



DUOPHARMA

**DUOPHARMA BIOTECH BERHAD**

Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2022 RM'000	CURRENT YEAR TO DATE 30/9/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2022 RM'000
Revenue	169,235	177,074	537,226	544,757
Cost of Sales	(104,760)	(104,854)	(324,344)	(327,651)
<b>Gross Profit</b>	<b>64,475</b>	<b>72,220</b>	<b>212,882</b>	<b>217,106</b>
Other operating income	17	4	83	35
Distribution costs	(26,375)	(29,382)	(79,682)	(81,246)
Administration expenses	(18,889)	(17,307)	(62,271)	(57,827)
Other operating expenses	(2,535)	(771)	(3,321)	(1,685)
<b>Profit from operations</b>	<b>16,693</b>	<b>24,764</b>	<b>67,691</b>	<b>76,383</b>
Finance income	392	322	1,328	915
Finance costs	(5,658)	(3,701)	(12,786)	(7,794)
<b>Profit before taxation</b>	<b>11,427</b>	<b>21,385</b>	<b>56,233</b>	<b>69,504</b>
Taxation	(2,457)	(5,036)	(12,090)	(16,553)
<b>Profit after tax for the period</b>	<b>8,970</b>	<b>16,349</b>	<b>44,143</b>	<b>52,951</b>
<b>Other comprehensive income</b>				
Fair value of available-for-sale financial assets	(3,816)	(6,066)	(15,781)	(25,520)
Foreign currency translation differences for foreign operations	272	356	(213)	751
<b>Total other comprehensive income for the period</b>	<b>5,426</b>	<b>10,639</b>	<b>28,149</b>	<b>28,182</b>
<b>Profit attributable to:</b>				
Shareholders of the Company	8,970	16,349	44,143	52,951
Minority interest	-	-	-	-
	<b>8,970</b>	<b>16,349</b>	<b>44,143</b>	<b>52,951</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	5,426	10,639	28,149	28,182
Minority interest	-	-	-	-
	<b>5,426</b>	<b>10,639</b>	<b>28,149</b>	<b>28,182</b>
Earnings per share (sen)				
Basic (based on weighted average)	0.93	1.72	4.61	5.59
Diluted (based on weighted average)	0.93	1.72	4.61	5.59

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)



**DUOPHARMA BIOTECH BERHAD**

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2023**

	AS AT 30/9/2023 RM'000	AS AT 31/12/2022 RM'000
<b>ASSETS</b>		
Property, Plant and Equipment	573,884	579,919
Investment property	1,050	1,050
Intangible assets	47,801	43,980
Other investments	32,791	42,151
Deferred Tax Assets	11,428	13,332
<b>Total non-current assets</b>	<u>666,954</u>	<u>680,432</u>
Inventories	252,393	235,179
Current Tax Assets	12,494	3,206
Trade & Other Receivables	169,777	145,465
Cash & Cash Equivalents	281,884	157,637
<b>Total current assets</b>	<u>716,548</u>	<u>541,487</u>
<b>Total Assets</b>	<u><b>1,383,502</b></u>	<u><b>1,221,919</b></u>
<b>EQUITY</b>		
Share Capital	432,466	419,367
Reserves	(68,509)	(52,515)
Retained earnings	310,563	288,370
<b>Total Equity</b>	<u>674,520</u>	<u>655,222</u>
<b>LIABILITIES</b>		
Borrowings	362,677	294,601
Trade & Other Payables	2,200	1,921
Deferred Tax Liability	11,040	5,584
<b>Total non-current liabilities</b>	<u>375,917</u>	<u>302,106</u>
Borrowings	227,154	134,141
Trade & Other Payables	105,426	129,283
Current Tax Liabilities	485	1,167
<b>Total current liabilities</b>	<u>333,065</u>	<u>264,591</u>
<b>Total Liabilities</b>	<u><b>708,982</b></u>	<u><b>566,697</b></u>
<b>Total Equity &amp; Liabilities</b>	<u><b>1,383,502</b></u>	<u><b>1,221,919</b></u>
	-	-
<b>Net assets per share (RM)</b>	<b>0.70</b>	<b>0.69</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 30 SEPTEMBER 2023**

