



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 2024**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2023 RM'000	CURRENT YEAR TO DATE 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2023 RM'000
Revenue	192,968	200,475	192,968	200,475
Cost of Sales	(118,698)	(117,939)	(118,698)	(117,939)
<b>Gross Profit</b>	<b>74,270</b>	<b>82,536</b>	<b>74,270</b>	<b>82,536</b>
Other operating income	76	36	76	36
Distribution costs	(28,978)	(29,869)	(28,978)	(29,869)
Administration expenses	(19,361)	(22,325)	(19,361)	(22,325)
Other operating expenses	(571)	(9)	(571)	(9)
<b>Profit from operations</b>	<b>25,436</b>	<b>30,369</b>	<b>25,436</b>	<b>30,369</b>
Finance income	1,620	445	1,620	445
Finance costs	(6,955)	(2,522)	(6,955)	(2,522)
<b>Profit before taxation</b>	<b>20,101</b>	<b>28,292</b>	<b>20,101</b>	<b>28,292</b>
Taxation	(4,824)	(5,659)	(4,824)	(5,659)
<b>Profit after tax for the period</b>	<b>15,277</b>	<b>22,633</b>	<b>15,277</b>	<b>22,633</b>
<b>Other comprehensive income</b>				
Fair value of available-for-sale financial assets	(3,258)	(8,818)	(3,258)	(8,818)
Foreign currency translation differences for foreign operations	(163)	(196)	(163)	(196)
<b>Total other comprehensive income for the period</b>	<b>11,856</b>	<b>13,619</b>	<b>11,856</b>	<b>13,619</b>
<b>Profit attributable to:</b>				
Shareholders of the Company	15,277	22,633	15,277	22,633
Minority interest	-	-	-	-
	<b>15,277</b>	<b>22,633</b>	<b>15,277</b>	<b>22,633</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	11,856	13,619	11,856	13,619
Minority interest	-	-	-	-
	<b>11,856</b>	<b>13,619</b>	<b>11,856</b>	<b>13,619</b>
Earnings per share (sen)				
Basic (based on weighted average)	1.59	2.38	1.59	2.38
Diluted (based on weighted average)	1.59	2.38	1.59	2.38

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	UNAUDITED AS AT 31/3/2024 RM'000	AUDITED AS AT 31/12/2023 RM'000
<b>ASSETS</b>		
Property, Plant and Equipment	576,114	582,365
Investment property	1,050	1,050
Intangible assets	38,056	38,802
Other investments	33,649	36,907
Deferred Tax Assets	7,857	8,946
<b>Total non-current assets</b>	<u>656,726</u>	<u>668,070</u>
Inventories	243,765	243,068
Current Tax Assets	18,426	16,320
Trade & Other Receivables	162,017	147,175
Cash & Cash Equivalents	232,321	270,502
<b>Total current assets</b>	<u>656,529</u>	<u>677,065</u>
<b>Total Assets</b>	<u><b>1,313,255</b></u>	<u><b>1,345,135</b></u>
<b>EQUITY</b>		
Share Capital	432,466	432,466
Reserves	(67,829)	(64,408)
Retained earnings	317,027	319,065
<b>Total Equity</b>	<u>681,664</u>	<u>687,123</u>
<b>LIABILITIES</b>		
Borrowings	476,880	480,902
Trade & Other Payables	1,432	1,476
Deferred Tax Liability	11,422	8,906
<b>Total non-current liabilities</b>	<u>489,734</u>	<u>491,284</u>
Borrowings	51,425	65,546
Trade & Other Payables	89,737	100,815
Current Tax Liabilities	695	367
<b>Total current liabilities</b>	<u>141,857</u>	<u>166,728</u>
<b>Total Liabilities</b>	<u><b>631,591</b></u>	<u><b>658,012</b></u>
<b>Total Equity &amp; Liabilities</b>	<u><b>1,313,255</b></u>	<u><b>1,345,135</b></u>
<b>Net assets per share (RM)</b>	<b>0.71</b>	<b>0.71</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)



**DUOPHARMA BIOTECH BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2024**

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 2024	432,466	583	(64,991)	319,065	687,123
Foreign currency translation differences for foreign operations	-	(163)	-	-	(163)
Net change in fair value of equity instrument designated at FVOCI	-	-	(3,258)	-	(3,258)
Profit for the period	-	-	-	15,277	15,277
Profit and total comprehensive income for the period	-	(163)	(3,258)	15,277	11,856
2023 Second Interim Dividend ( 1.8 sen)	-	-	-	(17,315)	(17,315)
At 31 March 2024	432,466	420	(68,249)	317,027	681,664

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	-	(228)	-	-	(228)
Net change in fair value of equity instrument designated at FVOCI	-	-	(11,665)	-	(11,665)
Profit for the period	-	-	-	52,645	52,645
Profit and total comprehensive income for the year	-	(228)	(11,665)	52,645	40,752
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 31 December 2023	432,466	583	(64,991)	319,065	687,123

