



CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

**Quarterly Report On Results For The Period Ended 30 June 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 2007.

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, a final dividend of approximately RM14.689 million (14.5 sen per share less tax of 27%) in respect of financial year ended 31 December 2006. (2005: 17.5 sen per share less tax of 28%) has been paid on 8 June 2007. The final dividend was approved by shareholders at Annual General Meeting held on 21 May 2007.

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

Subsequent to the end of the current quarter ended 30 June 2007, the Group has entered into a Sale & Purchase Agreement with a third party on 2 July 2007 to acquire a piece of land for a consideration of RM3.6 million.

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 16 August 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 30 June 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>1,023</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>310</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>435</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM27.70 million and RM10.47 million respectively for current quarter ended 30 June 2007 as compared to RM27.49 million and RM10.46 million for the corresponding quarter last year. The Group has performed consistently as compared to the corresponding quarter last year.

B2 Comparison with the Preceding Quarter's Results

	Qtr 2 2007 (30/6/07) RM'000	Qtr 1 2007 (31/3/07) RM'000	Variance	
			RM'000	%
Revenue	27,699	28,105	(406)	(1.44)
Profit before tax	10,468	10,867	(399)	(3.67)
Profit after tax	7,559	7,934	(375)	(4.73)

The Group recorded revenue and profit after tax (PAT) of RM27.70 million and RM7.56 million respectively for the current financial quarter as compared to RM28.11 million and RM7.93 million respectively for the preceding financial quarter. The marginal decrease in revenue was mainly due to slower sales in 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	Current Year
	Quarter	To Date
	30/6/07	30/6/07
	RM'000	RM'000
Based on results for the quarter/year	2,609	5,352
Transfer to/(from) deferred tax	300	490
	2,909	5,842

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 16 August 2007 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

B12 Dividend

For the current financial period ended 30 June 2007, the Board of Directors is recommending an interim dividend of 28% (14 sen) per share less 27% income tax based on paid up capital of approximately 139.4 million shares at par value of RM0.50 each. {2006: 14% (7sen)} in line with the increase in profit after tax. The book closure date in respect of the interim dividend is on 5 October 2007 and the dividend will be paid on 18 October 2007.

B13 Earnings per Share

	Current year quarter 30/6/07	Current year to date 30/6/07
a) Basic EPS		
Net profit (RM'000)	<u>7,559</u>	<u>15,492</u>
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	-	-
	<u>138,775</u>	<u>138,775</u>
Basic EPS (sen)	<u>5.45</u>	<u>11.16</u>
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	21	21
	<u>138,796</u>	<u>138,796</u>
Dilutive EPS (sen)	<u>5.45</u>	<u>11.16</u>

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 23 August 2007.

By Order of the Board

Noor Azwah binti Samsudin
Rosnah binti Mahat
Secretaries
Kuala Lumpur
23 August 2007