Duopharma Biotech Berhad
(Formerly known as CCM Duopharma Biotech Berhad)

Perspective from the Leaders

1. Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir (Chairman of the Board of Directors)
2. Leonard Ariff Bin Abdul Shatar
3. Dato’ Mohamad Kamarudin Bin Hassan
4. Razalee Bin Amin
5. Datuk Seri Rohani Parkash Binti Abdullah
6. Zaiton Binti Jamaluddin
7. Dato’ Eisah Binti A. Rahman
8. Datuk Nik Moustpha Bin Hj Nik Hassan
9. Datuk Mohd Radzif Bin Mohd Yunus

Statement on Risk Management and Internal Control

• Report of the Nomination and Remuneration Committee
• Report of the Audit and Integrity Committee
• Report of the Risk Management and Sustainability Committee
• Report of the Halal Committee

Other Disclosures

Board of Directors

Audit and Integrity Committee
Halal Committee
Nomination and Remuneration Committee
Risk Management and Sustainability Committee

Chairman
Member

Duopharma Biotech Berhad
(formerly known as CCM Duopharma Biotech Berhad)
In the community, we are most concerned about elevating overall levels of health and healthcare. We believe much can be done to educate the public about the importance of leading healthy lifestyles, and play our part through various initiatives. This year, we launched a new corporate social responsibility ("CSR") programme to raise medical students’ awareness of non-communicable diseases such as diabetes, cancer, heart and kidney disease, adding to their knowledge of the risk factors and inspiring them to adopt healthier lifestyles and serve as role models for other Malaysians.

PLANET PERFORMANCE

As a manufacturer, we have a duty to ensure our operations are minimally wasteful and leave as small a footprint on the environment as possible. Towards this end, we undertake various initiatives to manage our water and energy consumption as well as to dispose of our waste properly.

In 2018, we reduced our water consumption by 30% year-on-year via the installation of more efficient equipment, improved cleaning techniques and generally heightened awareness of the need to conserve water among our employees. Meanwhile, the chemical oxygen demand ("COD") of our effluent decreased substantially, by 85.1% year-on-year, following upgrades to our Industrial Effluent Treatment System ("IETS") and reinforced compliance capabilities.

We abide by all regulations regarding the disposal of scheduled waste and promote the 3Rs of recycling, reducing and re-using for the disposal of recyclable materials such as paper, metal, glass and plastic. Despite our initiatives, the volume of paper used during the year increased, but this was due to growth in production. Energy consumption also increased during the year, in line with expanded production, leading to higher GHG emissions.

In 2019, we aim to reduce our atmospheric CO2 equivalent emissions by 5% via reinforced initiatives and greater awareness among employees of the importance of better managing our energy efficiency.

GOING FORWARD

As a newly independent company, our sustainability journey is still relatively new, hence there is still much scope for improvement. Recognising this, we aim to keep improving our sustainability performance through the implementation of more systems and processes both to create greater efficiencies as well as to monitor various parameters. Our aim, eventually, is to fully embed our Sustainability Policy into our business strategy for truly integrated and enhanced performance.

Further details of our sustainability initiatives can be found in our standalone Duopharma Biotech Sustainability Report 2018 which is available on the Company’s website at http://duopharmabiotech.com/sustainability-report/

TREND PRODUCTS

We are excited about the emergence of new trends in niche and specialty products, particularly in regenerative, precision and personalised medicine; and seek to venture into these areas together with our strategic partners.

OUR AIM, EVENTUALLY, IS TO FULLY EMBED OUR SUSTAINABILITY POLICY INTO OUR BUSINESS STRATEGY FOR TRULY INTEGRATED AND ENHANCED PERFORMANCE.
1. Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir
(Chairman of the Board of Directors)
2. Leonard Ariff Bin Abdul Shatar
3. Dato’ Mohamad Kamarudin Bin Hassan
4. Razalee Bin Amin
5. Datuk Seri Rohani Parkash Binti Abdullah
6. Zaiton Binti Jamaluddin
7. Dato’ Eisah Binti A. Rahman
8. Datuk Nik Moustpha Bin Hj Nik Hassan
9. Datuk Mohd Radzif Bin Mohd Yunus

BOARD OF DIRECTORS

AIC    Audit and Integrity Committee
HC     Halal Committee
NRC    Nomination and Remuneration Committee
RMSC   Risk Management and Sustainability Committee

Chairman    Member
Tan Sri Siti Sa‘diah Binti Sh Bakir has contributed extensively to Malaysia’s healthcare industry, serving in senior management positions at a leading healthcare service provider and contributing her expertise through various government councils and committees.

Tan Sri is a Non-Independent Non-Executive Chairman of Duopharma Biotech since 28 December 2017. She was appointed as a Senior Independent Director on 5 April 2016. Prior to her appointment as a Senior Independent Director in Duopharma Biotech, she served as an Independent Non-Executive Director in Chemical Company of Malaysia Berhad until its demerger in December 2017.

She launched her career at Johor Corporation in 1974, joining its Healthcare Division in 1978. She was appointed Chief Executive of Kumpulan Perubatan (Johor) Sdn. Bhd. in 1989, and served as Managing Director of KPJ Healthcare Berhad from 1 March 1993, overseeing its listing in November 1994 and she retired on 31 December 2012 but continued to serve KPJ in the capacity of a Corporate Advisor from 1 January 2013 until 31 December 2014. Tan Sri Siti Sa‘diah was the Chairman of KPJ Healthcare University College (“KPJUC”) between 1 August 2011 to 31 December 2016. She was the Pro-Chancellor of KPJUC from August 2011 to 31 December 2018. She has been appointed as the Chancellor of KPJUC with effect from 1 January 2019.

She was an Independent Non-Executive Director of Bursa Malaysia from 2004 to 2012 and was a Board Member of Malaysia External Trade Development Corporation (“MATRADE”) from 1999 to 2012. She served as a Director of few other Public Listed Companies under Johor Corporation Group such as Al-Aqar Healthcare REIT, Kulim (M) Berhad, KFC Holdings Malaysia Bhd and QSR Brands (M) Holdings Bhd from 2006 to 2016.

Committed to promoting excellence in healthcare, Tan Sri has served as President of the Malaysian Society for Quality in Health (“MSQH”) since the inception of the national accreditation body for healthcare services in 1997 until her retirement in December 2018. She was appointed Chairman of Universiti Utara Malaysia from June 2016 to September 2018.

She is currently the Pro-Chancellor of Universiti Teknologi Malaysia since October 2016. She has also been a member of the Leadership Development Committee of the Razak School of Government (“RSOG”) since 25 November 2013.

Tan Sri Siti Sa‘diah was named CEO of The Year 2009 by the New Straits Times Press and American Express. This was followed by numerous other awards and accolades recognising her contributions to the healthcare industry in Malaysia. Her accomplishments have been recorded in a biography published in 2013, titled Siti Sa‘diah: Driven by Vision, Mission and Passion.
Leonard Ariff has more than 30 years’ experience in the legal, chemical and pharmaceutical industries. Upon graduating in 1988, he was a pupil in a legal firm in Kuala Lumpur and also worked in the Petronas Group of Companies before joining the Chemical Company of Malaysia Berhad (“CCMB”) Group in 1990, where his main responsibilities were in business development and business management at CCM Chemicals Sdn. Bhd. In 2000, he assumed the position of Managing Director of Usaha Pharma (M) Sdn. Bhd., CCM’s Pharmaceuticals retail arm. He joined ICI Paints Malaysia Sdn. Bhd. in 2003 as its General Manager and was appointed Managing Director in 2005, before returning to the CCMB Group in 2008 as Chief Executive Officer of CCM Duopharma Biotech Berhad. He was made a Director of CCMB’s Chemicals Division from October 2014 until December 2015. On 9 January, he was also appointed Group Managing Director of CCMB, and served in that position until 28 December 2017, when he was appointed to the Board and redesignated as Group Managing Director of Duopharma Biotech Berhad.

Leonard Ariff also chairs the School of Business Industry Advisory Board at Monash University Malaysia, and has been appointed to participate in the CEO @ Faculty programme by the Ministry of Education, assigned to University Kebangsaan Malaysia (“UKM”).

He was President of Malaysian Organisation of Pharmaceutical Industries (“MOPI”) from 2009 to 2014.
Dato’ Mohamad Kamarudin brings to the Board extensive experience as an economic/financial advisor in the public sector, beginning in 1979 at the Administrative and Diplomatic Service. Following his first posting to the Macro-Economic Division of the Economic Planning Unit in the Prime Minister’s Department, he was transferred in 1987 to the Ministry of International Trade and Industry (”MITI”) where he served in various divisions. From 1992 to 1994, he was posted to the Malaysian Embassy in Washington DC as the Economic Counsellor. Upon returning to Malaysia in August 1994, he was re-posted to MITI where he had served in the bilateral and multilateral trade negotiation divisions. He then served as Deputy Chief Executive Officer of MATRADE from January 2006 until his retirement on 31 August 2013.

Dato’ Mohamad Kamarudin was appointed as a Senior Independent Director of Duopharma Biotech with effect from 28 December 2017, following the re-designation of Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir as a Non-Independent Non-Executive Chairman. Prior to that, he served the Board as an Independent Non-Executive Director.
Razalee has more than 42 years of experience in various accounting, finance, investment and management positions. Upon graduating in 1979 from University Malaya, he started his career at Messrs. Hanafiah Raslan & Mohamad, a chartered accountancy firm. This was followed by a four-year stint, starting in 1983, as Group Financial Controller of Sateras Resources (Malaysia) Berhad.

He then joined MBf Finance Berhad in 1987 and was appointed as Senior Vice President of the Investment and Acquisitions Division. Razalee subsequently served Damansara Realty Berhad as its Senior General Manager from 1994 until 1996, when he set up his own chartered accountants firm, Razalee & Co, where he is currently the Managing Partner.
Datuk Seri Rohani joined the public service in January 1981 and has served the government in policy formulation, project implementation and budget monitoring for the land and regional development, communication and multimedia, human resources and higher education sectors. She was extensively involved in international policy and development of these sectors before leaving government service in 2012 as Deputy Secretary General of the Ministry of Higher Education. She concluded her career in the public sector as a Senior Fellow at Universiti Teknologi Malaysia.

From June 2012 until August 2018, Datuk Seri Rohani also served as the President of PUSPANITA Kebangsaan, an association of women civil servants and wives of civil servants focused on charity and volunteerism and uplifting of knowledge of members in health, education, entrepreneurship, religion and business sectors. From 2015, she has taken up advisory positions in the corporate sector and serves as a director of three public listed companies.
Zaiton has over 20 years of experience in the healthcare and pharmaceutical industry, beginning her illustrious career in 1982 as a pupil pharmacist with the Ministry of Health. Two years later, she joined the sales and marketing team of United Italian Trading Corporation. She then moved to Novo Industri A/S in 1985, where she served as the Assistant Medical Information Manager for the South East Asia Regional Office. In 1989, when Novo Industri A/S and Nordisk Gentofte A/S merged to become Novo Nordisk A/S, the world’s leading producer of insulin, Zaiton was appointed as its Business Development Manager for Malaysia, a post she held until 1993. From 1993 to 1997, she led Novo Nordisk’s Malaysian operations as its Country Manager. This was followed by a 10-year stint as General Manager of Novo Nordisk Pharma (M) Sdn. Bhd.. During this time, Zaiton helped to establish and grow Novo Nordisk’s business, mainly in insulin and oral diabetes care, haematology and women’s therapy. She held roles in the areas of general management, sales and marketing, business development and training. In addition, she was involved in lobbying and making presentations to the government.

