



CCM DUOPHARMA BIOTECH BERHAD (524271-W)

(Incorporated in Malaysia)

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

A8 Dividend Paid

No dividend was paid during the current quarter as compared to corresponding quarter in 2007 where final dividend of 14.5 sen per share less tax of 27% in respect of financial year ended 31 December 2006 amounting to RM14.7 million was paid.

A9 Segment Information

There is no segmental reporting as the Group's activities are principally in pharmaceutical industry; and its operations are carried out mainly 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 19 August 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 30 June 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 30 June 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>1,817</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>152</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>304</u>
d) With CCM Pharma Sdn Bhd, a company in which Chemical Company of Malaysia Berhad has a direct interest of 100.0%	
-Purchase of goods	<u>364</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue and profit before tax (PBT) of RM33.51 million and RM10.78 million respectively for current quarter ended 30 June 2008 as compared to RM27.70 million and RM10.47 million for the corresponding quarter last year. The PBT increased marginally despite 20.97% growth in revenue mainly due to increase in raw material costs and other operational costs absorbed by the Company.

B2 Comparison with the Preceding Quarter's Results

	Qtr 2 2008 (30/6/08) RM'000	Qtr 1 2008 (31/3/08) RM'000	Variance	
			RM'000	%
Revenue	33,505	27,473	6,032	21.96
Profit before tax	10,784	9,846	938	9.53
Profit after tax	7,980	7,312	668	9.14

The Group recorded revenue and profit before tax (PBT) of RM33.51 million and RM10.78 million respectively for the current financial quarter as compared to RM27.47 million and RM9.85 million respectively for the preceding financial quarter. The growth in revenue and PBT is mainly due to increase in sales to private market as well as to 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 30/6/08 RM'000	Current Year To Date 30/6/08 RM'000
Based on results for the quarter/year	2,630	5,057
Transfer to/(from) deferred tax	174	282
	2,804	5,339

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 19 August 2008 (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 2008, the Board of Directors is recommending an interim tax exempt dividend of 16% (8 sen) per share based on paid up capital of approximately 139.5 million shares at par value of RM0.50 each (2007: 28% (14 sen) per share less 27% income tax). The book closure date in respect of the interim dividend is on 10 October 2008 and the dividend will be paid on 28 October 2008.

B13 Earnings per Share

	Current year quarter 30/6/08	Current year to date 30/6/08
a) Basic EPS		
Net profit (RM'000)	7,980	15,291
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	7	7
	138,810	138,810
Basic EPS (sen)	5.75	11.02
b) Dilutive EPS		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	138,810	138,810
-Dilutive impact of unexercised share options	8	8
	138,818	138,818
Dilutive EPS (sen)	5.75	11.02

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 26 August 2008.

By Order of the Board

Noor Azwah binti Samsudin
Rosnah binti Mahat
Secretaries
Kuala Lumpur
26 August 2008