Group	<----- Non-distributable ----->			Distributable	Total RM '000
	Share Capital RM '000	Translation Reserve RM '000	Fair value Reserve RM '000	Retained Profit RM '000	
At 1 January 2023	419,367	811	(53,326)	288,370	655,222
Foreign currency translation differences for foreign operations	-	(213)	-	-	(213)
Net change in fair value of equity instrument designated at FVOCI	-	-	(15,781)	-	(15,781)
Profit for the period	-	-	-	44,143	44,143
Profit and total comprehensive income for the period	-	(213)	(15,781)	44,143	28,149
Issuance of 9,702,761 new shares pursuant to Dividend Reinvestment Plan	13,099	-	-	-	13,099
2022 Second Interim Dividend ( 1.8 sen )	-	-	-	(17,140)	(17,140)
2023 First Interim Dividend ( 0.5 sen)	-	-	-	(4,810)	(4,810)
At 30 September 2023	432,466	598	(69,107)	310,563	674,520



## DUOPHARMA BIOTECH BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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		694	-	-	694
Net change in fair value of equity instrument designated at FVOCI		-	(31,385)	-	(31,385)
Profit for the year		-	-	70,112	70,112
Profit and total comprehensive income for the year	-	694	(31,385)	70,112	39,421
Issuance of 10,474,002 new shares pursuant to Dividend Reinvestment Plan	13,511	-	-	-	13,511
2021 Second Interim Dividend ( 1.8 sen )	-	-	-	(16,952)	(16,952)
2022 First Interim Dividend ( 0.5 sen)	-	-	-	(4,762)	(4,762)
At 31 December 2022	419,367	811	(53,326)	288,370	655,222

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)



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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	30 SEPTEMBER 2023	30 SEPTEMBER 2022
	RM '000	RM '000
<b>Cash flows from operating activities</b>		
Profit before taxation	56,233	69,504
Adjustments for:		
Depreciation of property, plant and equipment	26,879	23,388
Amortisation of intangible asset	2,298	1,855
Finance income from		
- Cash and cash equivalents	(1,328)	(915)
Impairment of inventories	4,347	30,152
Finance costs	12,786	7,794
Net impairment loss on trade receivables	2,952	1,062
Net unrealised foreign exchange loss	1,029	1,534
Loss on PPE written off	2,425	-
<i>Operating profit before changes in working capital</i>	<u>107,621</u>	<u>134,374</u>
Change in inventories	(21,561)	(21,443)
Change in receivables, deposits and prepayments	(27,099)	(53,846)
Change in payables and accruals	(23,305)	1,726
<i>Cash generated from operations</i>	<u>35,656</u>	<u>60,811</u>
Finance costs paid	(15,465)	(11,350)
Net income tax paid	(14,699)	(13,750)
Net cash from operating activities	<u>5,492</u>	<u>35,711</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(23,944)	(46,544)
Acquisition of other investments	(6,421)	-
Acquisition of intangible assets	(2,445)	(1,059)
Interest received from		
- Cash and cash equivalents	1,328	915
Net cash used in investing activities	<u>(31,482)</u>	<u>(46,688)</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	426,513	66,011
Repayment of borrowings	(266,622)	(42,665)
Dividends paid to shareholders of the Company	(8,851)	(8,202)
Payment of lease liabilities	(590)	(514)
Net cash from financing activities	<u>150,450</u>	<u>14,630</u>
Net increase in cash and cash equivalents	124,460	3,653
Exchange differences on translation of financial statement of foreign	(213)	751
Cash and cash equivalents at 1 January	157,637	137,980
Cash and cash equivalents as at 30 September	<u><u>281,884</u></u>	<u><u>142,384</u></u>

(I) Cash and cash equivalents comprise:

	<u>RM '000</u>	<u>RM '000</u>
Deposits placed with licensed banks	10,860	16,853
Cash and bank balances	89,409	64,299
Highly liquid investment with financial institutions	181,615	61,232
	<u><u>281,884</u></u>	<u><u>142,384</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)



## **DUOPHARMA BIOTECH BERHAD**

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(Incorporated in Malaysia)

### **Quarterly Report On Results For The Period Ended 30 September 2023 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 2022 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 2023 :

#### **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 – 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 and International Tax Reform – Pillar Two Model Rules*

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 2024**

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025**

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

#### **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**

During the current quarter, Duopharma Biotech had established an Islamic medium term notes programme for the issuance of Islamic medium term notes ("Sukuk Wakalah") of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") for a 30-year programme tenure.

