics Sdn Bhd and Duopharma (M) Sendirian Berhad ("DMSB") (a wholly-owned subsidiary of Duopharma Biotech Berhad) that was due to expire on 31 December 2021 had been further extended for twelve (12) months and that the new expiry date of the Supply Agreements will be on 31 December 2022.

c) In Budget 2022, it was proposed that the period for special reinvestment allowance be extended until the year of assessment 2024. Accordingly, the Group may enjoy potential savings of more than RM10 million upon completion of the qualifying assets including K3 by 2024.

d) In July 2021, the Drug Control Authority, Malaysia ("DCA") has granted DMSB the conditional registration of COVILO Suspension for Injection COVID-19 Vaccine (Vero Cell), Inactivated ("Covid-19 Sinopharm Vaccine") developed by China National Biotec Group Company Limited for use in Malaysia. The Covid-19 Sinopharm Vaccine is now widely available at clinics and private hospitals nationwide facilitating appointments and walk-in demand.

However, the Ministry of Health Malaysia ("MoH") has on 13 January 2022 announced the Ceiling Price for Covid-19 Sinopharm Vaccine. The Group has appealed to the MOH for the ceiling price to be reviewed to come up with a more viable price, and is still waiting for confirmation from the Government on the revised price.

Barring unforeseen market changes and developments, the Group aims to deliver a satisfactory performance in 2022.



**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 :-

	<b>Current Year Quarter 31/3/22 RM'000</b>	<b>Current Year To Date 31/3/22 RM'000</b>
Based on results for the quarter/year	(6,885)	(6,885)
Transfer to deferred tax	530	530
	(6,355)	(6,355)

The Group's tax expense is recognised in each financial quarter based on the best estimate of the expected annual income tax rate for the full 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**

a) On 15 February 2022, the Board of Directors had resolved that the Dividend Reinvestment Plan ("DRP") approved by the shareholders at the Company's Extraordinary General Meeting held on 31 May 2018 would apply to the Second Interim Dividend of 1.8 sen per share amounting to approximately RM16.96 million. The issue price of the new ordinary shares in the Company issued pursuant to the DRP was fixed at RM 1.29 per new Duopharma Biotech Berhad share. The issue price is at a discount of approximately 10% to the 5-day ex-dividend volume weighted average market price (VWAMP) of RM 1.43.

On 23 March 2022, Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the listing and quotation for up to 14,300,000 new ordinary shares to be issued pursuant to the DRP, subject to the following conditions:

- (i) Full compliance with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the DRP;
- (ii) Notification to be provided to Bursa Securities upon the completion of the DRP; and
- (iii) A written confirmation of Duopharma's compliance with the terms and conditions of Bursa Securities' approval upon completion of DRP to be furnished to Bursa Securities.

**B8 Borrowings and Debt Securities**

Details of Group's borrowings are as follows :-

	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Current - unsecured	102,097	102,925
Non-current - unsecured	316,703	297,797
Total	418,800	400,722

**B9 Material litigation**

There was no material litigation up to 17 May 2022.

**B10 Dividend**

The Directors do not recommend any interim dividend for the current quarter ended 31 March 2022. (2021: Nil)

**B11 Earnings per Share**

	Current year quarter 31/3/22	Current year to date 31/3/22
<b>a) Basic EPS</b>		
Net profit (RM'000)	20,291	20,291
Weighted average number of ordinary shares in issue ('000)		
- Balance b/f	928,340	928,340
	928,340	928,340
Basic EPS (sen)	2.19	2.19
<b>b) Dilutive EPS</b>		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	928,340	928,340
	928,340	928,340
Dilutive EPS (sen)	2.19	2.19

**B12 Profit Before Tax**

	Current year quarter 31/3/22 RM '000	Current year to date 31/3/22 RM '000
<b>Operating profit is arrived at after charging / (crediting):</b>		
Depreciation of property, plant and equipment	7,732	7,732
Finance costs	1,590	1,590
Impairment of inventories	8,858	8,858
Net foreign exchange loss	139	139
Interest income	301	301

Other than the above, there were no impairment of assets nor gain or loss on derivatives for the current quarter and current period ended 31 March 2022.

**B13 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 17 May 2022.

By Order of the Board

Ibrahim Hussin Salleh  
Secretary  
License No.: LS 0009121  
SSM Practising Certificate No.: 201908001032  
Kuala Lumpur  
17 May 2022