An expert in her field, Zaiton has been a regular speaker on scientific as well as motivational topics. She was a member of the MARA Council from 2000 to 2002, a director of Malaysian Biotechnology Corporation Sdn. Bhd. from 2006 to 2008, and a former President of the Pharmaceutical Association of Malaysia from 2005 to 2007.
Dato’ Eisah has been a key figure in the development of the pharmacy and pharmaceutical sectors in Malaysia, having served the Ministry of Health for more than 35 years. Her career in the Ministry began in 1979 as a pharmacist, unfolding as she went on to hold key positions that included heading the Pharmaceutical Microbiology Lab and GMP and Licensing Section, being Deputy Director of the Centre for Product Registration and, eventually, Director of the National Pharmaceutical Control Bureau (“NPCB”), now known as the National Pharmaceutical Regulatory Agency (“NPRA”). In 2007, she was made Director of Pharmacy Enforcement and was promoted to Senior Director of Pharmaceutical Services in 2008, taking charge of the entire pharmacy programme in Malaysia. Since 2008, she has also served as Registrar of the Pharmacy Board of Malaysia.

Dato’ Eisah has been involved in various high-level national committees such as the Ministry of Health’s Steering Committee for National Medicines Policy. She has also contributed to international policy-making in her capacity as an advisor in the areas of regulations and pharmaceutical quality assurance, and through sharing her expertise on regulatory matters at healthcare related conferences.

She was involved in the ASEAN harmonisation initiatives for pharmaceuticals, medical devices, cosmetics, traditional medicines and health supplements. As Chair of the Pharmaceutical Product Working Group of the ASEAN Consultative Committee for Standards and Quality (“ACCSQ”), she was instrumental in the implementation of the ASEAN Common Technical Dossier and the ASEAN Technical Guidelines. Under her leadership, NPCB was accepted as a member of the Pharmaceutical Inspection Co-operation Scheme (“PIC/S”) in 2002, and designated a Non-OECD Member Adhering to the OECD Mutual Acceptance Data (“OECD-MAD”) System effective March 2013. Also, under her helm, the Pharmaceutical Services Division received the Global Anti-Counterfeiting Award 2013 and the Special Innovation Award 2013 for initiatives to combat counterfeit medicines.
Datuk Nik Moustpha is an academic and administrator with interests in economic ideology, systems and management. He has authored six books, edited 18 books and published over 260 scholarly articles in various journals, books, magazines and newspapers on these topics. His book titles include An Islamic Paradigm in Economics: Vision and Mission, Islamic Management for Excellence – Revitalising People for the Future, Value-based Total Performance Excellence Model and Pandangan Alam Islam Dalam Peradaban Ekonomi dan Asas Memacu Ekonomi Ummah – Satu Pandangan.

Datuk Nik Moustpha began his career in 1979 as a Lecturer in the Faculty of Economics and Agribusiness, Agricultural University of Malaysia. In June 1983, he was seconded to the Faculty of Economics and Management of International Islamic University, Malaysia. He was made Dean of the faculty from August 1987 to July 1989. In May 1988, he was also appointed as an Associate Professor of the faculty.

Following a year’s stint as a Visiting Fellow at the Oxford Centre for Islamic Studies, University of Oxford, United Kingdom. Datuk Nik Moustpha was appointed as Dean of the Postgraduate Faculty of International Islamic University, Malaysia in August 1992. He subsequently joined the Institute of Islamic Understanding Malaysia (“IKIM”) in 1993 and held various positions before being appointed as Director General in August 2009 and retired in August 2015. For his service to the country, in June 2009, he was awarded Darjah Panglima Jasa Negara (PJN) by the Yang di-Pertuan Agong.

Datuk Nik Moustpha is currently an Adjunct Professor at UKM’s Faculty of Economics and Management and an Adviser of the Faculty of Business and Accounting at University of Malaya.

Prior to being appointed to the Board of Duopharma Biotech, he had served as an Independent Non-Executive Director of Chemical Company of Malaysia Berhad from 9 September 2016.
Datuk Mohd Radzif Bin Mohd Yunus was a Group Managing Director of SME Development Bank Malaysia from 1 July 2010 to 30 June 2017.

Datuk Mohd Radzif comes from a diverse management background. He started his career in academia and as a property consultant in an International firm. This was followed by a management role in a Commercial Bank. From here, he was Chief Executive Officer of a local conglomerate involved in diversified businesses ranging from construction, property development, highway concession, property management and project management. This was followed by a CEO position in Tabung Haji subsidiary companies. Subsequently, he was appointed as the Chief Executive Officer and Group Managing Director of Institut Jantung Negara Sdn. Bhd. (National Heart Institute) and IJN Holdings Sdn. Bhd. respectively.

In summary, he has a diversified job exposure in taking charge of an international healthcare, property consultancy, real estate development and banking, in leadership positions in each of the varied and diversified industries.

Datuk Mohd Radzif was also a Chairman of Association of Development Finance Institutions of Malaysia ("ADFIM") and a Vice Chairman of Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank ("ADFIMI"). He was a Board member of the Association of Development Financial Institution Asia Pacific and The Montreal Group, a grouping of six (6) Global SME Development Banks. He was also the member of Board of Advisor for Franchise Association, Committee of Advisory for Entrepreneurship in Ministry of Higher Education and Advisory Committee for Innovation Agency of Malaysia.

Datuk Mohd Radzif currently serves as a Board member of two (2) other Public Listed Companies i.e. HeiTech Padu Berhad and Bina Darul Aman Berhad. He is a Board member of a Government Statutory Body, Perbadanan Kampung Baru. He is also on the Frost & Sullivan Advisory Board on Fintech and Blockchain Technology, and a Strategic Advisor to KPJ Berhad.

Datuk Mohd Radzif was awarded the Malaysian Business Leadership Award for Healthcare in 2009. He was also accorded the CEO of the Year in 2015 by the Association of Development Financial Institution Asia Pacific. He was conferred an Honorary membership by ADFIMI in 2018 for his contribution to Islamic Development Finance.
SENIOR MANAGEMENT TEAM

1. IBRAHIM HUSSIN SALLEH
   Chief Legal Officer and Group Company Secretary

2. URUDRA A/L N. SARVANANTHAM
   Chief Commercial Officer

3. KRISNAKUMARA-REDDI
   Chief Manufacturing Officer

4. WAN AMIR-JEFFERY BIN WAN ABDUL MAJID
   Chief Operating Officer

5. CHEK WU KONG
   Chief Financial Officer

6. NG SU YEE
   Chief Technical Officer

7. RAMA SOCKALINGAM NAGAPPAN
   Head, Group Internal Audit & Integrity

8. ANITA BINTI ESA
   Head, Group Risk Management
Jeffery has wide-ranging experience in the biotechnology and pharmaceutical industries. He launched his career in 1997 in marine and environmental consulting firm, Sea Resources Management ("SRM") Sdn. Bhd., leaving in 2007 to join Malaysian Biotechnology Corporation (BiotechCorp) Sdn. Bhd.. As a Lead Business Analyst in the Biomedical Business Development and Investment ("BDI") Division, he acquired extensive knowledge and expertise in identifying, structuring, securing and implementing biomedical investment projects, especially in the biopharma and pharmaceutical industries. He was promoted to Vice-President within the same division in 2008.

In 2013, he assumed the dual roles of Chief Executive Officer of Johor Biotechnology & Biodiversity Corporation and J-Biotech Holdings Sdn. Bhd.. At the state-owned bodies, he was responsible for developing and implementing key bioeconomy and biotech initiatives in Johor. Jeffery joined Duopharma Biotech as Chief Strategy Officer on 5 September 2016, responsible for business development, Halal initiatives and government business sales. He was appointed as Chief Operating Officer on 12 September 2018. He has also served as Chief Executive Officer of Duopharma (M) Sendirian Berhad, a wholly-owned subsidiary of Duopharma Biotech, since 5 September 2016.
Urudra has nearly 29 years of commercial experience, of which 14 years have been in the pharmaceuticals industry. He joined the ICI/Chemical Company of Malaysia Berhad (“CCMB”) on 2 June 1983 as a Plant Engineer in the Fertilizer Business. After six years in the engineering field, in July 1989 he was transferred to CCMB’s Chemicals Division as a Product Manager, commencing his commercial career in ICI/CCM/Duopharma Biotech.

Under CCMB’s career development programme, Urudra was transferred to the Group Human Resources Department where, in October 1990, he was appointed Human Resources Planning Manager of CCMB Group. In April 1992, he was transferred back to CCMB’s Chemicals Division as Business Manager. Honing his skills over a period of 11 years, he was subsequently promoted to Director of the Chemicals Business.

On 1 February 2003, Urudra was transferred to CCMB’s Pharmaceuticals Division as Director and General Manager of Marketing. In July 2004, he was transferred to CCMB’s Corporate Office to lead the Group’s Business Development as Director, Group Strategic Planning & Business Development. He also took on special corporate roles as Director, International Business Division and Director, Group Transformation Office. On 1 January 2012, Urudra was transferred to CCMB’s Pharmaceuticals Division as Chief Commercial Officer. He currently heads all Duopharma Biotech’s local and international commercial activities.

Urudra is also the President of the Malaysian Organisation of Pharmaceutical Industries (“MOPI”) and is on the Advisory Panel of Monash University’s Chemical Engineering faculty.
Senior Management Team’s Profile

CHEK WU KONG
Chief Financial Officer

QUALIFICATIONS
Bachelor of Accounting ("Hons"), University of Malaya
Chartered Accountant, Malaysian Institute of Accountants
Member of the Malaysian Institute of Certified Public Accountants ("MICPA")
Senior Management Development Program, Harvard Business School, US
ICAEW Qualified Person Responsible for Training ("QPRT")

DIRECTORSHIP IN PUBLIC COMPANIES AND OTHER LISTED ISSUERS:
None

LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:
None

DATE APPOINTED TO KEY SENIOR POSITION:
7 August 2000

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER:
None

CONFLICT OF INTEREST WITH THE COMPANY:
None

53
Male

Malaysian

Chek commenced his career in an international firm of public accountants in 1990, gaining experience in taxation, auditing and accounting. He then joined Komarkcorp Berhad in 1994 as an accountant responsible for corporate restructuring, group accounting and finance. He was promoted to Group Finance Manager in 1995 and thereafter to Group Financial Controller in 1996.

In January 2000, Chek set up his own business. He then joined Duopharma Biotech in August 2000 as Financial Controller and was promoted to his current position in 2012. As Chief Financial Officer, he oversees the Group’s finance and IT portfolios.
Su Yee did her pre-registration pharmacist training in 1990-1991 at CE Harrod Chemist, an independent retail pharmacy in London. Upon her return to Malaysia in 1992, she joined Ekim Trading, a Bumiputera tendering agent in Kuala Lumpur, as a Pharmacist. Her industrial career kicked off in 1993 when she moved to Glaxo Malaysia [now GlaxoSmithKline (“GSK”) Malaysia], serving first as a Production Pharmacist and then Section Manager overseeing pharmaceutical manufacturing.

Upon joining the Chemical Company of Malaysia Berhad (“CCMB”) Group in June 1997, Su Yee has led various disciplines of pharmaceutical plant operations. She was appointed as Chief Manufacturing & Technical Officer on 1 January 2012 and four years later, was redesignated as Chief Technical Officer overseeing regulatory affairs, quality assurance, quality control, technical support, product improvement, procurement, medical & clinical affairs, pharmacovigilance, research & development, and the Group’s manufacturing strategy.

