

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement outlines CCM Duopharma Biotech Berhad's ("CCM Duopharma") and its subsidiaries' (collectively referred to as "CCM Duopharma Group") approach towards corporate governance, its key focus areas and future priorities. CCM Duopharma recognises the importance of having balanced, meaningful and comparable corporate governance disclosures which will allow stakeholders to appreciate the direction that CCM Duopharma is heading towards and how the outcomes of good corporate governance will be delivered.

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report, which provides detailed disclosures on the application of each Practice as codified in the Malaysian Code on Corporate Governance ("MCCG"). The Corporate Governance Report is available on CCM Duopharma's website as well as via the announcement made on the website of Bursa Malaysia Berhad. The Corporate Governance Overview Statement and Corporate Governance Report are made pursuant to paragraph 15.25 of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad ("MMLR") and are narrated with reference to the guidance provided in Practice Note 9 of MMLR and the Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia Berhad.

The Corporate Governance Overview Statement should also be read in conjunction with other statements in this Annual Report (e.g. Statement on Risk Management and Internal Controls, Reports on Board Committees and Sustainability Statement) for an instructive understanding of CCM Duopharma's corporate governance framework and practices.

Corporate governance approach

In line with the prevailing narrative of the Annual Report, it is worth noting that the year 2017 was a year of unprecedented transformational change for CCM Duopharma as well as for Chemical Company of Malaysia Berhad and its subsidiaries ("CCMB Group") as a whole. The year culminated with the conclusion of the much-anticipated demerger of CCM Duopharma from the CCMB Group and its ultimate cessation as a subsidiary of Chemical Company of Malaysia Berhad ("CCMB"). Upon the completion of the demerger at the tail end of the financial year, Leonard Ariff relinquished his position as the Group Managing Director ("GMD") of CCMB and was subsequently redeployed as GMD for CCM Duopharma. Leonard is tasked to steer CCM Duopharma based on the strategic direction of the Board and to provide visionary leadership for the Senior Management team.

As CCM Duopharma pursues its growth agenda and charts its renewed path, the Board of CCM Duopharma ("Board") has sharpened its focus and commitment to maintain a credible and dynamic governance framework that supports and drives the long-term sustainability of CCM Duopharma. The Board recognises that the architecture and implementation of the governance framework is paramount for the effective development of strategy and business plan, the monitoring CCM Duopharma's performance and the prudent management of risks. Whilst the circumstances of CCM Duopharma may evolve over time, CCM Duopharma's overarching governance approach remains firmly-rooted and is anchored on CCM Duopharma's six core values of **Passion, Excellence, Teamwork, Integrity, Responsible** and **Respect**.

CCM Duopharma's overall corporate governance approach is to:

- Create a purpose and value driven corporate governance framework by promoting individual accountability;
- Humanise governance through the mastery of intersection between rules, processes, ethics and morality; and
- Drive the application of good governance practices in tandem with the value creation process of CCM Duopharma.

Recognising that a corporate governance framework is to certain extent malleable, the Board regularly reviews CCM Duopharma's corporate governance policies and procedures to ensure they reflect the latest curation of discourse, market dynamics and best practices whilst simultaneously addressing the needs of CCM Duopharma. In performing its duties, the Board continuously encourages and promotes meaningful and thoughtful application of corporate governance practices in line with established benchmarks. This proved to be a monumental effort during the year as the domestic corporate governance ecosystem was introduced to a swathe of corporate governance reform measures, namely the coming into force of the Companies Act 2016, the release of the latest incarnation of MCCG, amendments to MMLR as well as the issuance of the 3rd edition Corporate Governance Guide by Bursa Malaysia Berhad.

Summary of corporate governance practices

In seeking to actualise its corporate governance aspirations, CCM Duopharma has benchmarked its practices against the relevant promulgations and best practices.

CCM Duopharma has consistently applied all the Practices espoused by the MCCG, save for:

- Practice 6.2 (the establishment of a dedicated remuneration committee);
- Practice 7.2 (the disclosure of Senior Management remuneration);
- Practice 11.2 (the adoption of Integrated Reporting); and
- Practice 12.3 (the use of technology to facilitate remote shareholders' participation in general meetings).

In relation to the aforementioned departed Practices, CCM Duopharma has provided forthcoming and cogent explanations for their non-application. The Board appreciates the line of sight or Intended Outcomes outlined in MCCG and has therefore put in place alternative practices, taking into account the Intended Outcomes envisioned by the said Practices of MCCG.

As CCM Duopharma scales up in size and scope by progressing along its current trajectory, the Board will consider the adoption of the departed Practices as CCM Duopharma would be better positioned to implement these Practices in substance at that juncture. Whilst CCM Duopharma does not fall within the remit of Large Companies¹ as defined by MCCG, CCM Duopharma has on its own volition disclosed measures that it has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

A summary of CCM Duopharma's corporate governance practices with reference to the MCCG is outlined below.