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)



## DUOPHARMA BIOTECH BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2024

	31 MARCH 2024 RM '000	31 MARCH 2023 RM '000
<b>Cash flows from operating activities</b>		
Profit before taxation	20,101	28,292
Adjustments for:		
Depreciation of property, plant and equipment	10,154	8,829
Amortisation of intangible asset	1,165	751
Finance income from		
- Cash and cash equivalents	(1,620)	(445)
Impairment of inventories	948	3,732
Finance costs	6,955	2,522
(Reversal)/Impairment loss on trade receivables	(1,110)	1,502
Net unrealised foreign exchange loss	7	106
Gain on disposal of PPE	(2)	-
<i>Operating profit before changes in working capital</i>	36,598	45,289
Change in inventories	(1,644)	(13,315)
Change in receivables, deposits and prepayments	(13,731)	(44,171)
Change in payables and accruals	(10,942)	(1,505)
<i>Cash generated from/(used in) operations</i>	10,281	(13,702)
Finance costs paid	(6,902)	(4,134)
Net income tax paid	(2,998)	(3,028)
Net cash from/(used in) operating activities	381	(20,864)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,823)	(12,274)
Acquisition of intangible assets	(419)	(1,587)
Interest received from		
- Cash and cash equivalents	1,620	445
Net cash used in investing activities	(2,622)	(13,416)
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	21,398	21,739
Repayment of borrowings	(39,595)	(16,793)
Dividends paid to shareholders of the Company	(17,315)	-
Payment of lease liabilities	(265)	(227)
Net cash (used in)/from financing activities	(35,777)	4,719
Net decrease in cash and cash equivalents	(38,018)	(29,561)
Exchange differences on translation of financial statement of foreign operations	(163)	(196)
Cash and cash equivalents at 1 January	270,502	157,637
Cash and cash equivalents as at 31 March	232,321	127,880

(I) Cash and cash equivalents comprise:

	<b>RM '000</b>	<b>RM '000</b>
Deposits placed with licensed banks	4,884	2,861
Cash and bank balances	68,613	103,918
Highly liquid investment with financial institutions	158,824	21,101
	232,321	127,880

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)



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**Quarterly Report On Results For The Period Ended 31 March 2024  
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 2023 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 2024 :

**MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024**

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments 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*

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 2025**

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

**MFRSs, interpretations and amendments effective for annual periods beginning on or after 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 year 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**

During the current quarter, the Group paid a second interim dividend of 1.8 sen per share (2023 corresponding quarter: Nil ) equivalent to RM 17.32 million (2023 corresponding quarter: Nil ) in respect of financial year ended 31 December 2023.

**A8 Segment Information**

	Quarter Ended		Year To Date	
	31/3/2024		31/3/2024	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	176,852	69,061	176,852	69,061
Export	16,116	5,209	16,116	5,209
	192,968	74,270	192,968	74,270

**A9 Post Balance Sheet Events**

There are no material events after the year ended up to 16 May 2024 (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 2024.

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

There was no 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 (31/3/24) RM'000	Year To Date (31/3/23) RM'000	Variance	
			RM'000	%
Revenue	192,968	200,475	(7,507)	(3.74)
Profit before tax (PBT)	20,101	28,292	(8,191)	(28.95)
Profit after tax (PAT)	15,277	22,633	(7,356)	(32.50)

For the current period ended 31 March 2024, the Group reported a revenue and PBT of RM192.97 million and RM20.10 million, respectively, as compared to the historical performance recorded in Q1 2023 with sales of RM200.48 million and PBT of RM28.29 million. Marginal drop in revenue was due to lower demand in prescription pharmaceutical markets, both in private ethical and public health segments.

Lower revenue coupled with the increased operational cost associated with the full operation of the newly completed K3 facility, higher finance costs, alongside with unfavorable exchange rates have resulted in a lower PBT as compared to the same period last year.

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

	Qtr 1 2024 (31/3/23) RM'000	Qtr 4 2023 (31/12/23) RM'000	Variance	
			RM'000	%
Revenue	192,968	167,501	25,467	15.20
Profit before tax (PBT)	20,101	7,034	13,067	185.77
Profit after tax (PAT)	15,277	8,502	6,775	79.69

The Group recorded higher revenue in the first quarter of 2024 as compared to the preceding quarter. The surge in revenue was observed across all the sectors particularly public health segment and also was primarily due to trending lower sales in public health sector in the final quarter last year. Higher revenue in the current quarter has led to higher PBT.