Su Yee is a member of the Royal Pharmaceutical Society of Great Britain and the Malaysian Pharmaceutical Society. She is also a member of the Executive Council of the Malaysian Organisation of Pharmaceutical Industries (“MOPI”) and the Malaysian affiliate of the International Society for Pharmaceutical Engineering (“ISPE”); and serves as a committee member of the Pharmacy Course Advisory & Stakeholder Group of Monash University Malaysia.
Krisna has had wide exposure in pharmaceuticals sales and manufacturing. After graduating from USM in 1994, he completed his compulsory year-long housemanship at the National Pharmaceutical Regulatory Agency (“NPRA”). He then joined Bristol Myers Squibb as a Hospital Sales Representative covering private and government hospitals in the central and northern regions.

In 1996, he joined Sterling Health Manufacturing as a Production Pharmacist overseeing galenical and ophthalmic manufacturing. From here, Krisna moved on to UPHA Pharmaceutical Manufacturing (M) Sdn. Bhd. and later, to Duopharma Biotech in 1998. Over the years, he has led various disciplines of plant operations including production, warehousing and transportation, planning, engineering, project management and quality assurance.

He was appointed Chief Manufacturing Officer of Duopharma Biotech on 1 January 2016, overseeing various Plant Manufacturing functions, including production, planning, engineering, material warehouse, supply chain and sustainability (operations excellence, safety, health and environment).

Krisna obtained the Lean Six Sigma Black Belt in 2016.
Following his admission to the Roll of Advocates and Solicitors of the High Court of Malaya in 1993, Ibrahim practised as an Advocate and Solicitor, gaining experience in banking, conveyancing, corporate and litigation matters. He joined a public listed property development company in 2002 as Head of the Legal & Secretarial Department. In April 2006 he made a switch to Chemical Company of Malaysia Berhad ("CCMB"). In addition to his role as Legal Manager, he was appointed as the Joint Company Secretary in September 2006. Two years later, in 2008, Ibrahim was promoted to General Manager, Legal.

Following the demerger of Duopharma Biotech and CCMB, he was appointed as the Chief Legal Officer and Group Company Secretary of Duopharma Biotech effective 28 December 2017.

Ibrahim is an Affiliate Member of the Malaysian Institute of Chartered Secretaries And Administrators ("MAICSA"), a Member of the Association Of Muslim Lawyers of Malaysia, a Member of the Institute of Enterprise Risk Practitioners, and an Associate Member of the Harvard Business School Alumni Club of Malaysia.
Senior Management Team’s Profile

ANITA BINTI ESA
Head, Group Risk Management

QUALIFICATIONS
Master of Business Administration, MARA University of Technology
Bachelor of Science (“Hons.”), Universiti Sains Malaysia
Enterprise Risk Manager Professional Certification, Institute of Enterprise Risk Practitioners (“IERP”)”

DIRECTORSHIP IN PUBLIC COMPANIES AND OTHER LISTED ISSUERS:
None

LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:
None

DATE APPOINTED TO KEY SENIOR POSITION:
1 January 2017

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER:
None

CONFLICT OF INTEREST WITH THE COMPANY:
None

DATE
52
Malaysian
Female

Anita has close to 30 years’ experience in sales, marketing, strategy development and project management within the pharmaceutical industry. She launched her career in January 1991 as a sales representative at Eisai Malaysia, a Tokyo-based pharmaceutical. Later the same year, she joined Zeneca where she continued to build her career in sales and marketing for nearly a decade.

Subsequent engagements included stints in Novartis, Novo Nordisk and Bayer, where Anita developed a wealth of expertise in product management and international business. After leaving her role as National Sales Manager at Bayer in 2006, she joined Chemical Company of Malaysia Berhad (“CCMB”), whereupon she continued to amass greater expertise through a series of positions of increasing responsibility, from being Marketing Manager to Senior Business Analyst (Strategy), Senior Project Manager and Head, Group Risk Management for the CCMB Group in 2017.

She was appointed as Head, Group Risk Management of Duopharma Biotech effective 28 December 2017.
Rama started his career as an auditor at Crowe Horwath in Melaka, gaining exposure in auditing, risk management and consulting. He then moved in-house, joining UEM Group Berhad in 2008 where he led multiple audit assignments on companies within the Group, representing a myriad of industries.

Prior to his appointment in Duopharma Biotech, Rama was a Senior Manager, Integrity at Chemical Company of Malaysia Berhad (“CCMB”), spearheading the development, coordination and implementation of the CCMB Group’s Corporate Integrity Plan/System. He also led investigation audits and the Fertilizers Division’s audit portfolio.

Rama is an appointed member of the Malaysian Institute of Integrity (INTEGRITI) and a Certified ISO 37001 (Anti-Bribery Management System) Lead Implementer from PECB, Canada.
YBhg Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir, 
Non-Independent Non-Executive Chairman

This Corporate Governance Overview Statement outlines Duopharma Biotech’s (formerly known as CCM Duopharma Biotech Berhad) (“Duopharma Biotech” or the “Company”) and its subsidiaries’ (collectively referred to as “Duopharma Biotech Group”) approach towards corporate governance, its key focus areas and future priorities. Duopharma Biotech recognises the importance of having balanced, meaningful and comparable corporate governance disclosures which will allow stakeholders to appreciate the direction that Duopharma Biotech is heading towards and how the outcomes of good corporate governance will be delivered.

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report, which provides detailed disclosures on the application of each Practice as codified in the Malaysian Code on Corporate Governance (“MCCG”). The Corporate Governance Report is available on Duopharma Biotech’s website at duopharmabiotech.com/about-us/corporate-governance/ as well as via the announcement made on the website of Bursa Malaysia Berhad.

The Corporate Governance Overview Statement and Corporate Governance Report are made pursuant to paragraph 15.25 of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“MMLR”) and are narrated with reference to the guidance provided in Practice Note 9 of the MMLR and the Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia Berhad.

The Corporate Governance Overview Statement should also be read in conjunction with other statements in this Annual Report (e.g. Statement on Risk Management and Internal Controls, and Sustainability Statement) for an instructive understanding of the Group’s corporate governance framework and practices.

A COMMITMENT TO STRONG GOVERNANCE

The Board of Directors of Duopharma Biotech (the “Board”) is committed to observing the highest standards of corporate governance practices that is distinguished by the hallmarks of accountability, transparency and integrity. The Board is responsible for the strategic direction and control of the Company and brings independent, informed and effective judgement and leadership to bear on material decisions reserved for the Board. The Board ensures that the group is governed effectively in accordance with good corporate governance practices, including risk and legal compliance management, code of conduct and other policies, and internal control systems. In fulfilling its role as stewards of the Company, the Board is dedicated to discharging its duties with due diligence, care and skill and in the best interest of the Company.

Following the completion of the demerger of Duopharma Biotech from Chemical Company of Malaysia Berhad (“CCM”) in December 2017, the Board played a greater proactive role in the development and oversight of the strategic direction of the Company. During the financial year 2018, the Board deliberated on the short, medium and long term strategy for the Company together

How we’ve improved our governance

1. The Board reviewed and approved the revised Terms of Reference for:
   - Audit and Integrity Committee
   - Nomination and Remuneration Committee
   - Risk Management and Sustainability Committee

2. The Board approved the new Terms of Reference for Halal Committee

3. The Board approved:
   1. Halal Policy
   2. Policy on External Auditors

4. The Board approved the revised Board Effectiveness Evaluation Assessment

5. The Board approved the revised Whistle-blowing Policy and procedures, as well as the Remuneration Policy and Procedures for Directors and Senior Management
Corporate Governance Overview Statement

Duopharma Biotech's overall corporate governance is to:

- Create a purpose and value driven corporate governance framework by promoting individual accountability;
- Humanise governance through the mastery of intersection between rules, processes, ethics and morality; and
- Drive the application of good governance practices in tandem with the value creation process of Duopharma Biotech.

Recognising that best practices in corporate governance are constantly evolving, the Board regularly reviews Duopharma Biotech's corporate governance policies and procedures to ensure they reflect the latest curation of discourse, market dynamics and best practices whilst simultaneously addressing the needs of Duopharma Biotech. The Board also continuously encourages and promotes meaningful and thoughtful application of corporate governance practices in line with established benchmarks.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

In seeking to actualise its corporate governance aspirations, Duopharma Biotech has benchmarked its practices against the relevant promulgations and best practices.

Duopharma Biotech has consistently applied all the Practices espoused by the MCCG, save for:

- Practice 6.2 (the establishment of a dedicated remuneration committee);
- Practice 7.2 (the disclosure of Senior Management remuneration);
- Practice 11.2 (the adoption of Integrated Reporting); and
- Practice 12.3 (the use of technology to facilitate remote shareholders’ participation in general meetings).

In relation to the aforementioned departed Practices, Duopharma Biotech has provided in the Corporate Governance Report forthcoming and cogent explanations for their non-application. The Board appreciates the line of sight or Intended Outcomes outlined in the MCCG and has therefore put in place alternative practices, taking into account the Intended Outcomes envisioned by the said Practices. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

As part of the Company’s re-branding strategy to position itself to have its own distinct corporate identity and to enable stakeholders to better differentiate between the Company and its former holding company (i.e. CCM), the Board had in 2018 approved the change of the Company’s name from ‘CCM Duopharma Biotech Berhad’ to ‘Duopharma Biotech Berhad’ in February 2019 approved the change of the Company’s name from ‘CCM Duopharma Biotech Berhad’ to ‘Duopharma Biotech Berhad’

As Duopharma Biotech pursues its growth agenda and charts its path post the demerger from CCM, the Board has sharpened its focus and commitment to maintain a credible and dynamic governance framework that supports and drives the long-term sustainability of Duopharma Biotech. The Board recognises that the architecture and implementation of the governance framework is paramount for the effective development of strategy and business plan, the monitoring of Duopharma Biotech’s performance and the prudent management of risks. In establishing the values and ethical standards of the Company, all Directors adhere to the Directors’ Code of Best Practice which governs the conduct of Directors. Duopharma Biotech’s overarching governance approach is firmly premised on Duopharma Biotech’s six core values of Passion, Excellence, Teamwork, Integrity, Responsible and Respect.
Corporate Governance Overview Statement

A summary of Duopharma Biotech’s corporate governance practices with reference to the MCCG is outlined below.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is active in setting the strategic direction and providing leadership for the overall direction for Duopharma Biotech. It also recognises the need for Duopharma Biotech to operate within a framework of prudent and effective risk management and internal control mechanisms so as to ensure the proper management of its affairs.

In this regard, Board Committees have been established to assist the Board in its oversight function on specific matters. Whilst oversight of selected responsibility areas is delegated to the Board Committees, the Board nevertheless retains collective oversight and jurisdiction over the Board Committees. The Board Committees report their activities and findings to the Board and are guided by their respective Terms of Reference.