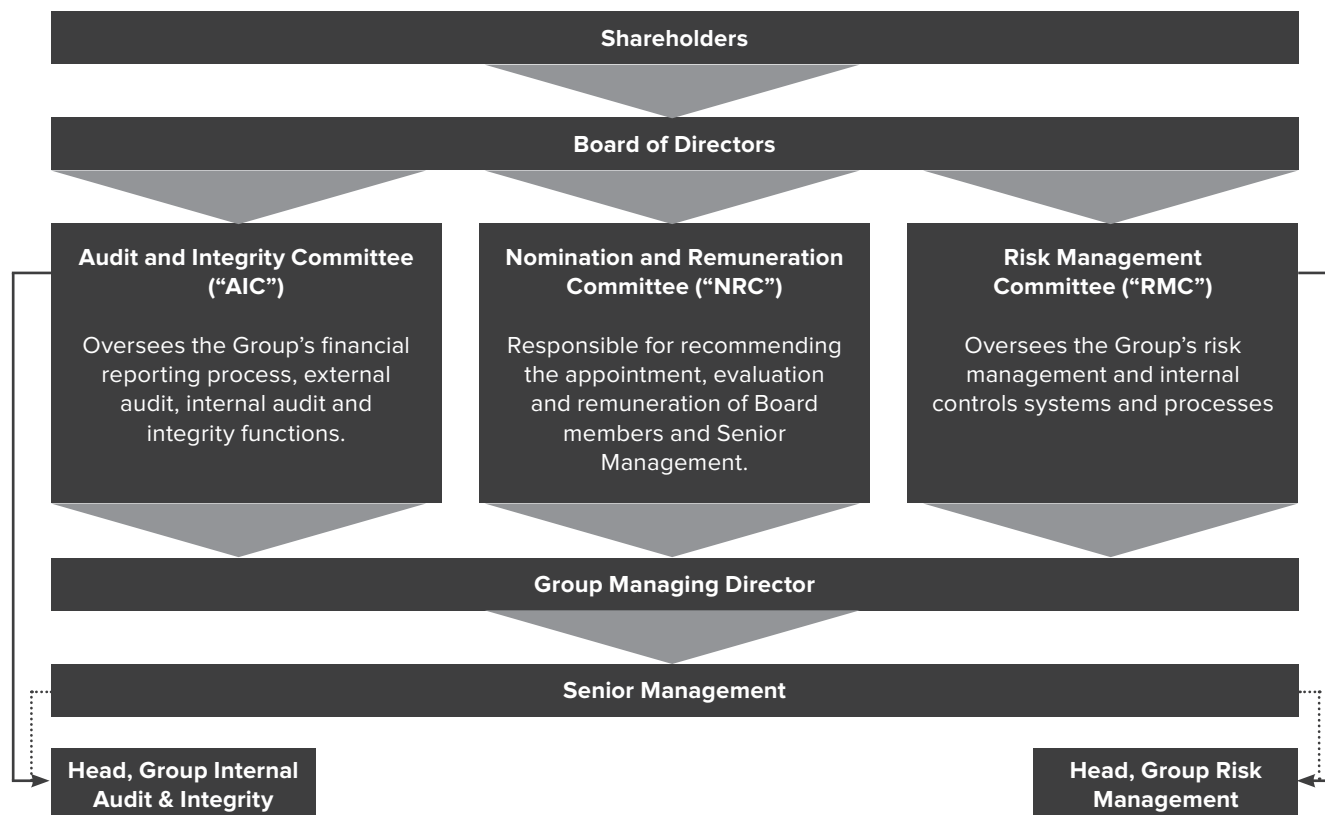
Roles and responsibilities of the Board

In an age where boards are expected to be far-sighted and more vigilant than ever, the Board assumes an active role in setting the strategic direction and providing leadership for the overall direction for CCM Duopharma. In ensuring the proper management of the affairs of CCM Duopharma, the Board is cognisant of the need for CCM Duopharma to operate within a framework of prudent and effective risk management and internal control mechanisms.

Board Committees have been established to assist the Board in its oversight function on specific matters. Whilst oversight of selected responsibility areas is delegated to the Board Committees, the Board nevertheless retains collective oversight and jurisdiction over the Board Committees. The Board Committees reports their activities and findings to the Board and are guided by their respective Terms of Reference.

¹ Large Companies are companies on the FTSE Bursa Malaysia Top 100 Index; or companies with market capitalisation of RM2 billion and above, at the start of the companies' financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)



The Board has formalised a Board Charter which serves as an authoritative document that governs the conduct of the Board, Board Committees and individual Directors. The Board Charter sets out the roles, responsibilities and authority of the Board. The Board has recently undertaken a review of the Terms of Reference of Board Committees during the year to ensure that they remain contemporaneous vis-à-vis latest regulatory developments, stakeholders' expectations and corporate governance best practices.

