

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Annual General Meeting held on 26 May 2015, the Company had obtained a shareholders' mandate to allow the Company to enter into Recurrent Related Party Transaction of a Revenue or Trading Nature.

In accordance to the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, details of the Recurrent Related Party Transactions audited during the financial year ended 31 December 2015, pursuant to the shareholders mandate are as follows:-

Nature of RRPTs	Vendor/Provider	Purchaser/ Recipient	Aggregate Value (RM'000)	Related parties
1) Purchase of raw material for pharmaceutical products	CCM Chemicals Sdn. Bhd. ("CCMC")	Duopharma (M) Sdn. Bhd. ("DMSB")	3	<i>Interested Major Shareholder: CCM¹</i> <i>Interested Director/ Interested Person Connected: Leonard Ariff bin Abdul Shatar²</i>
2) Sale of pharmaceutical/ health care products	DMSB	CCM Marketing Sdn. Bhd. ("CCMM")	-	<i>Interested Major Shareholder: CCM¹</i> <i>Interested Director/ Interested Person Connected: Leonard Ariff bin Abdul Shatar²</i>
3) Professional services & construction of water treatment plant, etc	CCM Water Systems Sdn. Bhd. ("CCMWS")	DMSB	-	<i>Interested Major Shareholder: CCM¹</i> <i>Interested Director/ Interested Person Connected: Leonard Ariff bin Abdul Shatar²</i>
4) Provision of Shared/ Management Services ³	CCM	CCMD	460	<i>Interested Major Shareholder: CCM¹</i> <i>Interested Director/ Interested Person Connected: Leonard Ariff bin Abdul Shatar²</i>
5) Provision of Shared/ Management Services ³	CCM	DMSB	3,480	<i>Interested Major Shareholder: CCM¹</i> <i>Interested Director/ Interested Person Connected: Leonard Ariff bin Abdul Shatar²</i>

* There was no deviation from the Actual Value exceeding the Estimated Aggregate Value by 10% or more in the Existing Mandate.

Notes:-

- ¹ DMSB is a wholly-owned subsidiary of CCMD. CCM holds 100% interest in CCMM which in turn holds 73.37% interest in CCMD. Therefore, CCM is deemed to have indirect interest of 73.37% of the issued share capital of CCMD and its wholly-owned subsidiaries. CCM also has direct interest of 100% in CCM UKSB which in turn holds 94.72% direct interest in CCMWS and 80% direct interest in CCMC. CCM also holds 5.28% direct interest in CCMWS. Therefore, CCM is deemed to have a 100% effective interest in CCMWS and 80% effective interest in CCMC.
- ² Leonard Ariff bin Abdul Shatar is the Chief Executive Officer of CCMD and a Director of CCMD, as defined under the Definitions Section of the Circular to Shareholders dated 28 April 2016. He was the Director of CCM's Pharmaceuticals Division from January 2008 until December 2015, and was also the Director of the Chemicals Division from October 2014 until December 2015. Following the internal reorganisation of the CCM Group in January 2016, Leonard Ariff bin Abdul Shatar's position as Director of Pharmaceuticals Division has been redesignated as Chief Executive Officer, Pharmaceuticals. He is also the Group Managing Director of CCM and Non-Executive Director on the boards of CCMM, DMSB, CCMC and CCM UKSB. By Virtue of his positions, Leonard Ariff bin Abdul Shatar is an interested director and an interested "Person(s) connected" as defined in the Definitions Section in the Circular to Shareholders dated 28 April 2016. Therefore, he is deemed interested in the Proposed Shareholders Mandate.
- ³ Provision of Shared/Management Services refers to support services covering areas of accounting, treasury, procurement, security, company secretarial, corporate affairs, legal, internal audit, human resource, information technology services, etc.