OUR GOVERNANCE STRUCTURE

- **SHAREHOLDERS**

- **BOARD**

  - **AUDIT AND INTEGRITY COMMITTEE ("AIC")**
    - Ensuring that there is robust oversight on financial reporting, internal and external audit, and integrity matters

  - **NOMINATION AND REMUNERATION COMMITTEE ("NRC")**
    - Responsible for recommending the appointment, evaluation and remuneration, and to ensure appropriate succession framework of Board members and Senior Management

  - **HALAL COMMITTEE ("HC")**
    - Providing stewardship to the Duopharma Biotech Group’s Halal Pharmaceuticals Agenda

  - **RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE ("RMSC")**
    - Ensuring that there is a robust system for risk management and effective management of sustainability practices

- **GROUP MANAGING DIRECTOR**

- **SENIOR MANAGEMENT**

  - **HEAD, GROUP INTERNAL AUDIT & INTEGRITY**
  - **HEAD, GROUP RISK MANAGEMENT**
BOARD ROLES AND RESPONSIBILITIES

The Board

Read more about the Board of Directors and the skills and experience they bring to the Group on pages 34 to 42. The Board consists of: the Chairman, the Group Managing Director, independent non-executive directors (including the senior independent director) and non-independent, non-executive directors. The Board is supported by the Company Secretary. The roles of the Chairman and the Group Managing Director are separate. They are set out in the Board Charter which provides clear, distinct responsibilities for each role. The Board Charter is available online at www.duopharmabiotech.com

The Chairman

The Chairman’s role is to:

- Lead the Board and create a culture of openness characterised by debate and appropriate challenge;
- Promote the highest standards of corporate governance;
- Ensure that the Board determines the nature and extent of the significant risks the Group is willing to take to implement its strategy;
- Make sure that the Board receives accurate, timely and clear information, and is consulted on all relevant matters;
- Monitor the contribution and performance of Board members;
- Make sure that the Group communicates clearly with shareholders, and discusses their views and concerns with the Board; and
- Acts as a key contact for important stakeholders, as well as working with the Group Managing Director and Senior Independent Director to represent Duopharma Biotech in key strategic and government relationships.

The Group Managing Director

The Group Managing Director’s role is to:

- Lead the Group’s performance and management;
- Propose strategies, business plans and policies to the Board;
- Implement Board decisions, policies and strategies;
- Develop and promote compliance with the Group’s policies on conducting business around the world;
- Maintain an effective framework of internal controls and risk management;
- Lead the Senior Leadership Team in the day-to-day running of every part of the business; and
- Lead, motivate and monitor the performance of the Group’s Senior Management Team, as well as overseeing succession planning for roles on the Senior Management Team.
Corporate Governance Overview Statement

BOARD ROLES AND RESPONSIBILITIES (CONT’D)

The Independent Non-Executive Directors

The Independent Non-Executive Director’s role is, amongst others, to bring experience and independent judgement to the Board; and constructively challenge strategy proposals.

The Senior Independent Director

The Senior Independent Director is a non-executive director whose role is to act as a sounding board for the Chairman and as an intermediary between the Chairman and other Directors.

Retirement of Directors

Under Article 100 of the Company’s Constitution, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3), shall retire from office at the conclusion of each Annual General Meeting of the Company provided always that each Director shall retire from office once at least every three (3) years. Each Director so retiring from office shall be eligible for re-election.

The Company Secretary

The Company Secretary’s role is to:

• Manage the flow of timely, accurate and well-considered information to the Board and manage the flow of decisions of the Board to Management;
• Recommend corporate governance policies and practices to the Chairman and the Group Managing Director;
• Put in place and promote corporate governance policies across the Duopharma Biotech Group; and
• Advise the Board and its committees on corporate governance and compliance across the Duopharma Biotech Group; and put in place the right procedures for managing their meetings and duties.

BOARD AND COMMITTEE MEETINGS

The number of meetings held during the year and attendance of Directors are set out in the table below. The Board agrees an annual schedule of matters it wishes to consider at each of its meetings and those of its committees. The schedule ensures that all relevant matters are considered and receive appropriate attention. Board meetings are structured around the following areas:

• Operational and functional updates
• Financial updates
• Strategy and progress against Strategic Priorities
• Risk and sustainability management framework, key risk areas and risk appetite
• Other reporting and items for approval

Senior Management and other colleagues are regularly invited to attend meetings for specific items.
**Corporate Governance Overview Statement**

### Board and Committee Membership and Attendance

<table>
<thead>
<tr>
<th>Director</th>
<th>Board meeting</th>
<th>General meeting</th>
<th>AIC meeting</th>
<th>RMSC*** meeting</th>
<th>NRC meeting</th>
<th>HC meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Independent Non-Executive Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir</td>
<td>12/13</td>
<td>3/3</td>
<td></td>
<td></td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Datuk Mohd Radzif Bin Mohd Yunus’/’’ (was appointed to the Board on 8 March 2018)</td>
<td>11/11</td>
<td>3/3</td>
<td></td>
<td>3/3</td>
<td>3/3</td>
<td></td>
</tr>
<tr>
<td><strong>Senior Independent Non-Executive Director</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Dato’ Mohamad Kamarudin Bin Hassan</td>
<td>11/13</td>
<td>3/3</td>
<td>9/9</td>
<td></td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td><strong>Independent Non-Executive Director</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Razalee Bin Amin</td>
<td>13/13</td>
<td>3/3</td>
<td></td>
<td>9/9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Datuk Seri Rohani Parkash Binti Abdullah</td>
<td>11/13</td>
<td>3/3</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Zaiton Binti Jamaluddin</td>
<td>13/13</td>
<td>3/3</td>
<td>9/9</td>
<td>5/5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dato’ Eisah Binti A. Rahman’’</td>
<td>13/13</td>
<td>3/3</td>
<td>5/5</td>
<td>7/7</td>
<td>3/3</td>
<td></td>
</tr>
<tr>
<td>Datuk Nik Moustpha Bin Hj Nik Hassan’’/’’</td>
<td>11/13</td>
<td>3/3</td>
<td>2/2</td>
<td></td>
<td>3/3</td>
<td></td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leonard Ariff Bin Abdul Shatar</td>
<td>12/13</td>
<td>3/3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

■ Chairman ■ Member

**Note:**

- Datuk Nik Moustpha Bin Hj Nik Hassan resigned as Chairman and member of the RMSC with effect from 1 July 2018 and Datuk Mohd Radzif Bin Mohd Yunus was appointed to the RMSC as its Chairman with effect from 1 July 2018
- The HC was established with effect from 1 July 2018. In relation thereto, Datuk Nik Moustpha Bin Hj Nik Hassan was appointed as the Chairman of the HC, while Datuk Eisah Binti A. Rahman and Datuk Mohd Radzif Bin Mohd Yunus were appointed as members of the HC with effect from the said date
- Risk Management Committee was renamed to RMSC with effect from 27 August 2018

The particulars are in respect of the period under review i.e. for financial year ended 31 December 2018.
BOARD AND COMMITTEE MEETINGS

What The Board Has Done

The Board is responsible for deciding the Group’s strategy and overseeing its performance, while the executive Management is responsible for day-to-day operations. The Board is directly involved with respect to approvals for acquisitions, providing oversight and control, growing shareholder value and promoting corporate governance.

Our focus during 2018 and some of our plans for 2019 and beyond are set out below:

- To be the top 5 pharmaceutical company in ASEAN by 2022;
- To reshape business portfolio towards biosimilars and specialty pharmaceuticals; and
- To expand and upgrade manufacturing facilities to meet growing business demand.

- Expand Consumer Healthcare via focus on key brands;
- To be the top 5 pharmaceutical company in ASEAN by 2023;
- To strengthen and expand oncology, renal and diabetes business;
- To explore domestic and regional acquisition opportunities in pharmaceutical/healthcare sector;
- To conduct periodic review of the Company’s strategic plan;
- Develop Duopharma Biotech’s future leaders and human capital; and
- Formalise access to subject matter experts in selected areas of focus such as medical advisory and the Company’s Halal initiative.

Experience and Independence

Biographical details for the Directors are set out on pages 34 to 42. The Board is of the view that the Board as currently constituted is well-structured and that the Non-Executive Directors have strength in both character and judgement. The Board works well together, bringing strong, independent, balanced judgement, knowledge and experience to its deliberations. Each Non-Executive Director has appropriate skills and experience so that their views carry significant weight in the decision making.

Board Evaluation

The Board has in place an annual Board Effectiveness Evaluation Assessment (“BEEA”) to evaluate the effectiveness of the Board, Board Committees as well as individual Directors including Independent Directors. During the financial period under review, the Nomination and Remuneration Committee undertook to revise the BEEA questionnaires and instruments to inject fresh perspectives and rigour to the process.

During the financial year ended 31 December 2018, the BEEA was conducted in-house premised on the assessment criteria that have taken into account the relevant regulatory promulgations, guidelines and best practices as issued by Bursa Malaysia Berhad and other relevant authorities. The process was carried out via the revised BEEA questionnaires administered to Directors, using a self and peer-rating model.

The Nomination and Remuneration Committee (“NRC”) undertook the responsibility of providing oversight on the conduct of the BEEA as well as reviewing the outcome of the BEEA along with the Chairman to formulate an actionable improvement programme that addresses areas for improvement identified from the BEEA.

In March 2019, the Board resolved to adopt the BEEA 2018 results as recommended by the NRC. The results generally reflected the Board’s consensus that each of the Directors’ level of performance was either good or excellent, and that they had also met the performance criteria in the prescribed areas of assessment. Overall, the BEEA 2018 results showed that the Board as well as the Board Committees were well structured, had effective operations and fulfilled their roles and responsibilities well.

Succession Planning

The Board has agreed a succession planning framework which it regularly reviews to ensure that:

- Board tenure is appropriate and encourages fresh thinking and new ideas
- The Board is sufficiently diverse but most importantly has the appropriate mix of generalist and specialist skills
- Non-executive Directors have the appropriate level of independence, from the executive and each other
- The Board is diverse in terms of skill sets and experience relevant to the Group’s strategic direction and businesses
The Board recognises that in addition to Board succession, Senior Management succession is critical to the Company’s long-term success. The Board continuously focuses on ensuring that the Company’s enterprise succession plan is aligned to our strategic direction, as that shapes business continuity and ensures the sustainability of the Group.

In line with our framework, during the year under review, the Board deliberated and approved the appointment of an additional Director, namely Datuk Mohd Radzif Bin Mohd Yunus. The Board is confident that his rich knowledge and experience will reinforce the Board’s capability and dynamism as well as strengthen oversight in the deliberations and decision making of the Board.

Further, the Board reviewed and assessed the renewal of the Group Managing Director’s employment contract to ensure continuity of effective executive leadership.

A review of the Chief Strategy Officer’s performance and his subsequent promotion to Chief Operating Officer was in line with our practice of the Company’s Senior Management succession planning.

To expand and supplement the Board’s capability and dynamism as well as strengthen oversight in deliberations and decision-making of the Board in the highly competitive and science-based industry that the Group is involved in, the Board looks to develop access to appropriate guidance and input from influencer experts. The proposed establishment of the medical advisory committee and panel of experts capable of advising on matters related to the Group’s halal initiative, is one such example.

**Board Tenure**

The current board tenure is shown in the diagram below:

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 2 years</td>
<td>3 Directors</td>
</tr>
<tr>
<td>2 - 5 years</td>
<td>5 Directors</td>
</tr>
<tr>
<td>5 - 9 years</td>
<td>1 Director</td>
</tr>
</tbody>
</table>

**Diversity**

The Board, through the NRC, periodically reviews its composition to be aligned with the strategic plan of Duopharma Biotech. The combined skills and expertise of the Directors provide a breadth and depth of diverse perspectives that can refine the decision-making of the Board in the course of performing its roles and responsibilities. During the year under review, the Board had, amongst others, approved the NRC’s recommendation to appoint Datuk Mohd Radzif Bin Mohd Yunus as a Non-Independent Non-Executive Director. Datuk Mohd Radzif’s appointment brought along more than 33 years of diversified experience in a variety of sectors including commercial and development banking, property development and construction, healthcare and academia. The Board had also during the year under review approved the renewal of the Group Managing Director’s employment contract that was due to expire in January 2019.

