



CCM DUOPHARMA BIOTECH BERHAD
(formerly known as Duopharma Biotech Bhd) (524271-W)
(Incorporated in Malaysia)
Quarterly Report On Results For The Period Ended 31 March 2007
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) 134²⁰⁰⁴, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB)

The preparation of an interim financial report in conformity with FRS 134²⁰⁰⁴, *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 2006 except for the adoption of the new / revised FRSS that are effective for accounting period beginning on or after 1 January 2006.

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

During the current quarter, no interim nor final dividend was paid. (2006 : 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 2007 (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 2007.

A12 Changes in the Composition of the Group

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

A13 Contingent Liabilities

Contingent liabilities as at 14 May 2007 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report) is as follows:-

	<u>RM' 000</u>
Guarantees for banking facilities granted to its subsidiary	<u>22,680</u>

A14 Related Parties Transactions

Significant related parties transactions of the Group for the period ended 31 March 2007 are as follows:-

	<u>RM ' 000</u>
a) With CCM Pharmaceuticals (S) Pte Ltd (formerly known as Duopharma Trading (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 (formerly known as Tekan Maju Sdn Bhd)	
-Sales of goods	<u>414</u>
b) With CCM Chemicals Sdn Bhd, a company in which Chemical Company of Malaysia Berhad has a direct interest of 80.0%	
-Purchase of goods	<u>214</u>
c) 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>155</u>
d) 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>87</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM28.11 million and RM10.87 million respectively for current quarter ended 31 March 2007 as compared to RM27.41 million and RM10.46 million for the corresponding quarter last year. The growth in revenue and PBT is mainly attributable to the Group's continuous effort to enhance products mix that potentially generates higher returns.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1 2007 (31/3/07)	Qtr 4 2006 (31/12/06)	Variance	
	RM'000	RM'000	RM'000	%
Revenue	28,105	23,975	4,130	17.23
Profit before tax	10,867	7,491	3,376	45.07
Profit after tax	7,934	6,240	1,694	27.15

The Group recorded revenue and profit after tax (PAT) of RM28.11 million and RM7.93 million respectively for the current financial quarter as compared to RM23.98 million and RM6.24 million respectively for the preceding financial quarter. The increase in revenue and PAT as compared to the previous quarter is mainly due to increase in sales to private sector and export market.

B3 Prospects for the Remainder of Current Financial Year

The Board expects the Group to achieve satisfactory results for the remaining period of current financial 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 31/3/07 RM'000	Current Year To Date 31/3/07 RM'000
Based on results for the quarter/year	2,743	2,743
Transfer to/(from) deferred tax	190	190
	2,933	2,933

The Group's effective tax rate for the quarter under review is in line with 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 2007 (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 payment of interim dividend for the current quarter ended 31 March 2007 (2006 : Nil).

B13 Earnings per Share

	Current year quarter 31/3/07	Current year to date 31/3/07
a) Basic EPS		
Net profit (RM'000)	7,934	7,934
Weighted average number of ordinary shares in issue ('000)		
- Balance b/f	138,775	138,775
-Weighted average number of shares arising from options exercised during the period	-	-
	138,775	138,775
Basic EPS (sen)	5.72	5.72
b) Dilutive EPS		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	138,775	138,775
-Dilutive impact of unexercised share options	18	18
	138,793	138,793
Dilutive EPS (sen)	5.72	5.72

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 2007.

By Order of the Board

Saw Bee Lean
Secretary
Kuala Lumpur
21 May 2007