During the year, the Board and Board Committees have met regularly to deliberate on matters under their purview. Directors have devoted sufficient time to prepare, attend and actively participate during the Board and/or Board Committees meetings. The overarching agenda for the Board during the year was overseeing and supporting Senior Management on the execution of the strategic plan and the demerger exercise. Accordingly, the Board has deliberated on pertinent issues including CCM Duopharma's annual business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators. Meeting attendance of individual Directors during the year is outlined below.

Director	Board	ARMC	NRC
Leonard Ariff bin Abdul Shatar*	0/0		
Non-Independent Non-Executive Director			
Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir	6/7		4/4
Datuk Mohd Radzif bin Mohd Yunus****	0/0		
YB Dato' Hajah Normala binti Abdul Samad**	6/7		
Dato' Azmi bin Mohd Ali**	7/7		4/4
Independent Non-Executive Director			
Dato' Mohamad Kamarudin bin Hassan	7/7	5/5	4/4
Puan Sri Datuk Seri Rohani Parkash binti Abdullah	6/7		

Director	Board	ARMC	NRC
Dato' Eisah binti A. Rahman	7/7		0/0
Datuk Nik Moustpha bin Hj Nik Hassan*	0/0		
Razalee bin Amin	7/7	5/5	
Zaiton binti Jamaluddin	7/7	5/5	
Dr. Byung-Geon Rhee***	1/1		

■ Chairman ■ Member

1. *Following the completion of the demerger on 28 December 2017, the Audit and Risk Management Committee (“ARMC”) was reconstituted to Audit and Integrity Committee (“AIC”) and a Risk Management Committee (“RMC”). There was no meeting for AIC and RMC for the period from 28 December 2017 to 31 December 2017.*
2. ** Appointed w.e.f 28 December 2017 upon the conclusion of the demerger*
3. *** Resigned w.e.f 28 December 2017 upon the conclusion of the demerger*
4. **** Resigned w.e.f 25 February 2017*
5. ***** Appointed w.e.f 8 March 2018*

There is a clear separation of roles between the Chairman of the Board and the Group Managing Director to bring about an effective check and balance mechanism. The Group Managing Director is responsible for the day-to-day business and activities of CCM Duopharma and implements the strategies, policies and decisions approved by the Board. The Board has also appointed a Senior Independent Director who chairs the NRC and serves as a sounding board to the Chairman and a conduit for other Directors when necessary.

In performing their duties, the Board is supported by a professionally qualified and competent Company Secretary. The Company Secretary acts as a corporate governance advisor and provides the Board with periodic updates on the latest regulatory developments and facilitates the implementation of pertinent corporate governance enumerations. The Company Secretary assists in agenda setting and disseminates complete and accurate meeting materials to Directors in a timely manner in order to facilitate informed and rigorous Board or Board Committee discussions.

As the Board is the nucleus of good governance culture, it continuously strives to set the “tone at the top” and cascade ethical values and standards across every level of the Group. As such, the Board has adopted CCMB Group’s Code of Conduct to govern employees in their day-to-day professional conduct and decision-making process. As part of a far-reaching effort to promote ethical conduct, a Whistleblowing Policy has also been put in place to allow employees and other stakeholders to raise legitimate concerns without fear of retaliatory actions.

Board composition

As CCM Duopharma embarks on this new journey post-demergence, it is especially imperative for the Board to have an appropriate mix of skills, qualifications and experience that can support and strengthen CCM Duopharma’s leadership in driving the long-term vision for the Group. The Board, through the NRC, periodically reviews its composition to dovetail with the strategic trajectory of CCM Duopharma. The combined skills and expertise of Directors provide a breadth and depth of diverse perspectives that can refine the decision-making of the Board in pertinent areas.

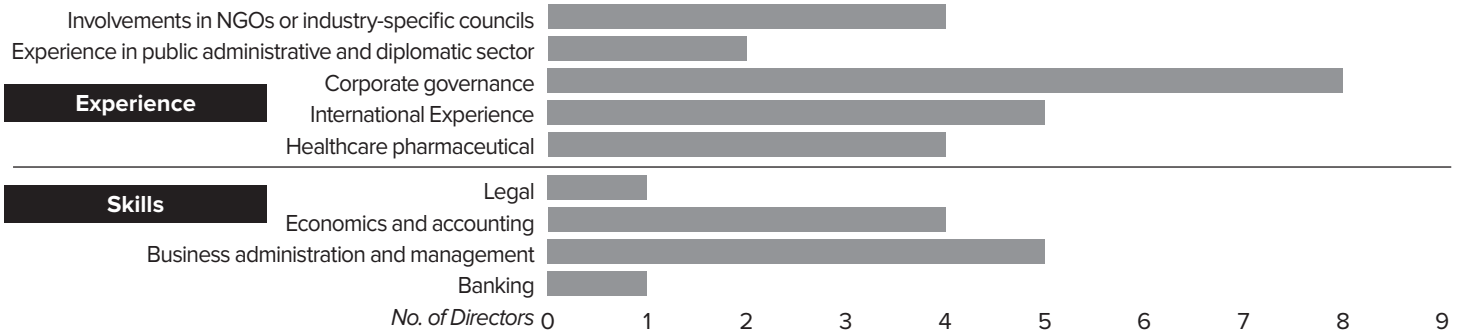
CCM Duopharma also has a long-standing history of constituting a diverse Board in the facet of gender. At present, there are four women Directors out of the nine Board members in aggregate. Taking cue from the policy pronouncement by the government, the Board has now furthered this agenda by codifying a stipulation in the Board Charter which calls for the Board to comprise at least 30% women Directors at any one time. It is also worthwhile to acknowledge that CCM Duopharma is one of the few listed issuers that have a female Non-Executive Director as the Board Chairman (i.e. only 9 out of the top 300 listed issuers by market capitalisation have female Non-Executive Chairmen)².