On the subject of gender diversity and taking the cue from the policy pronouncement by the Government of Malaysia, the Board has furthered the gender diversity agenda by codifying a stipulation in the Board of Charter which calls for the Board to comprise at least 30% women Directors at any one time. Presently, there are 4 women Directors out of the 9 members of the Board. Duopharma Biotech is also one of the few listed issuers that have a female Non-Executive Director as the Chairman of the Board.

It is the Board’s intention to continuously review the diverse make-up and representation of its members as opportunity arises. However, given the size of the Board, specific formulaic targets are not appropriate.

**Induction and Training**

The Company has a policy and programme for induction and continuing professional development of Directors. On appointment, each Director takes part in a comprehensive induction programme.

During their period in office, the Directors are continually updated on the Group’s businesses and the competitive and regulatory environments in which they operate. This is done through:

- Updates and papers which cover changes affecting the Group and the market in which it operates in, inclusive of meetings with Senior Management across the Group and key advisors
- Regular updates on changes to the legal and governance requirements of the Group and in relation to their own position as Directors
- Presentations given at Board and Committee meetings on business matters and technical update sessions from external advisors where appropriate

**Key Stages of the Induction Programme are:**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Provision of Documents: Duties of a Director, Board procedures, Board and strategy papers and corporate governance.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Meetings with Group Managing Director and Chief Financial Officer: Business overview, strategy, current trading and key commercial issues</td>
</tr>
<tr>
<td></td>
<td>Meetings with officers and staff at all areas of the business as appropriate.</td>
</tr>
</tbody>
</table>
Professional Training

The Directors have displayed commitment to development of their skills and knowledge throughout the year under review. The Company Secretary ensures that training on appropriate topics are organised, whether conducted in-house or by external speakers. In addition, the Directors are kept informed of available training programmes from time to time.

In addition, Directors have discretionally exercised their own initiative to request for internal and external trainings, seminars or conferences that enhance their skill sets and knowledge in areas relevant to Duopharma Biotech’s business.

As part of the initiative for Directors to gain first-hand views of Duopharma Biotech’s operations and understanding of its business, visits to Duopharma Biotech Group’s plant and facilities have been arranged during the year under review.

During the year in review, the Directors of Duopharma Biotech had participated in the following professional development programmes:

<table>
<thead>
<tr>
<th>Director</th>
<th>Date</th>
<th>Course Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir</td>
<td>18 January 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Assurance, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>25 January 2018</td>
<td>MICG – Corporate Governance Guide 3rd Edition—“Moving from aspiration to actualisation” – Unstacking the guide for application, organised by the Malaysian Institute of Accountants</td>
</tr>
<tr>
<td></td>
<td>22 - 23 February 2018</td>
<td>Higher Education Forum 2018 Islamic Economics @ IR4.0: Waqf Revival - As speaker on “Collaborative Economy: Waqf as the New Driver”, organised by the Ministry of Higher Education</td>
</tr>
<tr>
<td></td>
<td>26 March 2018</td>
<td>Remuneration Committee: Attracting and Retaining the Best Talents, organised by Bursatra Sdn. Bhd.</td>
</tr>
<tr>
<td></td>
<td>3 April 2018</td>
<td>Sharing Session – Analysis of Sustainability practices and Disclosures in Annual Reports and / or Sustainability Reports for the year ended 31 December 2016, organised by Bursa Malaysia Berhad</td>
</tr>
<tr>
<td></td>
<td>17 April 2018</td>
<td>Retreat Khas Pengurusan Universiti Utara Malaysia – As a speaker on “Kepimpinan Dalam Pengurusan Organisasi”, organised by Universiti Utara Malaysia</td>
</tr>
<tr>
<td></td>
<td>2 - 4 May 2018</td>
<td>International Forum on Quality &amp; Safety in Healthcare “Reclaiming the Quality in Healthcare”, organised by the Institute for Healthcare Improvement and British Medical Journal</td>
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<tr>
<td></td>
<td>8 May 2018</td>
<td>Corporate Re-Branding Workshop, organised by Duopharma Biotech</td>
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<td></td>
<td>4 July 2018</td>
<td>The 2nd UUM International Islamic Business Management Conference, organised by Universiti Utara Malaysia</td>
</tr>
<tr>
<td></td>
<td>9 July 2018</td>
<td>Directors and Senior Management Training on Continuation on Regulatory Requirements from Authorities: Understanding Regulatory Affairs &amp; Evolution of Regulatory Requirements in Malaysia, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>17 July 2018</td>
<td>International Education Leadership Conference on Walking the Talk – Future Leadership and Advocacy, organised by University of Malaya</td>
</tr>
<tr>
<td></td>
<td>17 July 2018</td>
<td>Henly Business School Lecture 2018 – As speaker on “Leadership &amp; Integrity: The Price of Not Owning It”, organised by Alumni Henly Business School</td>
</tr>
<tr>
<td></td>
<td>18 July 2018</td>
<td>Retreat Pengurusan Khas Universiti Teknologi Malaysia (“UTM”) – As speaker on “Visionary, Strategic and Transformational Leadership”, organised by Universiti Teknologi Malaysia, Johor</td>
</tr>
</tbody>
</table>
### Corporate Governance Overview Statement

<table>
<thead>
<tr>
<th>Director</th>
<th>Date</th>
<th>Course Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir (cont’d)</td>
<td>24 July 2018</td>
<td>MCCG and Bursa Listing Requirements – Application Disclosure and Reporting Expectations, organised by Securities Industry Development Corporation</td>
</tr>
<tr>
<td></td>
<td>25 July 2018</td>
<td>Directors and Senior Management Training on Enterprise Risk Management (&quot;ERM&quot;): Driving Organisational Sustainability, Agility &amp; Resilience, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>26 July 2018</td>
<td>Official Launch of the Pathway to a Governance Practitioner Programme, organised by the Icif Leadership and Governance Centre</td>
</tr>
<tr>
<td></td>
<td>31 July - 2 August 2018</td>
<td>APHM International Healthcare Conference and Exhibition &quot;Emerging Models of Healthcare Delivery&quot;, organised by Association of Private Hospitals of Malaysia</td>
</tr>
<tr>
<td></td>
<td>4 September 2018</td>
<td>Corporate Malaysia Summit 2018 – A Meeting Platform of Malaysia Corporate Leaders and Government Leaders, organised by the International Strategy Institute</td>
</tr>
<tr>
<td></td>
<td>20 September 2018</td>
<td>Kementerian Kesihatan Malaysia – Talent Grooming Programme for Technical Healthcare Professionals Inspirational Leadership – As speaker on &quot;Leading change as a Woman Corporate Leader&quot;, organised by the Ministry of Health</td>
</tr>
<tr>
<td></td>
<td>17 October 2018</td>
<td>Advance Leadership and Management Programme (&quot;ALMP&quot;), Series 59 No. 03/2018 – As speaker on &quot;Leading in the Malaysian Healthcare Industry, organised by ALMP and National Institute of Public Administration</td>
</tr>
<tr>
<td></td>
<td>18 October 2018</td>
<td>New Malaysia Summit: Building a New Malaysia, Fulfilling Hope. As penalist: Creating Business &amp; Investment Opportunities in the new Malaysia – Enhancing Public Private Cooperation, organised by the International Strategy Institute</td>
</tr>
<tr>
<td></td>
<td>19 - 21 October 2018</td>
<td>KPJ Healthcare Conference 2018 &quot;Innovation Healthcare in Delivery&quot;, organised by KPJ Healthcare</td>
</tr>
<tr>
<td></td>
<td>26 November 2018</td>
<td>PNB-YTI Memorial Lecture &quot;Redefining Financial Integrity&quot;, organised by Permodalan Nasional Berhad</td>
</tr>
<tr>
<td></td>
<td>27 November 2018</td>
<td>Sambutan Hari Integrity Malaysian Communication and Multimedia Commission (&quot;MCMC&quot;) 2018 – As forum penalist on Forum on Strengthening Integrity Agenda in Postal and Courier Industry, organised by the Malaysian Communications And Multimedia Commission</td>
</tr>
<tr>
<td></td>
<td>6 December 2018</td>
<td>RSOG Young Leaders Forum 2018 &quot;The Voices of Malaysia Baharu&quot; – As penalist – The search for authentic leadership, organised by Razak School of Government (&quot;RSOG&quot;)</td>
</tr>
<tr>
<td>Dato’ Mohamad Kamarudin Bin Hassan</td>
<td>18 January 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Assurance organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>25 January 2018</td>
<td>Sustainability Statement, organised by Muhibbah Engineering (M) Bhd</td>
</tr>
<tr>
<td></td>
<td>15 March 2018</td>
<td>Briefing on 2017 Malaysian Code of Corporate Governance, organised by Bursa Malaysia Berhad</td>
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<tr>
<td></td>
<td>8 May 2018</td>
<td>Corporate Re-Branding Workshop, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>25 July 2018</td>
<td>Enterprise Risk Management (&quot;ERM&quot;): Driving Organisational Sustainability, Agility and Resilience, organised by Muhibbah Engineering (M) Bhd</td>
</tr>
<tr>
<td></td>
<td>26 September 2018</td>
<td>Directors and Senior Management Training on Corporate Liability Bill &amp; Integrity: What’s your Move?, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>26 November 2018</td>
<td>Financial Integrity, organised by Permodalan Nasional Berhad</td>
</tr>
</tbody>
</table>
### Corporate Governance Overview Statement

<table>
<thead>
<tr>
<th>Director</th>
<th>Date</th>
<th>Course Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leonard Ariff</td>
<td>18 January 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Assurance, organised by Duopharma Biotech</td>
</tr>
<tr>
<td>Razalee Bin Amin</td>
<td>20 April 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Control</td>
</tr>
<tr>
<td></td>
<td>18 May 2018</td>
<td>Corporate Rebranding Workshop, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>9 July 2018</td>
<td>Directors and Senior Management Training on Continuation on Regulatory Requirements from Authorities: Understanding Regulatory Affairs &amp; Evolution of Regulatory Requirements in Malaysia</td>
</tr>
<tr>
<td>Razalee Bin Amin</td>
<td>25 July 2018</td>
<td>Directors and Senior Management Training on Enterprise Risk Management (&quot;ERM&quot;): Driving Organisational Sustainability, Agility &amp; Resilience</td>
</tr>
<tr>
<td></td>
<td>25 - 27 September 2018</td>
<td>The 4th Malaysian Oil &amp; Gas Services Exhibition &amp; Conference (&quot;MOGSEC&quot;)</td>
</tr>
<tr>
<td></td>
<td>9 - 10 October 2018</td>
<td>MIA International Accountants Conference 2018</td>
</tr>
<tr>
<td>Datuk Seri Rohani</td>
<td>18 January 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Assurance, organised by Duopharma Biotech</td>
</tr>
<tr>
<td>Parkash Binti</td>
<td>26 March 2018</td>
<td>Remuneration Committee: Attracting and Retaining the Best Talents, organised by Bursatra Sdn. Bhd.</td>
</tr>
<tr>
<td>Abdullah</td>
<td>20 April 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Control, organised by Duopharma Biotech</td>
</tr>
<tr>
<td>Razalee Bin Amin</td>
<td>20 April 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Control, organised by Duopharma Biotech</td>
</tr>
<tr>
<td>Razalee Bin Amin</td>
<td>25 April 2018</td>
<td>Market Misconduct: How to Detect and Prevent Them, organised by Securities Industries Development Corporation</td>
</tr>
</tbody>
</table>
### Corporate Governance Overview Statement