On 29 September 2023, Duopharma Biotech ("Issuer") made its maiden Sukuk Wakalah issuance of RM364.0 million under the aforesaid Sukuk Wakalah Programme. The Sukuk Wakalah have tenures of 3 – 10 years. The proceeds from the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme shall be utilised towards the following purposes which shall be Shariah-compliant:

- i. to repay/refinance the Issuer's or its subsidiaries' ("Issuer Group") existing borrowings/ Islamic financing and future Islamic financing, existing shareholder loans and existing inter-company loans and future Shariah-compliant inter-company advances; and/or
- ii. to finance future and present Shariah-compliant investments; and/or
- iii. to finance the Issuer Group's Shariah-compliant working capital and capital expenditure requirements; and/or
- iv. to defray fees, expenses, costs and all other amounts payable in relation to the Sukuk Wakalah Programme.

**A7 Dividend Paid**

The Group paid an interim dividend of 0.5 sen per share (2022: first interim dividend of 0.5 sen per share) equivalent to RM4.81 million (2022:RM 4.76 million) in respect of financial year ending 31 December 2023 during the current quarter.

**A8 Segment Information**

	Quarter Ended		Year To Date	
	30/9/2023		30/9/2023	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	155,893	60,383	498,594	201,090
Export	13,342	4,092	38,632	11,792
	169,235	64,475	537,226	212,882

**A9 Post Balance Sheet Events**

There are no material events after the period ended up to 1 November 2023 (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 30 September 2023.

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

On 10 April 2023, Duopharma Biotech Berhad ("Duopharma Biotech" or "the Company") has established PT Duopharma Healthcare Indonesia ("PT DHI") as a wholly-owned subsidiary of the Company in the Republic of Indonesia. Confirmation of the approval of the establishment of PT DHI by the Ministry of Law and Human Rights of the Republic of Indonesia was received by the Company on 11 April 2023.

PT DHI is a limited liability company, with a current authorised and issued capital of Rp 10,001,000,000 comprising 10,001 shares. Duopharma Consumer Healthcare Sdn Bhd (a wholly-owned subsidiary of Duopharma Biotech) holds 99% of shares while the remaining 1% is held directly by Duopharma Biotech.

Save as disclosed above, there were no other material changes in the composition of the Group for the period under review.

## ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

### B1 Review of Performance

	Year To Date (30/9/23) RM'000	Year To Date (30/9/22) RM'000	Variance	
			RM'000	%
Revenue	537,226	544,757	(7,531)	(1.38)
Profit before tax (PBT)	56,233	69,504	(13,271)	(19.09)
Profit after tax (PAT)	44,143	52,951	(8,808)	(16.63)

The Group reported a revenue of RM537.23 million and a PBT of RM56.23 million for the current period ended 30 September 2023, as compared to RM544.78 million and RM69.50 million, respectively, for the corresponding period last year. Notably, the Group achieved sales growth in the private prescription pharmaceutical market, ethical specialty sector and the export segment as compared to the corresponding period last year. However, this growth was tempered by the decrease in demand from the consumer healthcare sector, leading to a lower Group's revenue compared to same period in the previous year.

During the current period, the Group's PBT is lower primarily due to increased operational costs resulting from the upward adjustment in electricity tariff, elevated labor cost pursuant to the amendments to the Employment Act 1955, higher finance costs due to the rising Overnight Policy Rate (OPR), incremental costs associated with the commencement of production in the new K3 facility, a one-off costs incurred due to temporary shutdown of small volume injectable plant for upgrading and maintenance, unfavorable trend in exchange rates, and a one-off loss arising from the mutual termination of an agreement to sub-lease in respect of a vacant parcel of land.

