



CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

Quarterly Report On Results For The Period Ended 31 March 2011

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 the Listing Requirements of Bursa Malaysia Securities Berhad and FRS 134, *Interim Financial Reporting*.

The interim financial report has been prepared in accordance with the same accounting policies in the consolidated financial statement as at and for the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2010 except for the mandatory adoption of the

FRSs/Interpretations

FRS 3 : Business Combinations (revised)
Amendments to FRS 2 : Share-based Payment
Amendments to FRS 2 : Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127 : Consolidated and Separate Financial Statements
Amendments to FRS 138 : Intangible Assets
Amendments to IC Int. 9 : Reassessment of Embedded Derivatives
Amendments to IC Int. 13 : Customer Loyalty Programmes
IC Int. 17 : Distributions of Non-cash Assets to Owners
IC Int. 4 : Determining Whether an Arrangement contains a lease
Amendments to FRS 132 : Classification of Rights Issues
Amendments to FRS 1 : limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 7 : Improving Disclosure about Financial Instruments
Amendments to FRSs : Improvements to FRSs (2010)

A2 Audit Report

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

A3 Seasonal or Cyclical Factors

The business operations of the Group during financial quarter under review were not materially affected by any seasonal or cyclical factors.

A4 Exceptional/Extraordinary Items

There were no exceptional/extraordinary items for the financial period under review.

A5 Changes in Estimates

There was no material change in estimates of amounts reported in the prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

A6 Debts and Equity Securities

There are no issuance, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter to date

A7 Dividend Paid

No Dividend was paid during the current quarter. (2010:nil)

A8 Segment Information

	Quarter Ended / Year To Date			
	3/31/2011		3/31/2011	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	30,814	12,832	30,814	12,832
Export	2,170	795	2,170	795
	32,984	13,627	32,984	13,627

A9 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.

A10 Post Balance Sheet Events

There are no material events after the period end up to 18 May 2011 (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 2011.

A11 Changes in the Composition of the Group

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

A12 Related Parties Transactions

Significant related parties transactions of the Group for the year ended 31 March 2011 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>783</u>
b) 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>(126)</u>
c) With UPHA Pharmaceuticals Sdn Bhd, a company in which Chemical Company of Malaysia Berhad has a direct interest of 100.0% -Purchase of goods	<u>(1,718)</u>
-Sales of goods	<u>3,083</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM32.98 million and RM7.88 million respectively for current quarter ended 31 March 2011 as compared to RM28.80 million and RM6.79 million for the corresponding quarter last year. The Group's revenue and PBT have improved as compared to last year corresponding quarter mainly due to increase sales to local private market.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1 2011 (31/3/11) RM'000	Qtr 4 2010 (31/12/10) RM'000	Variance	
			RM'000	%
Revenue	32,984	32,195	789	2.45
Profit before tax (PBT)	7,875	8,607	(732)	(8.50)
Profit after tax (PAT)	5,924	8,614	(2,690)	(31.23)

The Group recorded a revenue and profit before tax (PBT) of RM32.98 million and RM7.88 million respectively for current quarter ended 31 March 2011 as compared to RM32.20 million and RM8.61 million for the preceding financial quarter. The decrease in PBT was mainly due to reversal of production overhead no longer required in the preceding financial quarter. In respect of PAT the decrease was mainly due to the availability of Reinvestment Allowance in the preceding financial quarter.

B3 Prospect for the Remainder of Current Financial Year

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 31/3/11 RM'000	Current Year To Date 31/3/11 RM'000
Based on results for the quarter/year	(2,026)	(2,026)
Transfer to/(from) deferred tax	75	75
	<u>(1,951)</u>	<u>(1,951)</u>

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

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

Details of Group's borrowings are as follows :-

	Current Year To Date Unsecured Loan RM'000
Current	8,334
Non-current	8,332
Total	16,666

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 18 May 2011 (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 2011. (2010: Nil)

B13 Earnings per Share

	Current year quarter 31/3/11	Current year to date 31/3/11
a) Basic EPS		
Net profit (RM'000)	5,924	5,924
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)	4.27	4.27
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)	4.27	4.27

B14 Disclosure of Realised and Unrealised

	Current year to date 31-Mar-11 RM '000
Total retained profits:	
- Realised	113,911
- Unrealised	(4,671)
	109,240
Less: Consolidation adjustments	(34,723)
Total retained profit	74,517

In compliance with the Bursa Securities LR, no disclosure of comparative figures in relation to the immediate preceding quarter is necessary; this being the interim financial report effecting this new disclosure requirement.

B15 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 25 May 2011

By Order of the Board

Noor Azwah binti Samsudin
Secretary
Kuala Lumpur
25 May 2011