<table>
<thead>
<tr>
<th>Director</th>
<th>Date</th>
<th>Course Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Datuk Seri Rohani</strong>&lt;br&gt;Parkash Binti Abdullah&lt;br&gt;(cont’d)</td>
<td>18 May 2018</td>
<td>Corporate Re-branding Workshop, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>5 July 2018</td>
<td>Sustainability Engagement Series for Directors/CEOs, organised by Bursa Malaysia Berhad and PwC</td>
</tr>
<tr>
<td></td>
<td>9 July 2018</td>
<td>Directors and Senior Management Training on Continuation on Regulatory Requirements from Authorities: Understanding Regulatory Affairs &amp; Evolution of Regulatory Requirements in Malaysia, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>12 July 2018</td>
<td>Business Trends: China and its Impact to ASEAN and Malaysia, organised by Securities Industries Development Corporation</td>
</tr>
<tr>
<td></td>
<td>25 July 2018</td>
<td>Directors and Senior Management Training on Enterprise Risk Management (&quot;ERM&quot;): Driving Organisational Sustainability, Agility &amp; Resilience, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>26 September 2018</td>
<td>Directors and Senior Management Training on Corporate Liability Bill &amp; Integrity: What’s Your Move?, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>10 October 2018</td>
<td>Seminar &quot;Gearing Up For Corporate Liability&quot;, organised by Malaysia Anti Corruption Academy (&quot;MACA&quot;)</td>
</tr>
<tr>
<td></td>
<td>14 November 2018</td>
<td>Corporate Directors course, organised by Suruhanjaya Syarikat Malaysia</td>
</tr>
<tr>
<td><strong>Zaiton Binti Jamaluddin</strong></td>
<td>18 January 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Assurance, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>20 April 2018</td>
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</tr>
<tr>
<td><strong>Dato’ Eisah Binti A. Rahman</strong></td>
<td>18 January 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Assurance, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>22 - 24 March 2018</td>
<td>Visit to Medigen Vaccine Corporation Manufacturing Facility, Taiwan</td>
</tr>
<tr>
<td></td>
<td>26 March 2018</td>
<td>Remuneration Committee: Attracting and Retaining the Best Talents, organised by Bursatra Sdn. Bhd.</td>
</tr>
<tr>
<td></td>
<td>18 May 2018</td>
<td>Corporate Re-Branding Workshop, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>1 - 4 July 2018</td>
<td>Site Visit to SCM Lifescience and Meeting with PanGen Biotech, South Korea</td>
</tr>
<tr>
<td></td>
<td>9 July 2018</td>
<td>Directors Training on Regulatory Requirements from Authorities – Understanding Regulatory Affairs and Evolution of Regulatory Requirements in Malaysia, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>6 - 10 August 2018</td>
<td>25th ASEAN Consultative Committee for Standards and Quality (&quot;ACCSQ&quot;) Pharmaceutical Product Working Group (&quot;PPWG&quot;) Meeting, organised by Association of South East Asian Nation</td>
</tr>
<tr>
<td>Director</td>
<td>Date</td>
<td>Course Attended</td>
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<tr>
<td></td>
<td>29 September 2018</td>
<td>Halal Pharmaceutical Forum – Towards Professional Excellence, organised by Duopharma Biotech in collaboration with University Malaya Medical Centre and Halal Development Corporation</td>
</tr>
<tr>
<td></td>
<td>2 - 4 October 2018</td>
<td>National Regulatory Conference 2018: Regulatory Excellence – The New Normal, organised by the National Pharmaceutical Regulatory Agency</td>
</tr>
<tr>
<td></td>
<td>6 - 7 October 2018</td>
<td>Joint Conference: 1st International Conference on Halal Pharmaceuticals and Cosmetics (“as Speaker”) and 7th Conference of Asia Pacific Pharmacy Education Network (“AP-PEN”), Saitama, Japan, organised by Josai University (“JU”), and Josai International University (“JIU”), Japan and Management and Science University (“MSU”), Malaysia</td>
</tr>
<tr>
<td></td>
<td>13 November 2018</td>
<td>Integrated International Conference 2018 – Inclusivity and Sustainability in the Era of the 4th Industrial Revolution, organised by Centre for Research and Instrumentation Management CRIM and Universiti Kebangsaan Malaysia</td>
</tr>
<tr>
<td></td>
<td>3 December 2018</td>
<td>The Chancellor Tuanku Muhriz Lecture by The Rt. Hon. Lord Thomas of Cwmgiedd – “Whither the Rule of Law, organised by Faculty of Law of Universiti Kebangsaan Malaysia</td>
</tr>
<tr>
<td>Datuk Nik Moustpha Bin Hj Nik Hassan</td>
<td>18 January 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Assurance, organised by Duopharma Biotech</td>
</tr>
<tr>
<td></td>
<td>31 January 2018</td>
<td>“Fundamental of IFRS 17” The Journey With Lloyd and Risk Charges, organised by MNRB Holdings Bhd</td>
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<tr>
<td></td>
<td>26 March 2018</td>
<td>Remuneration Committee: Attracting and Retaining the Best Talents, organised by Bursatra Sdn. Bhd.</td>
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<td>26 September 2018</td>
<td>Directors and Senior Management Training on Corporate Liability Bill &amp; Integrity: What’s Your Move?, organised by Duopharma Biotech</td>
</tr>
<tr>
<td>Datuk Mohd Radzif Bin Mohd Yunus</td>
<td>3 April 2018</td>
<td>ADFIMI CEO Seminar on “Fintech, Regtech and Development Finance”, Tunisia, organised by the Association of National Development Finance Institutions (“DFIs”) in Member Countries of the Islamic Development Bank (“IDB”)</td>
</tr>
<tr>
<td></td>
<td>20 April 2018</td>
<td>Directors and Senior Management Training on Regulatory Requirements from Authorities on Quality Control, organised by Duopharma Biotech</td>
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</tr>
<tr>
<td></td>
<td>11 - 12 September 2018</td>
<td>ADFIMI International Development Forum on “SME Finance and Development in the Age of Digitization”, organised by the Association of National Development Finance Institutions (“DFIs”) in Member Countries of the Islamic Development Bank (“IDB”)</td>
</tr>
<tr>
<td></td>
<td>26 September 2018</td>
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</tbody>
</table>
Corporate Governance Overview Statement

Our Corporate Governance Priorities Moving Forward

The Board remains committed to achieving the highest standards of corporate governance and integrity. Our governance structure operates from the Board across the Group and we believe it is critical in underpinning our ability to deliver our strategy to create long-term value and benefit for our shareholders and stakeholders. The following sets out our intentions in enhancing our governance practices and processes.

**Bettering our Communication**

In our quarterly, half-yearly and annual financial and business reporting to shareholders and other interested parties, we aim to present a balanced and understandable assessment of our strategy, financial position and prospects. We make information about the Group available to shareholders through a range of media, including our corporate website, www.duopharmabiotech.com, which contains a wide range of data of interest to institutional and private investors. We consider our website to be an important means of communication with our shareholders.

The Company’s new Constitution that was approved by the shareholders at the Company’s previous AGM on 31 May 2018 has empowered the Company to leverage on information technology for shareholder communications, including for example placing shareholder communications (such as the Notice of AGM and this Annual Report) on the Company’s corporate website in lieu of sending paper copies to shareholders (unless otherwise specifically requested by individual shareholders).

The Board recognises the need to adopt electronic-voting in the event of a change in the geographical dispersion of its shareholders as well as to better facilitate voting in absentia. The Board will continue to monitor its shareholding structure and facilitate the transition to electronic voting in the future.

Whilst the adoption of electronic voting will result in an outlay of initial costs, Duopharma Biotech envisages that long term benefits and savings would be significant as electronic-voting would substantially reduce administrative procedures and paper work.

**Succession Planning and Director’s Training**

The Nomination and Remuneration Committee’s role is to recommend to the Board any new Board appointments and to consider, more broadly, succession plans at Board and Senior Management level. It reviews the composition of the Board using a matrix that records the skills and experience of current Board members, comparing this with the skills and experience it believes are appropriate to the Company’s overall business and strategic needs, both now and in the future. Any decisions relating to the appointment of Directors are made by the entire Board based on the merits of the candidates and the relevance of their background and experience, measured against objective criteria, with care taken to ensure that appointees have enough time to devote to our business. At Senior Management level, the Board looks to continuously identify emerging talent and potential successors, both within and outside the Group, for senior as well as middle Management positions.

As part of each Director’s individual discussion with the Chairman, his or her contribution to the work of the Board and personal development needs are considered. Directors’ training needs are met by a combination of internal presentations and updates and external speaker presentations as part of Board and Board Committee meetings; specific training sessions on particular topics, where required; and the opportunity for Directors to attend external courses at the Company’s cost, should they wish to do so.

**Risk Management and Internal Controls**

In the near to medium term, the Company intends to further strengthen its risk-based internal audit approaches, including further developing an enterprise risk management system that leverages on information technology. This is necessary due to the challenges and complexity of risks experienced by the Duopharma Biotech Group through its businesses in the pharmaceuticals related industries; as well as the evolving nature of environmental and safety regulations. The Board believes on the necessity of having a cutting edge approach to risk management to enable the Group to assess if responses to risks are adequate and continue to operate effectively.

Integrity initiatives will be adopted which, amongst others, develop adequate internal policies, guidelines and processes that are designed to prevent persons associated with the Group from undertaking corruption related conduct so as to mitigate against liability on a commercial organisation for corruption committed by persons associated with the commercial organisation that has been imposed by the recent amendments in 2018 to the Malaysian Anti-Corruption Commission Act 2009.
Corporate Governance Overview Statement

Corporate Reporting

One of the key compliance requirements of a group’s financial statements is for the Annual Report to be fair, balanced and understandable. The coordination and review of Group-wide contributions into the Annual Report follows a well-established and documented process, which is performed in parallel with the formal process undertaken by the external auditors. We endeavour to enhance our governance practices progressively and in line with this, we look to complying with Principle 7.2 of the MCGG (on the disclosure of Senior Management remuneration in the Company’s annual Corporate Governance Report) after a period of advocacy and at the latest in the Corporate Governance Report in respect of the financial year ending 31 December 2020.

Although the Company is not a Large Company (as defined by the MCGG) and therefore not subjected to Practice 11.2 (i.e. adopting Integrated Reporting), the Company intends to benchmark itself against such best practices. The Board will in the future undertake readiness assessments and gauge the necessary measures to transition to Integrated Reporting. In this respect, Duopharma Biotech has yet again produced a standalone Sustainability Report for year 2018 pursuant to the guidelines outlined in Practice Note 9 of MMLR as well as the Sustainability Guide and Toolkits by Bursa Malaysia Berhad. This fits well with its intention to move towards adopting Integrated Reporting in the future.

Conflicts of Interest

The duty placed on directors of companies to avoid situations whereby the interest of the company and his personal interest conflict is encapsulated in the law. In addition, the Company’s Constitution prescribes that a Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest and he / she shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly, a personal interest. Such declaration of interest, including declaration of directorships in other public companies, would be tabled to the next meeting of the Board scheduled after receipt of such declaration by the Company.