A granular dissection of the Board composition is depicted on the following page.

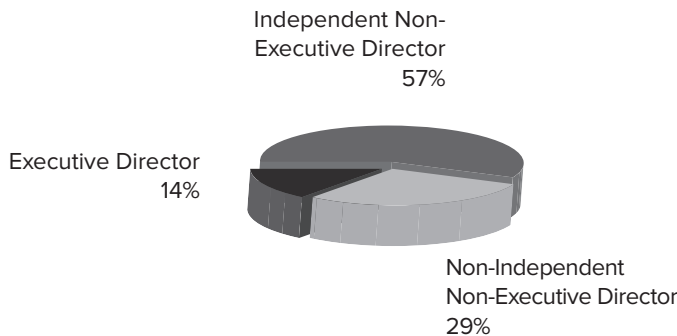
² Based on latest available annual reports as at 31 July 2017

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

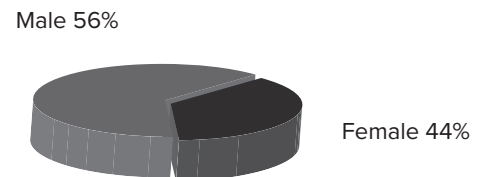
Director Skills and Experience



Board Independence



Board Diversity



Appointments to the Board are made via a formal, rigorous and transparent process. In assessing and recommending candidates for directorships, the NRC is guided by CCMB Group's Board Selection and Nomination Procedure which outlines the skills, experience and attributes required in a candidate. Sourcing of candidates are primarily based on referrals from incumbent Directors, Management and CCM Duopharma's major shareholders. To supplement this conventional method, the NRC additionally has access to independent search firms and consultants to identify a wider pool of potential candidates.

On an annual basis, the Board, Board Committees and individual Directors including Independent Directors are subjected to a rigorous evaluation process on their performance and effectiveness. The assessment is administered using instruments that deploy both qualitative and quantitative criteria, based on a self and peer rating assessment model.

In addition to the aforementioned evaluation, Independent Directors are also subjected to an annual test of independence, which is based on a set of qualitative evaluation criteria, so as to ascertain their continued objectivity and impartiality. As an additional measure to mitigate the risk of entrenchment, CCM Duopharma has codified a policy stipulation that limits the cumulative (consecutive or intermittent) tenure of Independent Directors to 9 years. The Board is of the view that such a quantitative measure would bring about the desired qualitative outcome of "independence in mind".

Remuneration

A fair remuneration package is critical to attract, retain and motivate Directors and Senior Management personnel. Towards this end, the Board has adopted Chemical Company of Malaysia ("CCMB") Group's Board Remuneration Policy to provide a formal and transparent process for setting the remuneration of Non-Executive Directors.

The Board acknowledges that remuneration is a key component in driving talented and high-calibre individuals to run the business successfully. For Non-Executive Directors, the remuneration packages are based on their position in the Board, participation in boardroom activities and specific skills or expertise that they bring to the Board. Based on the recent Report on Non-Executive Directors Remuneration 2017 released by KPMG, it was noted that CCM Duopharma is within the median range of payers in the consumer products industry.

The Board, through the NRC, aims to undertake a review on the remuneration of Directors and Senior Management once every three years.

Audit Committee

The Board has established an AIC to provide a robust and comprehensive oversight on the financial reporting, external and internal audit processes as well as integrity matters of CCM Duopharma Group. The Chairman of the AIC is distinct from the Chairman of the Board. The AIC members possess the requisite financial literacy and business knowledge that support the sound understanding of matters under their purview.

The AIC has unfettered access to both the internal and external auditors, who, in turn report directly to the AIC. The Board has established formal and transparent arrangements to maintain an appropriate professional relationship with the external auditor. This includes adopting policies and procedures to assess the suitability and independence of the external auditor on an annual basis. During the year under review, the external auditor has provided assurance that its personnel are and have been independent throughout the conduct of the audit in accordance to the terms of relevant professional and regulatory promulgations.

Risk management and internal controls

In order to address risks in a global environment that is characterised by continuous dissonance and disruption, the Board has recently instituted a stand-alone RMC at the Board level to assist in the oversight of internal and exogenous risk factors that are surrounding CCM Duopharma Group. This responsibility was previously borne by a combined Audit and Risk Management Committee which has now morphed into the dedicated AIC and RMC respectively. The metamorphosis of the combined Audit and Risk Management Committee into stand-alone Board Committees allows for more structured and focused oversight on specialised responsibility areas.

