



**CCM DUOPHARMA BIOTECH BERHAD (524271-W)**  
(Incorporated in Malaysia)  
**Quarterly Report On Results For The Period Ended 31 March 2008**  
**NOTES TO INTERIM FINANCIAL REPORT**

**A1 Accounting Policies and Method of Computation**

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of Listing Requirements of Bursa Malaysia Securities Berhad including compliance with Financial Reporting Standard (FRS) 134<sup>2004</sup>, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB)

The preparation of an interim financial report in conformity with FRS 134<sup>2004</sup>, *Interim Financial Reporting* requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

**A2 Changes in accounting policies**

The significant accounting policies adopted by the Group in preparing the interim financial statement, are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the new / revised FRSs that are effective for accounting period beginning on or after 1 January 2008.

**A3 Audit Report**

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

**A4 Seasonal or Cyclical Factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

**A5 Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

**A6 Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

**A7 Debts and Equity Securities**

There are no issuance, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter to date other than issuance of 18,000 new ordinary shares of RM0.50 each at an issue price of RM2.32 pursuant to the Employees' Share Option Scheme (ESOS) as follows:

Month	No of Shares Issued	Cash Proceed
Jan 08	10,000	23,200
Mar 08	8,000	18,560
<b>TOTAL</b>	<b>18,000</b>	<b>41,760</b>

**A8 Dividend Paid**

No dividend was paid during the current quarter. (2007:nil)

**A9 Segment Information**

There is no segmental reporting as the Group's activities are principally in pharmaceutical industry; and its operations are carried out solely in Malaysia.

**A10 Property, Plant and Equipment**

The valuation of property, plant and equipment used in the condensed financial statements have been brought forward without amendment from the previous annual financial statements.

**A11 Post Balance Sheet Events**

There are no material events after the period end up to 14 May 2008 (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 2008.

**A12 Changes in the Composition of the Group**

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

**A13 Related Parties Transactions**

Significant related parties transactions of the Group for the period ended 31 March 2008 are as follows:-

	<u>RM ' 000</u>
a) With CCM Pharmaceuticals (S) Pte Ltd, a wholly owned subsidiary of CCM International Sdn Bhd which in turn is a wholly-owned subsidiary of CCM Marketing Sdn Bhd. -Sales of goods	<u>756</u>
b) With CCM Marketing Sdn Bhd, a company in which Chemical Company of Malaysia Berhad has a direct interest of 100.0% -Sales of goods	<u>42</u>
c) With CCM Pharmaceuticals Sdn Bhd, a company in which Chemical Company of Malaysia Berhad has a direct interest of 100.0% -Purchase of goods	<u>106</u>

## ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

### B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM27.47 million and RM9.85 million respectively for current quarter ended 31 March 2008 as compared to RM28.11 million and RM10.87 million for the corresponding quarter last year. The decrease in PBT is mainly attributable to increase in raw material costs absorbed by the Group.

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

	Qtr 1 2008 (31/3/08) RM'000	Qtr 4 2007 (31/12/07) RM'000	Variance	
			RM'000	%
Revenue	27,473	32,068	(4,595)	(14.33)
Profit before tax	9,846	11,384	(1,538)	(13.51)
Profit after tax	7,312	9,009	(1,697)	(18.84)

The Group recorded revenue and profit before tax (PBT) of RM27.47 million and RM9.85 million respectively for the current financial quarter as compared to RM32.07 million and RM11.38 million respectively for the preceding financial quarter. The decrease in revenue and PBT as compared to preceding quarter are mainly due to decrease in sales to private market as well as government hospitals.

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

The Board expects the Group to achieve satisfactory results for the remaining period of current year under normal business environment.

### 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 31/3/08 RM'000	Current Year To Date 31/3/08 RM'000
Based on results for the quarter/year	2,427	2,427
Transfer to/(from) deferred tax	107	107
	<u>2,534</u>	<u>2,534</u>

The Group's effective tax rate is approximate to the statutory tax rate.

### B6 Unquoted Investments and Properties

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

### B7 Quoted Investments

There was no purchase or disposal of quoted securities during the current financial quarter.

### B8 Status of corporate proposals.

There were no new corporate proposal announced as at the date of the report.

**B9 Borrowings and Debt Securities**

The Group does not have any borrowings as at the end of the current financial quarter.

**B10 Off Balance Sheet Financial Instruments**

The Group does not have any off balance sheet financial instruments as at the date of issue of this quarterly report.

**B11 Material litigation**

There was no material litigation up to 14 May 2008 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

**B12 Dividend**

The Directors do not recommend any interim dividend for the current quarter ended 31 March 2008 (2007:Nil).

**B13 Earnings per Share**

	Current year quarter 31/3/08	Current year to date 31/3/08
a) <b>Basic EPS</b>		
Net profit (RM'000)	7,312	7,312
Weighted average number of ordinary shares in issue ('000)		
- Balance b/f	138,803	138,803
-Weighted average number of shares arising from options exercised during the period	2	2
	138,805	138,805
Basic EPS (sen)	5.27	5.27
b) <b>Dilutive EPS</b>		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	138,805	138,805
-Dilutive impact of unexercised share options	13	13
	138,818	138,818
Dilutive EPS (sen)	5.27	5.27

**B14 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 21 May 2008.

By Order of the Board

Noor Azwah binti Samsudin  
Rosnah binti Mahat  
Secretaries  
Kuala Lumpur  
21 May 2008