CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

Quarterly Report On Results For The Year Ended 31 December 2009

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 $_{2004}$, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB)

The preparation of an interim financial report in conformity with FRS 134 $_{2004}$, *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 2008 except for the adoption of the new / revised FRSs that are effective for accounting period beginning on or after 1 January 2009.

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.

A8 Dividend Paid

The Group paid an Interim Tax Exempt dividend of 12% (6 sen) per share amounting to RM 8.33 million in respect of financial year ended 31 December 2009 during the current quarter.

During the corresponding quarter last year the Group has paid an Interim Tax Exempt Dividend of 16% (8 sen) per share amounting RM 11.11 million.

A9 Segment Information

	Quarter Ended		Year To Date	
	31/12/2009	**31/12/2008**	**31/12/2009**	**31/12/2008**
	RM ' 000	**RM ' 000**	**RM ' 000**	**RM ' 000**
Sales revenue by geographical market :-				
Malaysia	27,034	26,342	112,784	109,982
Others countries	2,816	3,142	10,982	12,890
	29,850	29,484	123,766	122,872

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 13 February 2010 (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 December 2009.

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 December 2009 are as follows:-

		RM ' 000
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	2,859
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	308
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	956

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM29.85 million and RM8.61 million respectively for current quarter ended 31 December 2009 as compared to RM29.48 million and RM3.61 million for the corresponding quarter last year. The Group's revenue has improved marginally as compared to Q4 2008 and the increase in PBT is mainly due to one-off stock write off in previous year's corresponding quarter.

B2 Comparison with the Preceding Quarter's Results

	Qtr 4 2009 (31/12/09) RM'000	Qtr 3 2009 (30/9/09) RM'000	Variance	
			RM'000	%
Revenue	29,850	32,188	(2,338)	(7.26)
Profit before tax	8,610	9,268	(658)	(7.10)
Profit after tax	7,844	6,929	915	13.21

The Group recorded a revenue and profit before tax (PBT) of RM29.85 million and RM8.61 million respectively for current quarter ended 31 December 2009 as compared to RM32.2 million and RM9.27 million respectively for the preceding financial quarter. The decrease in revenue and PBT is mainly due to lower sales to Government tender and also local private market.

B3 Prospects for the Next Financial Year

The Group faces challenges to procure its normal import permits for psychotropic and dangerous drugs and hence, may impact next financial year's profitability. Notwithstanding this and barring any other unforeseen circumstances, the Group is expected to remain profitable.

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 31/12/09 RM'000	Current Year To Date 31/12/09 RM'000
Based on results for the quarter/year	426	7,303
Transfer to/(from) deferred tax	340	679
	766	7,982

The Group's effective tax rate is lower than the statutory tax rate mainly due to the utilisation of reinvestment allowances during the financial year ended 31 December 2009

B6 Unquoted Investments and Properties

There is 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 has drawdown approximately RM15 million term loan to part finance construction of warehouse for current quarter ended 31 December 2009

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 13 February 2010 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

B12 Dividend

a)For the current financial year ended 31 December 2009, the Board of Directors recommends a final tax exempt dividend of 10% (5.0 sen) per share and also dividend of 14% (7.0 sen) per share less 25% income tax (2008: a final tax exempt dividend of 14% (7sen) per share). The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting (AGM) of the Company. The date of the AGM and book closure in respect of the final dividend will be announced in due course.

b) The total dividend for the current financial year is 36% (18 sen) per share consists of a final dividend as stated in (a) above and an interim dividend of 12% {6sen} amounting to approximately RM22.67 million as compared to 2008 dividend as follows:-

i) Interim tax exempt dividend of 16% (8 sen) per share amounting to approximately RM11.11 million in respect of financial year ended 31 December 2008 was paid on 28 October 2008.

ii) A final tax exempt dividend of 14% (7 sen) per share amounting to approximately RM9.72 million in respect of financial year ended 31 December 2008 was paid on 26 June 2009.

B13 Earnings per Share

	Current year quarter 31/12/09	Current year to date 31/12/09
a) Basic EPS		
Net profit (RM'000)	7,844	30,233
Weighted average number of ordinary shares in issue ('000)		
- Balance b/f	138,822	138,822
-Weighted average number of shares arising from options exercised during the period	-	-
	138,822	138,822
Basic EPS (sen)	5.65	21.78
b) Dilutive EPS		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	138,822	138,822
-Dilutive impact of unexercised share options	-	-
	138,822	138,822
Dilutive EPS (sen)	5.65	21.78

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 20 February 2010

By Order of the Board

Noor Azwah binti Samsudin
Rosnah binti Mahat
Secretaries
Kuala Lumpur