A robust risk management and internal control framework that has been established allows CCM Duopharma Group to identify, analyse, monitor and manage key business risks and is thus important in supporting the delivery of long-term value to CCM Duopharma Group's stakeholders. For the year under review, CCM Duopharma Group's risk management and internal control framework is based on CCMB Group's Risk Management and Manual Guidelines, which in turn is aligned to the globally recognised International Organisation for Standardisation Risk Management and Manual Guidelines (ISO) 31000.

During the year under review, CCM Duopharma Group's internal audit function leveraged on CCMB Group's in-house internal audit function ("Group Internal Audit") which resides within the Group Integrity and Assurance Department. The Group Internal Audit reports and make recommendations directly to the AIC (previously the Audit and Risk Management Committee). The Group Internal Audit is accorded with appropriate standing and authority to enable the discharge of its duties with independence and without undue influence. The Group Internal Audit has unrestricted access to the relevant personnel, properties and records within CCM Duopharma so as to discharge its functions in an unbridled manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Communication with stakeholders

As stewards of CCM Duopharma Group, the Board strives to foster a collegial and transparent relationship with the stakeholders of CCM Duopharma. Accordingly, the Board seeks to ensure that there is continuous communication and dissemination of information to stakeholders through a plethora of engagement fora including CCM Duopharma's website, announcements to Bursa Malaysia Securities Berhad as well as social media sites. CCM Duopharma's website contains recent announcements, past and current reports to shareholders, including summaries of key financial data, operational briefing presentations as well as copies of recent notices and minutes of general meetings. During the year under review, CCM Duopharma has also supplemented these activities by regularly participating in investors and analyst briefing sessions.

The Board has adopted CCMB Group's Communication Policy and Corporate Disclosure Policy that governs communication methods between CCM Duopharma and its stakeholders.

Conduct of general meeting

The Annual General Meeting ("AGM") serves as an invaluable platform for shareholders to engage the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall betterment of CCM Duopharma Group. During the previous AGM, all Directors were present to provide clear and meaningful response to shareholders' questions. The External Audit Partner was also present to answer questions from shareholders relating to the external audit process and outcome.

In order to encourage shareholders' participation, the Board ensures the location of the general meetings is easy to reach and reflective of shareholders' geographical dispersion. In addition, shareholders have been provided with 28 days' notice for the upcoming AGM to accord them with adequate time to prepare and ultimately make informed decisions during the AGM. The notice for AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and background information where applicable.

Focus areas during the year

The events which occurred during the year, namely CCMB Group's restructuring exercise which resulted in CCM Duopharma's subsequent detachment from the CCMB Group as well as local regulatory reforms in the domain of corporate governance, have necessitated the Board to be even more engaged in its value creation role. The Board played a crucial role in overseeing the demerger exercise and the resulting changes in CCM Duopharma's structure and ownership. In light of these developments, Directors were expected to devote more time and effort to gain a granular understanding of the complexities and nuances of CCM Duopharma's business in order to successfully attain the long-term vision for CCM Duopharma.

As CCM Duopharma increasingly falls under the close and direct scrutiny of institutional investors, there is no room for neglect in its corporate governance practices. During the year in review, the Board's focus on corporate governance revolved around the following areas:



Review of corporate governance policies and procedures

In light of the changes in the rich domestic corporate governance tapestry and CCM Duopharma's newfound detachment from the CCMB Group, the Board took the initiative to review and update its existing policies and procedures and formalise new ones where they do not exist. More specifically, changes were made to the Terms of Reference for the NRC and Policy on External Auditor. The Board has additionally formalised the respective Terms of References for the AIC and the RMC following the disbandment of the Audit and Risk Management Committee.

As these documents serve as guiding literature for the Board, the Board was cognizant to ensure that the changes made reflect the latest regulatory developments, expectations of stakeholders and the evolving operational and strategic circumstances of CCM Duopharma Group. The Board has also ensured that the relevant policies and procedures including the Board Charter and Board Committees' Terms of Reference are made accessible on CCM Duopharma's website.

Premised on the tenet of transparency, CCM Duopharma has on its own volition provided disclosures on the measures that CCM Duopharma has taken or intends to take to adopt the departed Practices of MCCG as well as the timeframe for adoption of the departed Practices. The Board recognises that this is a positive step which would allow CCMB to be placed alongside Large Companies based on the hallmark of transparency.



Succession planning

The succession plan put in place as part of CCMB Group's corporate restructuring exercise sought to ensure that there are no overlaps between the Board and Senior Management of CCM Duopharma and that of CCMB. This serves to ensure there is clear disentanglement in the newly-minted corporate structure.