The duty to avoid conflicts of interest extends to the Company’s officers and employees as well. Under the Code of Conduct adopted by the Company, the Company’s officers and employees should avoid situations where their personal interest conflicts with Duopharma Biotech Group’s interest. Without prior written permission from the Group Managing Director, employees are prohibited from:

(a) Working as an employee, proprietor or director of another company or partnership.
(b) Having any interest in another organisation having business dealings with the Duopharma Biotech Group.
(c) Selling or leasing property, services or equipment to the Duopharma Biotech Group.
(d) Engaging in any other business or activities, e.g., direct selling for financial gain or advantage.
(e) Speaking in public forum on business related matters.

Further, the Company’s officers and employees must not improperly use their position, or property or information obtained as a result of their position for personal gain or to the detriment of the Duopharma Biotech Group.

As regards dealings in the shares or securities of Duopharma Biotech, certain restrictions have been placed by laws and regulations, including without limitation the Capital Markets And Services Act, 2007 and the listing requirements of any stock exchange on which the shares or securities of any member of the Duopharma Biotech Group are listed or traded. The Company’s officers and employees having access to unreleased price sensitive information must avoid conduct known as “Insider Trading” and avoid any adverse inference being drawn from unfair dealings by them. Violation of insider trading laws could result in criminal charges being brought against the defaulting officers and employees of the Company.

Ethical Behaviour

We strive to build a values-based culture by training our people on the standards we expect, encouraging the reporting of any concerns through our new Whistle Blowing Policy and acting swiftly and transparently when issues occur. We provide mandatory annual training on our values, Code of Conduct and Business Ethics Policy to help employees and complementary workers manage ethical dilemmas and put our values into practice at work.
Report of the Nomination and Remuneration Committee

The Board of Directors of Duopharma Biotech is pleased to present the report on the Nomination and Remuneration Committee (“NRC” or “Committee”) and its activities during the financial year ended 31 December 2018.

Composition Of Nomination and Remuneration Committee and Meetings

As at the end of the financial year 2018, the composition of the NRC stood at 3 members, majority of whom are independent. A total of 7 meetings were held during the year. The status of directorship and attendance record of each member during the year are as follows:

<table>
<thead>
<tr>
<th>MEMBERS OF NRC</th>
<th>NO. OF MEETINGS ATTENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dato’ Mohamad Kamarudin Bin Hassan</td>
<td>7/7</td>
</tr>
<tr>
<td>Chairman, Senior Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir</td>
<td>7/7</td>
</tr>
<tr>
<td>Member, Non-Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Dato’ Eisah Binti A.Rahman</td>
<td>7/7</td>
</tr>
<tr>
<td>Member, Independent Non-Executive Director</td>
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</table>

SUMMARY OF WORK DONE DURING THE YEAR

During the year, the Committee performed the following:

(1) With respect to nomination-related matters

i. Evaluated, assessed and recommended to the Board, the appointment of Non-Executive Directors of Duopharma Biotech based on the Company’s selection criteria.

ii. Reviewed and assessed the composition of Board Committees and recommended to the Board of Directors to fill the seats thereon.

iii. Reviewed and recommended the re-election/reappointment of non-executive directors to the Board.

iv. Evaluated and recommended candidates for key positions/Senior Management in Duopharma Biotech Group to the Board of Directors.

v. Ensured that all Directors received appropriate continuous training programmes in order to keep abreast with developments in related industries and changes in the relevant statutory requirements.

vi. Reviewed the Restructuring of the Group Management Committee.

vii. Reviewed and recommended the revised Board Effectiveness Evaluation Assessment of Board of Directors, Board Committees, Individual Directors and Independent Directors.
Report of the Nomination and Remuneration Committee

SUMMARY OF WORK DONE DURING THE YEAR

(2) With respect to remuneration-related matters

i. Reviewed and recommended to the Board the annual increment and bonus package for employees of Duopharma Biotech.

ii. Reviewed the Directors Remuneration for the shareholders’ approval at the Annual General Meeting of the Company in 2018.

iii. Reviewed and recommended the benefits-in-kind applicable to employees of Duopharma Biotech and its subsidiaries.

iv. Reviewed and recommended Remuneration Policy and Procedure for Directors and Senior Management.

v. Reviewed and recommended the Contract of Services for Encik Leonard Ariff Abdul Shatar as the Group Managing Director of Duopharma Biotech Berhad.

vi. Reviewed and recommended implementation of minimum wage for all employees in Duopharma Biotech Group in view of the National Budget 2018.

(3) General

i. Revised the Terms of Reference for the Nomination and Remuneration Committee.

Details on the Terms of Reference of the Nomination and Remuneration Committee can be found on the Company’s website at www.duopharmabiotech.com

FORMALISED AND TRANSPARENT REMUNERATION POLICIES FOR DIRECTORS AND SENIOR MANAGEMENT

Our Board believes that remuneration should be adequate to attract, retain and incentivise individuals of the necessary caliber, expertise and experience to join our Board. During the year under review, the Board reviewed and approved the new remuneration policy and procedures for Directors and Senior Management.

Remuneration of Non-Executive Directors (“NED”)

The key principles which underpin our Board’s policies for NED remuneration are as follows:

• Adequate to attract, motivate and retain world-class non-executive talent
• Consistent with recognised best practice standards for Chairman and NED remuneration
• Reflect the experience, time commitment, level of responsibilities and complexity shouldered, special assignments and risks

In determining director’s remuneration, our Board considered various factors, including changes in the business, market environment, complexity, increase in time commitment as well as directors’ remuneration of other companies which operate in similar businesses and are comparable in size and market share.

Our NEDs are entitled to be reimbursed for expenses which are reasonably incurred by them in the discharge of their duties. This includes but is not limited to travel and accommodation, mobile and broadband expenses. Claims submitted by the NEDs will be reviewed and approved by the Board Chairman while the Board Chairman’s claims are subject to review and approval by the Group Managing Director (“GMD”).

Remuneration of Senior Management

Our GMD is remunerated in accordance with the terms of his Employment Agreement, which is approved by the Board. Either party may terminate the employment by giving 3 months’ prior written notice. His remuneration package is aligned to individual and corporate performance based on agreed KPIs established by the Board.
Report of the Audit and Integrity Committee

The Board of Directors of Duopharma Biotech is pleased to present the report on the Audit and Integrity Committee ("AIC" or "Committee") and its activities during the financial year ended 31 December 2018.

Composition of Audit and Integrity Committee and Meetings

As at the end of the financial year 2018, the composition of the AIC stood at 3 members, all of whom are independent. A total of 9 meetings were held during the financial year. The status of directorship and attendance record of each of the members during the year are as follows:

<table>
<thead>
<tr>
<th>MEMBERS OF AIC</th>
<th>NO. OF MEETINGS ATTENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Razalee Bin Amin</td>
<td>9/9</td>
</tr>
<tr>
<td>Chairman, Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Dato’ Mohamad Kamarudin Bin Hassan</td>
<td>9/9</td>
</tr>
<tr>
<td>Member, Senior Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Zaiton Binti Jamaluddin</td>
<td>9/9</td>
</tr>
<tr>
<td>Member, Independent Non-Executive Director</td>
<td></td>
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</tbody>
</table>

SUMMARY OF WORK DONE DURING THE YEAR

Below is a listing of the work done by the AIC up to 31 December 2018 in discharging and meeting their functions, duties and responsibilities with regards to financial reporting and internal controls:

i. Reviewed the Statement of Corporate Governance, Report of the AIC and Statement on Risk Management and Internal Control ("SORMIC") prior to approval by the Board for inclusion in the 2017 Annual Report. The SORMIC was supported by the Annual Assurance Statement on Risk Management and Internal Controls, which was signed off by the Group Managing Director and the Chief Financial Officer.

ii. Reviewed and recommended the 2017 Annual Report of Duopharma Biotech prior to the submission to the Board for consideration and approval.

iii. Reviewed and approved Duopharma Biotech’s internal audit plan and budget for the financial year ending 31 December 2018.

iv. Reviewed the status report of internal audit activities for the year to ensure that all the planned activities for Duopharma Biotech were carried out effectively.

v. Reviewed the summary of the internal audit reports prepared by Group Internal Audit and Integrity Department and deliberated on significant audit issues, audit recommendations, management action plans and the agreed timeline. Where necessary, provided input on improvement of processes and operations.

vi. Monitored the status of corrective actions taken by the Management to ensure all audit issues and concerns are adequately addressed within the stipulated timeline.

vii. Oversees the performance and effectiveness of the Internal Audit function based on the approved key performance indicators, assesses the competency and experience of the Internal Audit staff as well as the adequacy of resources in order for the Internal Audit function to carry out its work effectively. The AIC also ensures that the Group Internal Audit and Integrity Department has the authority to carry out their work objectively and independently, free from any relationship or conflicts of interest.

viii. Held private meetings and discussions with the Head, Group Internal Audit and Integrity Department on significant audit and internal control matters.
### Report of the Audit and Integrity Committee

#### SUMMARY OF WORK DONE DURING THE YEAR

| ix. On its role with regard to Integrity, the AIC is entrusted to review the whistleblowing reports as tabled by the Head, Group Internal Audit and Integrity Department and provide its recommendation for the resolution of the cases. The AIC, through the Group Internal Audit & Integrity Department, ensures that the whistleblowing process is reliable and trustworthy, and also approved the revised Whistleblowing Policy. |
| x. Reviewed and recommended Duopharma Biotech’s Integrity Initiatives for 2018, and periodically monitored its progress against the plan. |
| xi. Reviewed and recommended the Terms of Reference for AIC. |
| xii. Reviewed the external auditors’ audit plan and engagement strategy for the financial year ended 31 December 2018, covering the audit focus area. |
| xiii. Reviewed the external auditors’ report for the financial year ended 31 December 2017, including matters relating to adjustments arising from the external audit review and adequacy of disclosures, prior to making recommendation to the Board for approval. No significant adjustments were required to the financial statements, which was presented in a true and fair manner. |
| xiv. Deliberated on the observations highlighted by the external auditors, and the respective management action plans and status updates. |
| xv. Held private meetings and discussions with the external auditors to allow for discussions on matters of concern. |
| xvi. Evaluated the performance and independence of the external auditors and made recommendations to the Board on their reappointment and audit fees. |
| xvii. Reviewed the quarterly reports in respect of the results to ensure compliance to the Malaysian Financial Reporting Standards and regulatory requirements and recommended to the Board for subsequent release to Bursa Malaysia. |
| xviii. Reviewed the notes to the draft announcements of the audited and unaudited financial statements to Bursa Malaysia, to ensure compliance to the regulatory Requirements. |
| xix. Reviewed the related party transactions entered into by Duopharma Biotech and the disclosure of such transactions in the annual report. |
| xx. Reviewed and recommended to the Board dividends to be declared to the shareholders of Duopharma Biotech. |
| xxi. Reviewed and recommended to the Board that the Dividend Reinvestment Plan was in the best interest of the Company and that it be tabled to the shareholders for approval. |
| xxii. Reviewed and recommended to the Board that the related party transaction involving the proposed acquisition by the Company from Chemical Company of Malaysia Berhad of 806,450 common shares in PanGen Biotech Inc. (“PanGen”) representing approximately 8.39% equity interest in PanGen was in the best interest of the Company and that it be tabled to the shareholders for approval. |
| xxiii. Reviewed and recommended to the Board that the proposed bonus issue by the Company was in the best interest of the Company and that it be tabled to the shareholders for approval. |

Details on the Terms of Reference of the Audit and Integrity Committee can be found on the Company’s website at www.duopharmabiotech.com
Report of the Audit and Integrity Committee

Statement on Internal Audit Function

The AIC is supported by Group Internal Audit and Integrity Department in the discharge of its duties and responsibilities. Internal Audit function, being the third line of defence, is responsible to provide independent assessment of compliance with existing laws/regulation, policies and procedures and reviews the adequacy and effectiveness of the risk management systems, internal controls and governance processes. The Head of the Group Internal Audit and Integrity Department ("GIA") reports directly to the AIC to promote independence and to enable it to maintain objectivity in rendering unbiased judgements.