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

	Qtr 3 2023 (30/9/23) RM'000	Qtr 2 2023 (30/6/23) RM'000	Variance	
			RM'000	%
Revenue	169,235	167,516	1,719	1.03
Profit before tax (PBT)	11,427	16,515	(5,088)	(30.81)
Profit after tax (PAT)	8,970	12,541	(3,571)	(28.47)

In the current quarter ended 30 September 2023, the Group reported a marginal increase in revenue to RM169.24 million from RM167.52 million in the preceding quarter. This growth is mainly attributed to higher sales in the prescription pharmaceutical market, which has offset the lower demand in consumer healthcare sector. However, despite the slight uptick in overall revenue, the Group's PBT is lower for the current quarter primarily due to the prolonged impact of increased operational costs resulting from the upward adjustment in electricity tariff, higher finance costs due to the rising Overnight Policy Rate (OPR), incremental costs associated to commencement of production in the new K3 facility, unfavorable trends in exchange rates and the one-off loss arising from the mutual termination of an agreement to sub-lease in respect of a vacant parcel of land.

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

The Malaysia's economy has expanded by 4.2% in the first half of 2023 as per statistic data released by the Ministry of Finance Malaysia. Looking ahead to the second half of the year, despite global economic challenges arising from geopolitical tensions as well as the implementation of tight monetary policies aimed at addressing global inflation and the growth outlook of major economies, the Malaysian government maintains its confidence in meeting its GDP forecast for 2023, which ranges between 4.0% and 5.0%, backed by resilient domestic demand, driven by strong private consumption and improvements in labour conditions. The Malaysian Government also remains committed to its responsive fiscal policy to support and sustain the momentum of domestic growth.

In the Malaysia's 2024 Budget tabled by the Prime Minister on 13 October 2023, the Healthcare Sector received a substantial allocation of RM41.2 billion, reflecting a noteworthy increase of 13.5% compared to the RM36.3 billion allocated in 2023. This record-high allocation signifies a significant step in the right direction towards the essential reforms in the healthcare system, which is expected to stimulate a higher demand for medicine supplies, benefiting pharmaceutical players in the market. 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 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 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 Revised Letter of Award, the formal agreement for the procurement via direct negotiation for the supply of insulin medicine as a package ("Perjanjian Perolehan Secara Rundingan Terus Pembekalan Ubat Insulin Secara Pakej") between the Government of Malaysia, DMktg as the Supplier/Distributor and Biocon as the manufacturer has been executed on 30 September 2022.

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 Pharmaniaga Logistics Sdn Bhd and Duopharma (M) Sendirian Berhad ("DMSB") (a wholly-owned subsidiary of Duopharma Biotech Berhad) that expired on 30 June 2023 had been further extended for another six (6) months to 31 December 2023.

c) Based on the Finance Act 2021 gazetted on 31 December 2021, the special reinvestment allowance incentive that is under the PENJANA stimulus package has been extended until the year of assessment 2024. Accordingly, the Group may enjoy potential savings of around RM10 million upon completion of the qualifying assets including K3 by 2024.

Despite the positive advancements in the healthcare industry, Duopharma Biotech faces challenges due to various factors. These include global fluctuations in the United States Dollar (USD), increased finance costs stemming from the rising Overnight Policy Rate (OPR), elevated electricity tariffs, higher labor costs due to amendments in the Employment Act 1955, temporary shutdown of the small volume injectable plant for maintenance and upgrades, incremental costs associated to the commencement of production in our new K3 facility, and a one-off accounting loss associated with the mutual termination of an agreement to sub-lease in respect of a vacant parcel of land. These elements collectively exert pressure on our manufacturing margins, impacting our overall profitability.

Barring unforeseen market changes and developments, the Group aims to deliver a satisfactory performance in 2023.



**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 30/9/23 RM'000	Current Year To Date 30/9/23 RM'000
Based on results for the quarter/year	(1,424)	(4,730)
Transfer (from)/to deferred tax	(1,033)	(7,360)
	<u>(2,457)</u>	<u>(12,090)</u>

The Group's effective tax rate is estimated to be lower than statutory tax rate after taking into consideration the potential tax allowances and incentives to be claimed during the year.