Accordingly, Dato' Hajah Normala binti Abdul Samad stepped down as Chairman of CCM Duopharma in order to retain her seat as Chairman of CCMB. In line with the succession plan, Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir assumed the Chairmanship role of CCM Duopharma's Board. The demerger additionally saw the resignation of Dato' Azmi bin Mohd Ali, who retained his seat in CCMB. In order to fill the vacuum, the Board has appointed Datuk Nik Moustpha bin Hj Nik Hassan as an Independent Director. The tripartite combination of independence, knowledge and experience that Datuk Nik Moustpha brings to the Board will undoubtedly reinforce the element of informed oversight in deliberations and decision making of the Board.

During the year, the Board also oversaw the accession of Leonard Ariff bin Abdul Shatar as Group Managing Director from his previous designation as Chief Executive Officer. As it has always done, the Board will continue to support Leonard Ariff in his role and in his quest to spearhead CCM Duopharma to greater heights.



Director's professional development

Directors were provided with opportunities to develop and maintain their skills and knowledge throughout the year. The CCMB Group has organised in-house talks and training sessions facilitated by third party experts to keep Directors abreast on the latest market developments that may impact CCM Duopharma and the CCMB Group as a whole. Additionally, Directors have discretionally exercised their own initiative to request for external trainings, seminars or conferences that enhance their skill sets and knowledge in areas relevant to CCM Duopharma.

Visits to CCM Duopharma's operational sites were also arranged for Directors in order for them to gain first-hand views of the CCM Duopharma's operations and thus, cultivate a holistic understanding of the CCM Duopharma's business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

During the year in review, the Directors of CCM Duopharma have participated the following professional development programmes:

Director	Programme	Date
Leonard Ariff bin Abdul Shatar	“Companies Act 2016: Overview of the Changes and How They Affect You and Your Business” by Chemical Company of Malaysia Berhad	27 February 2017
	“The Outward Mindset: Leadership and Self-Betrayal” by Sentiyl SSG from the Arbinger Institute, organised by Chemical Company of Malaysia Berhad	13 July 2017
	CPhI Worldwide 2017 Frankfurt Germany	24 to 26 October 2017
Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir	OSK Group – KPMG Risk Management Training <ul style="list-style-type: none"> • Corporate Governance Ecosystem in Malaysia: Beyond Box-Ticking? What's New in Bursa Malaysia's Listing Requirements Amendments • Guidelines on Management of Cyber Risks Governance and Cyber Risk Measures • What's New: Malaysian Code on Corporate Governance 2016 (Draft) and Companies Act 2016 • Risk Management: What is it and How it Benefits • Enterprise Risk Management: Roles and Responsibilities • Change in Risk Landscape, Current Risk Trends and Risk Culture 	21 February 2017
	“Malaysia Global Leadership; Halal Pharmaceuticals & Informed Choice” organised by Chemical Company of Malaysia Berhad	31 March 2017
	“The Evolving Rules of Social Media: How to Leverage Social Media to Grow your Company, Engage Stakeholders and Actually Make Sales” organised by Chemical Company of Malaysia Berhad	7 April 2017
	“The Outward Mindset: Leadership and Self-Betrayal” by Sentiyl SSG from the Arbinger Institute, organised by Chemical Company of Malaysia Berhad	13 July 2017
	University Leadership & Governance Conference 2017 on Redesigning Education towards Financially Sustainable Universities” by University of Malaya, MOHE and AKEPT	15 to 16 August 2017
	Bursa Malaysia Advocacy Session on Corporate Disclosure for Directors and Principal Officer of Listed Issuer by Bursa Malaysia Berhad	30 August 2017
	ISQua 34 th International Conference London 2017 on “Learning at the System Level to Improve Healthcare Quality & Safety”	1 to 4 October 2017
	Bursa Malaysia Corporate Governance Breakfast Series: Integrating an Innovation Mindset with Effective Governance by Bursa Malaysia Berhad	7 November 2017
	Bursa Malaysia Case Study Workshop for Independent Directors on “Re-thinking- Independent Directors: A New Frontier” by Bursa Malaysia Berhad	9 November 2017