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

In the International Monetary Fund (IMF)'s latest World Economic Outlook (WEO) titled "Steady but Slow: Resilience Amid Divergence", the IMF projected the world economy to continue growing at 3.2 % during 2024 and 2025, at the same pace as in 2023. Notably, Malaysia's real gross domestic product (GDP) growth rate has been upwardly revised to 4.4 % for the current year, reflecting a positive adjustment from its earlier forecast of 4.3 %. This revision underscores Malaysia's adaptability and resilience in navigating dynamic global conditions.

The IMF's forecast is complemented by data recently released by Bank Negara Malaysia (BNM), which shows that the Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 compared to the 2.9% in the fourth quarter of 2023. This growth was driven by stronger private expenditure and a positive turnaround in exports.

Furthermore, the record-high budget allocation of RM41.2 billion for the healthcare sector in Malaysia's 2024 Budget signifies the government's commitment to essential reforms in the healthcare system, which is anticipated to stimulate heightened demand for medical supplies, thereby 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) As at the date of this report, Duopharma (M) Sendirian Berhad and Duopharma Manufacturing (Bangi) Sdn. Bhd., both the wholly-owned subsidiaries of the Company, have received and accepted seven and four Letters of Offer ("LOO"), respectively, from Pharmaniaga Logistics Sdn. Bhd. (hereinafter referred to as the "Customer") for the supply of pharmaceutical and/or non-pharmaceutical products as set out in the respective LOOs (hereinafter referred to as "Products") to the offices and facilities operated and controlled by the Government of Malaysia, through the Customer (hereinafter referred to as the "Contract(s)").

All the Contract(s) shall remain valid and binding until 31 December 2026 or such other date as directed by the Government of Malaysia. The total number of Products in aggregate to be supplied under all the aforementioned Contract(s) is 86 and the total estimated value in aggregate of all the aforementioned Contract(s) is approximately RM578,093,475.72 for the duration of the Contract(s).

The Group anticipates that persistent challenges, such as strengthening in the United States Dollar, high electricity tariffs as well as high interest rate will continue to pose pressure on manufacturing margins and the overall profitability. Nevertheless, the Group remains focused on enhancing efficiencies internally to cushion the surge in operational and finance costs caused by these challenges. Additionally, with the acceptance of new supply agreements with Pharmaniaga Logistic Sdn. Bhd., the Group is poised to deliver satisfactory performance in 2024. With a steadfast commitment to its long-term growth prospects, the Group maintains an optimistic outlook, barring unforeseen market changes and developments.

**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 31/3/24 RM'000</b>	<b>Current Year To Date 31/3/24 RM'000</b>
Based on results for the quarter/year	(1,219)	(1,219)
Transfer (from)/to deferred tax	(3,605)	(3,605)
	(4,824)	(4,824)

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

On 29 September 2023 and 15 December 2023, Duopharma Biotech made its Sukuk Wakalah issuance of RM364.0 million and RM29.0 million respectively, for tenures between 3 – 10 years under the Sukuk Wakalah Programme established on 24 August 2023.

As at 31 March 2024, the proceeds raised from the issuance of Sukuk Wakalah have been fully utilised as follows:

Details of utilisation	Proceeds for Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
Refinanced Group's borrowings	290,862	290,862	-
Defrayed fees, expenses, costs and all other amounts payable in	1,325	1,325	-
Financing of Group's shariah-compliant working capital	100,813	100,813	-
Total	393,000	393,000	-

There was no corporate proposals during the current financial period.

**B8 Borrowings and Debt Securities**

Details of Group's borrowings are as follows :-

	<b>As at 31 March 2024 RM'000</b>	<b>As at 31 December 2023 RM'000</b>
Current - unsecured	51,425	65,546
Non-current - unsecured	476,880	480,902
Total	528,305	546,448

**B9 Material litigation**

There was no material litigation up to 16 May 2024 (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 31 March 2024. (2023: Nil)



**B11 Earnings per Share**

	Current year quarter 31/3/24	Current year to date 31/3/24
<b>a) Basic EPS</b>		
Net profit (RM'000)	15,277	15,277
Weighted average number of ordinary shares in issue ('000)		
-Balance b/f	961,942	961,942
	961,942	961,942
Basic EPS (sen)	1.59	1.59
<b>b) Dilutive EPS</b>		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	961,942	961,942
	961,942	961,942
Dilutive EPS (sen)	1.59	1.59

**B12 Profit Before Tax**

	Current year quarter 31/3/24 RM '000	Current year to date 31/3/24 RM '000
<b>Operating profit is arrived at after charging / (crediting):</b>		
Depreciation of property, plant and equipment	10,154	10,154
Finance costs	6,955	6,955
Impairment of inventories	948	948
Net foreign exchange loss	521	521
Interest income	1,620	1,620
Gain on disposal of PPE	(2)	(2)

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 31 March 2024.

**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 23 May 2024.

By Order of the Board

Ibrahim Hussin Salleh  
Secretary  
License No.: LS 0009121  
SSM Practising Certificate No.: 201908001032  
Kuala Lumpur  
23 May 2024