**B6 Unquoted Investments and Properties**

a) On 30 June 2023, Duopharma Biotech had entered into a Series A Preferred Stock Purchase Agreement and a supplemental letter of agreement with The Live Green Group, Inc., a Delaware, USA company ("TLGG") and The Live Green Company SpA, incorporated under the laws of the Republic of Chile and subsidiary of TLGG (the "Chilean Subsidiary"), and the other investors listed in Exhibit A attached to the Series A Preferred Stock Purchase Agreement, for the purchase by Duopharma Biotech of 105,065 shares of Series A Preferred Stock, \$0.00001 par value per share representing approximately 0.65% holding in the TLGG for a total purchase price of USD1,000,000.00 ("the Acquisition") upon the terms and conditions set out in the Stock Purchase Agreement.

The Acquisition was completed during current quarter on 11 July 2023.

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

**B7 Status of Corporate Proposals**

a) On 23 February 2023, 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 RM17.14 million. The issue price of the new ordinary shares in the Company issued pursuant to the DRP was fixed at RM 1.35 per new Duopharma Biotech Berhad share. The issue price was at a discount of approximately 9.87% to the 5-day ex-dividend volume weighted average market price (VWAMP) of RM 1.4978.

A total of 9,702,761 new shares have been issued and allocated pursuant to the Dividend Reinvestment Plan. The aforesaid new Duopharma Biotech Shares were listed and quoted on the Main Market of Bursa Malaysia Securities with effect from 10 May 2023.

b) On 24 August 2023, Duopharma Biotech had established an Islamic medium term notes programme for the issuance of Islamic medium term notes ("Sukuk Wakalah") of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") and lodged the Sukuk Wakalah Programme with the Securities Commission Malaysia ("SC"). The Sukuk Wakalah Programme has a 30-year programme tenure.

The first issuance under the Sukuk Wakalah Programme amounted to RM364.0 million has been made on 29 September 2023.

c) On 5 September 2023, Duopharma Biotech has participated in the rights issue of SCM Lifescience Inc. ("SCM") and completed a subscription of 128,471 common shares for a total subscription amount of KRW 491.4 million (equivalent to RM1.74 million).

Following the subscription of the aforesaid shares, Duopharma Biotech maintains 456,503 shares in SCM which represents an effective equity interest of 2.68% in SCM.

**B8 Borrowings and Debt Securities**

Details of Group's borrowings are as follows :-

	As at 30 September 2023 RM'000	As at 31 December 2022 RM'000
Current - unsecured	227,154	134,141
Non-current - unsecured	362,677	294,601
Total	<u>589,831</u>	<u>428,742</u>

**B9 Material litigation**

There was no material litigation up to 1 November 2023 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

**B10 Dividend**

The Directors do not recommend any interim dividend for the current quarter ended 30 September 2023. (2022:Nil)

**B11 Earnings per Share**

	Current year quarter 30/9/23	Current year to date 30/9/23
<b>a) Basic EPS</b>		
Net profit (RM'000)	8,970	44,143
Weighted average number of ordinary shares in issue ('000)		
-Balance b/f	952,239	952,239
-Weighted average number of shares arising from Effect of Dividend Reinvestment Plan	9,703	5,118
	961,942	957,357
Basic EPS (sen)	0.93	4.61
<b>b) Dilutive EPS</b>		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	961,942	957,357
	961,942	957,357
Dilutive EPS (sen)	0.93	4.61

**B12 Profit Before Tax**

	Current year quarter 30/9/23 RM '000	Current year to date 30/9/23 RM '000
<b>Operating profit is arrived at after charging / (crediting):</b>		
Depreciation of property, plant and equipment	8,586	26,879
Finance costs	5,658	12,786
(Reversal)/Impairment of inventories	(39)	4,347
Net foreign exchange loss	86	791
Interest income	392	1,328
Loss on PPE written off	2,418	2,425

Other than the above, there were no other material impairment of assets nor gain or loss on derivatives for the current quarter and current period ended 30 September 2023.

**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 8 November 2023.

By Order of the Board

Ibrahim Hussin Salleh  
Secretary  
License No.: LS 0009121  
SSM Practising Certificate No.: 201908001032  
Kuala Lumpur  
8 November 2023