Director	Programme	Date
Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir (cont'd)	KPJ Medical Workshop & Exhibition 2017 by KPJ Healthcare Berhad	11 November 2017
	Seminar Pemantapan Tadbir Urus: Lembaga Pengarah Universiti Awam Siri 1/2017 by Jabatan Pengajian Tinggi	14 November 2017
	Companies Act 2016 and Malaysian Code on Corporate Governance by OSK Holdings Berhad	23 November 2017
	Johor Corporation Directors Conference 2017 on "Managing and Leading Johor Corporation Business Continuity Mission the Roles of the Boards of Directors"	29 November 2017
Dato' Mohamad Kamarudin bin Hassan	"Companies Act 2016: Overview of the Changes and How They Affect You and Your Business" by Chemical Company of Malaysia Berhad	27 February 2017
	Lion Diversified Holding Berhad's Training on the new Companies Act 2016 by Dato Foong Chee Meng	14 March 2017
	"4th Industrial Revolution: Impact and Opportunities for Manufacturing and Financial Services" by Partners of Bain & Company, Francesco Cigala and Francois van Raemdonck	19 May 2017
	"The Outward Mindset: Leadership & Self-Betrayal" by Arbinger Institute organised by Chemical Company of Malaysia Berhad	13 July 2017
	Driving Financial Integrity & Performance-Enhancing Financial Literacy- a program for Audit Committee by Ranjit Singh, organised by Bursa Malaysia	3 August 2017
	(1) New 2017 Malaysia Code of Corporate Governance (MCCG) and; (2) Cybersecurity in the Boardroom organised by Hong Leong	25 August 2017
	PNB Economic Forum on "The future of Globalisation & Liberalisation: Are we losing the battle?"	12 September 2017
	Bursa Risk Management Training for Directors by PWC	13 September 2017
	Director's Guide to Fraud & Corruption Risks by PWC, by Bursa Malaysia	26 September 2017
	IIA Malaysia National Conference on "Effective oversight of IS Functions - Are boards in sync with regulatory expectations?"	9 to 10 October 2017
	Case study workshop for independent directors on "Rethinking role of Independent Directors: A New Frontier" by Bursa Malaysia	9 November 2017
	Securities Commission's Conversation with Audit Committee on MFRS 9 & 15	14 November 2017

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Director	Programme	Date
Zaiton binti Jamaluddin	“Companies Act 2016: Overview of the Changes and How They Affect You and Your Business” organised by Chemical Company of Malaysia Berhad	27 February 2017
	“The Evolving Rules of Social Media: How to Leverage Social Media to Grow your Company, Engage Stakeholders and Actually Make Sales” by Chemical Company of Malaysia Berhad	7 April 2017
	“The Outward Mindset: Leadership and Self Betrayal” organised by Chemical Company of Malaysia Berhad	13 July 2017
	“ Cyber Security & Digital Transformation” organised by Chemical Company of Malaysia Berhad	20 September 2017
Razalee bin Amin	MPERS-Transiting from PERS to MPERS by Persatuan Firma-Firma Akauntan Bertauliah Melayu Malaysia	25 to 26 April 2017
	The Future of Fintech/Digital Disruption By PNB Investment Institute Sdn. Bhd.	24 May 2017
	Talent to Value Workshop	5 October 2017
	FIDE Core Program Module B (Bank) by The Iclif Leadership and Governance Centre	9 to 11 October 2017
	Persidangan Juruaudit Koperasi 2017 by The Institute of Cooperative & Management Auditors	21 November 2017
	Malaysian Private Entities Reporting Standards (MPERS): Recent Development and Updates by Malaysian Institute of Accountants	4 to 5 December 2017
Dato' Eisah Binti A. Rahman	“Malaysia Global Leadership; Halal Pharmaceuticals & Informed Choice” organised by Chemical Company of Malaysia Berhad	31 March 2017
	“The Outward Mindset: Leadership and Self Betrayal” organised by Chemical Company of Malaysia Berhad	13 July 2017
	"Cyber Security & Digital Transformation" organised by Chemical Company of Malaysia Berhad	20 September 2017
Puan Sri Datuk Seri Rohani Parkash binti Abdullah	Corporate Directors Advanced Programme (CDAP) “Cybersecurity Risk Management for the Boardroom and C-Suite” organised by MINDA	14 February 2017
	Mandatory Accreditation Program (MAP)	20 February 2017 30 to 31 March 2017
	Ecosystems Matter- Asia’s Path to Better Home Grown Governance AGPA Report MINDA/ organised by ICLIF	7 March 2017
	Sustainability Engagement Series for Directors & CEOs by INSEAD, Bursa Malaysia	13 March 2017
	“The Evolving Rules of Social Media: How to Leverage Social Media to Grow your Company, Engage Stakeholders and Actually Make Sales.” by Chemical Company of Malaysia Berhad	7 April 2017

Director	Programme	Date
Puan Sri Datuk Seri Rohani Parkash binti Abdullah (cont'd)	CKM Training Program: “Dealing in Listed Securities, Closed Period and Insider Trading” by CKM	15 May 2017
	“The Outward Mindset: Leadership and Self Betrayal” by Chemical Company of Malaysia Berhad	13 July 2017
	TPPA, Corporate Liability Law & Anti Corruption Compliance	6 September 2017
	Corporate Directors Advanced Programme (CDAP): “Mergers and Acquisitions” by MINDA	15 to 16 November 2017
	Independent Directors Programme: “The Essence of Independence” by Bursa Malaysia and ICLIF	20 November 2017
Datuk Nik Moustpha bin Hj Nik Hassan	Integrity Conference organised by Chemical Company of Malaysia Berhad	17 February 2017
	Mandatory Accreditation Programme for Directors of Public Listed Company organised by ICLIF	20 to 21 February 2017
	FIDE Module A, organised by Bank Negara	14 to 17 March 2017
	FIDE Module B, organised by Bank Negara	3 to 5 April 2017
	Takaful Ikhlas Training for its Directors on Takaful Business.	7 to 9 April 2017
	CCM Group Directors & Senior Management Training on Cyber Security & Digital Transformation organised by Chemical Company of Malaysia Berhad	20 September 2017
	PNB Training on Nomination Issues organised by PNB Institute	5 October 2017
	MNRB Director's Training on Takaful business	7 to 20 September 2017
	MNRB Shariah Advisors Training Takaful Issues	15 November 2017
Datuk Mohd Radzif bin Mohd Yunus	Bual Bicara PKS	13 January 2017
	New Innovative Tools for SME Financing	13 to 15 February 2017
	SME Bank for Indian SMEs	20 April 2017
	Sustainable Development Goal Financing: Enhancing the Role of National and Regional Development Finance Institutions	14 to 18 May 2017
	The Montreal Group Annual Meeting 2017 : The Role of SME-focused Development Banks: Now vs Future	5 to 9 June 2017
	Transformational Leadership	18 November 2017

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Corporate governance priorities (2018 and beyond)

As CCM Duopharma strives forward in its post-demerger agenda, the Board will accordingly continue to implement improvement measures in the area of corporate governance. More specifically, the Board has identified the following set-pieces on its horizon to propel CCM Duopharma forward in its corporate governance objectives.

Short and medium term plan (one to three years)

Enhancing CCM Duopharma's website and visibility

CCM Duopharma's website is an essential and accessible platform for stakeholders, including shareholders and potential investors to obtain information on CCM Duopharma. It is therefore at the forefront of the Board's agenda to ensure that CCM Duopharma's website is updated with the latest developments of CCM Duopharma and users are able to easily navigate through the website.

As CCM Duopharma brings to fore its identity in the post-demerger era, it aims to ensure that its image reflects its recalibrated strategic direction and competitive market positioning. An immediate step for the Board will be to decide on CCM Duopharma's logo and other branding communiqué. This is especially paramount as CCM Duopharma aims to promote price discovery of its stock and be on the heightened radar of analysts and potential investors through participation in investor roadshows as well as the Mid and Small Cap (MidS) Research Scheme by Bursa Malaysia Berhad.

CCM Duopharma will also endeavour to harness technological advancements to improve the efficiency at which the general meetings are run and to pave the way for remote shareholders' participation.

Succession planning and Directors' training

The structure and complexities of the pharmaceutical industry demand a seamless succession plan for key talents of CCM Duopharma Group that can safeguard their businesses and retain the confidence of the stakeholders. As the development and execution of the strategy for CCM Duopharma are done with a five-year horizon in view, it is especially imperative for CCM Duopharma's succession plan to be aligned to its strategic direction. In this regard, the Board intends to identify emerging talent and potential successors, from both within and outside of CCM Duopharma, for key Senior Management positions.

The Board is also cognisant that the tenure of its current members is relatively short (i.e. the average tenure for CCM Duopharma's current Director is less than 2 years). Against this backdrop, the Board, in coordination with Management, aims to enhance Directors' knowledge and familiarity with CCM Duopharma Group's operational sites and key business assets through site visits and engagement sessions with employees of CCM Duopharma Group.

Risk management and internal controls

In order to address risks in a global environment that is characterised by continuous dissonance and disruption, the Board has recently instituted a stand-alone RMC at the Board level to assist in the oversight of internal and exogenous risk factors that are surrounding CCM Duopharma Group. This responsibility was previously borne by a combined Audit and Risk Management Committee which has now morphed into the dedicated AIC and RMC respectively. The metamorphosis of the combined Audit and Risk Management Committee into stand-alone Board Committees allows for more structured and focused oversight on specialised responsibility areas.

In the near to medium term, CCM Duopharma intends to further strengthen its risk-based internal audit approaches. The challenges and complexity of risks faced by CCM Duopharma as a pharmaceutical company as well as the evolving nature of environmental and safety regulations compel it to have a cutting-edge approach to assess if responses to risks are adequate and continue to operate effectively.

Moreover, the Board and Risk Management Committee will seek to proactively engage the Executive Risk Management Committee and the Group Risk Management Department in regular updates and discussions on risk-appetite dialogue so as to reinforce a two-dimensional risk management communication (i.e. top-down and bottom-up risk management approach).

Long-term strategy

Corporate reporting

Although CCM Duopharma is not a Large Company and therefore is not subjected to Practice 11.2 of MCCG (i.e. adopting Integrated Reporting), CCM Duopharma nevertheless wishes to benchmark itself against such best practices. In the long run, the Board intends to undertake a readiness assessment and gauge the necessary measures to transition from CCM Duopharma's prevailing corporate reporting regime into Integrated Reporting.

At present time, CCM Duopharma has successfully produced its inaugural Sustainability Report pursuant to the guidelines outlined in Practice Note 9 of MMLR as well as the Sustainability Guide and Toolkits by Bursa Malaysia Berhad. It is worth noting that CCM Duopharma has in the past, consistently incorporated a sustainability statement in its annual report. These developments signal a significant step forward and has positioned CCM Duopharma on a solid footing to adopt Integrated Reporting.