(i) Reporting Line

The internal audit function’s purpose, authority and responsibilities are stated in the Internal Audit Charter, which is approved by the AIC. The internal audit function is responsible for undertaking regular and systematic risk-based assessments of the internal control of Duopharma so as to provide reasonable assurance that such systems are adequate and continue to operate effectively in managing the key risks of Duopharma.

(ii) Audit Planning and Work Done

The GIA formulated the Annual Internal Audit Plan based on the risk assessment of the business operations and the audit cycle, which was then approved by the AIC. GIA adopts the COSO Internal Control Framework in conducting the audit assignments, which covered 5 elements of internal controls, namely Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring.

In 2018, the GIA had issued 17 audit reports which covered operational and ad-hoc, amongst others, Project Management, Quality Control, Sterile Production, Human Resource, Sales & Marketing and Recurrent Related Party Transactions. The Internal Audit Reports, which included issues and action plans, were presented to and discussed with Management. GIA subsequently monitored the implementation of the agreed action plans to ensure full compliance. The reports together with follow-up action plans and implementation status were presented to the AIC for their deliberation and subsequent approval.

The performance of the GIA function was presented to the AIC on a quarterly basis.

(iii) Internal Audit Cost

The total expenditure incurred for GIA function for the financial year, which amongst others includes departmental expenditures such as office running expenses, training expenses, travelling expenses, staff remuneration, etc. is estimated at RM796,319.00.
Report of the Risk Management and Sustainability Committee

The Board of Directors of Duopharma Biotech is pleased to present the report on the Risk Management and Sustainability Committee ("RMSC") and its activities during the financial year ended 31 December 2018. Recognising the importance of managing the strategic risk of sustainability of the Duopharma Biotech Group and the effective management of sustainability practices within the Group, the Board had in 2018 resolved to include sustainability into the Terms of Reference of the Risk Management Committee ("RMC"), and renamed the committee as the Risk Management and Sustainability Committee with effect from 27 August 2018.

Composition Of Risk Management and Sustainability Committee and Meetings

During the financial year ended 31 December 2018, Datuk Mohd Radzif Bin Mohd Yunus was appointed as the Chairman of RMSC in place of Datuk Nik Moustpha Bin Hj Nik Hassan w.e.f. 1 July 2018, while Puan Zaiton Binti Jamaluddin and Dato’ Eisah Binti A. Rahman continued to be the Committee members of RMSC. Currently, the composition of the RMSC stood at 3, majority of whom are independent.

A total of 5 meetings were held during the financial year. The status of directorship and attendance record of each of the members during the year are as follows:

<table>
<thead>
<tr>
<th>MEMBERS OF RMSC</th>
<th>NO. OF MEETINGS ATTENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datuk Mohd Radzif Bin Mohd Yunus*</td>
<td>3/3</td>
</tr>
<tr>
<td>Chairman, Non-Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>(Appointed w.e.f. 1 July 2018)</td>
<td></td>
</tr>
<tr>
<td>Datuk Nik Moustpha Bin Hj Nik Hassan*</td>
<td>2/2</td>
</tr>
<tr>
<td>Member, Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>(Resigned w.e.f. 1 July 2018)</td>
<td></td>
</tr>
<tr>
<td>Zaiton Binti Jamaluddin</td>
<td>5/5</td>
</tr>
<tr>
<td>Member, Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Dato’ Eisah Binti A Rahman</td>
<td>5/5</td>
</tr>
<tr>
<td>Member, Independent Non-Executive Director</td>
<td></td>
</tr>
</tbody>
</table>

Note:
* Datuk Mohd Radzif has been appointed as the Chairman of RMSC with effect from 1 July 2018, following the resignation of Datuk Nik Moustpha as the Chairman and member of RMSC with effect from 1 July 2018.
SUMMARY OF WORK DONE DURING THE YEAR

Below is a listing of the work done by the RMSC in discharging and meeting their functions, duties and responsibilities with regards to risk management:

i. Reviewed and recommend the Terms of Reference of the RMSC.

ii. Reviewed the Statement of Corporate Governance, Report of the RMC and Statement on Risk Management and Internal Control ("SORMIC") prior to approval by the Board for inclusion in the 2017 Annual Report. The SORMIC was supported by the Annual Assurance Statement on Risk Management and Internal Controls, which was signed off by the Group Managing Director and the Chief Financial Officer.

iii. Reviewed the status report of risk management activities for the year to ensure that all the planned activities for Duopharma Biotech Group were properly carried out.

iv. Reviewed the summary of the risk assessment report prepared by the Group Risk Management Department.

v. Monitored the status of mitigation actions taken by the Management to ensure all risk management issues and concerns are adequately resolved on timely basis.

vi. Reviewed Duopharma Biotech Group’s Risk Profile and the management process for identifying, evaluating and managing the significant risks faced by Duopharma.

vii. Reviewed and recommend the Terms of Reference of the RMSC.

viii. Monitored Duopharma Biotech Group’s compliance with safety, health and environment requirements during the year under review.

SUMMARY OF ACTIVITIES FOR THE YEAR UNDER REVIEW

The RMSC principal activities in the year under review are summarized below:

i. Deliberated the Group’s top risks and operational risks and the system of internal control necessary to manage and mitigate such risks from the quarterly reports provided by Group Risk Management Department ("GRMD"). The reports highlight the movements of risk ratings as well as the progress of treatment plans that were identified to mitigate the risks.

ii. Reviewed the Merger and Acquisition framework as well as the Capital Expenditure ("CAPEX") framework and recommended RMSC’s role in the process to ensure adequate and effective risk management.

iii. Reviewed reports on safety, health and environment incidents and deliberated the adequacy and effectiveness of preventive and corrective action taken.

iv. Review sustainability materiality matrix and recommended improvement in certain areas.

The GRMD is responsible for the ongoing review, development and co-ordination of Risk Management Framework and ensure the implementation of the risk management process in the Group. Activities organized by GRMD includes:

Elevating Understanding on Risk Management

Formalized Risk Assessment Workshops were carried out throughout the year to develop understanding of the importance of risk management and at the same time ensuring appropriate coverage of risk identification, analysis, evaluation and treatment within the Group. In total four Risk and Control Self-Assessment ("RCSA") sessions were conducted.

To further enhance risk knowledge in the GRMD, one personnel completed an external enterprise risk management program that is well recognized internationally.
Report of the Risk Management and Sustainability Committee

Culture Building

Risk culture is driven with a strong tone from the top. Encik Leonard Ariff Bin Abdul Shatar, as the Group Managing Director envisioned risk management to be the DNA of the company where it becomes the codifying tool in retaining knowledge and processes within the company.

The objective centric approach of risk management is practiced. This is implemented right from Top Management to the operational staff. Yearly it begins when senior management gather to discuss and finalize Operating Plans for the subsequent year. The Operating Plan consists of objectives that the management plans to achieve in that year and forecast for the next 3 years. These objectives are recorded into the risk register to ensure risks against these objectives are addressed. Mitigation strategies from the risk registers will be transferred as KPI at every level. Management then selects the top risks and place them on a 2 x 2 chart which shows the level of exposure and possibility of the risk event occurring.

Risk management culture is continuously inculcated throughout the organization through continuous training, monitoring and planned risk review sessions by GRMD. One of the key results from the review sessions is the initiative from GRMD to standardize the format of all risk reports in the company. This enables proper risk overview and management of the operational risks in the Group. The standardization process will be completed in March 2019.

As part of risk culture building, each member of the Company’s Group Management Committee that comprises the Group Managing Director and the functional Chiefs sign a risk assurance statement that all risks are identified, addressed and reviewed every quarter. In addition to that, the Group Managing Director and Chief Financial Officer also sign a yearly risk assurance statement that is tabled to the RMSC.

Emerging Risk Monitoring

Assessment and monitoring of emerging risk is part of our commitment towards proactively strengthening controls in the changing business climate. One of the references used is the Global Risk Report 2018. The report is based on the annual Global Risks Perception Survey, completed by almost 750 members of the World Economic Forum’s global multi stakeholder community. The assessment highlights the emerging risks that may have impact on the Group’s businesses and operations to enable Management to proactively develop internal control necessary to manage these risks.

The 14th general election led to a change in government and left businesses wary of reforms and policy changes. Risk assessments against the reforms pledged by the New Government and Malaysia Budget 2019 were tabled. Recommendation on mitigation on potential impact on businesses and initiatives to capture opportunities were deliberated.
Report of the Halal Committee

The Board of Directors of Duopharma Biotech is pleased to present the report on the Halal Committee ("HC" or "Committee") and its activities during the financial year ended 31 December 2018.

Composition of Halal Committee and Meetings

Following the establishment of HC in 2018, Datuk Nik Moustpha Bin Hj Nik Hassan was appointed as Chairman of the Committee while Datuk Mohd Radzif Bin Mohd Yunus and Dato’ Eisah Binti A. Rahman were appointed members of the Committee, with effect from 1 July 2018. The current composition of the Committee now stands at 3 members that comprises a majority of Independent Directors. A total of 3 meetings were held during the year under review.

<table>
<thead>
<tr>
<th>MEMBERS OF HC</th>
<th>NO. OF MEETINGS ATTENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datuk Nik Moustpha Bin Hj Nik Hassan</td>
<td>3/3</td>
</tr>
<tr>
<td>Chairman, Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Datuk Mohd Radzif Bin Mohd Yunus</td>
<td>3/3</td>
</tr>
<tr>
<td>Member, Non-Independent Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Dato’ Eisah Binti A.Rahman</td>
<td>3/3</td>
</tr>
<tr>
<td>Member, Independent Non-Executive Director</td>
<td></td>
</tr>
</tbody>
</table>

SUMMARY OF WORK DONE DURING THE YEAR

During the year, the Committee:

i. Reviewed and recommended the Terms of Reference of the Halal Committee prior to submission to the Board of Directors for approval.

ii. Reviewed and realigned the structure of Duopharma Biotech’s halal operation committees to ensure that the committees function effectively for all Duopharma’s facilities and manufactured products maintain adherence to the requirements of Halal Certification.

iii. Review and provided directives on the background and expected credibility of Duopharma’s Shariah Advisor and Halal Executives.

iv. Reviewed and deliberated the reports on Duopharma Biotech Halal Initiatives 2018 as at August 2018 and Recommendations for 2019 Halal Planned Initiatives and Indicative Budget.

v. Monitored the status of Duopharma’s manufactured products that are halal-certified under the JAKIM and LPPOM MUI.

vi. Deliberated on the halal promotional programs completed in 2018, and made recommendations to improve on the approach and activities of the programs to enhance international presence.

vii. Deliberated and recommended on the concept of communication on halal pharmaceuticals for all Duopharma Biotech Group’s halal awareness and promotional materials.

viii. Reviewed and deliberated on the proposed Halal KPI for Duopharma Biotech Group for the year 2019 and recommended on the alignment of the proposed Halal KPI for 2019 with Duopharma Biotech Group’s business activities and desired outcome.

ix. Reviewed and recommended key influencers to adequately support Duopharma Biotech Group’s Halal Initiatives.

x. Reviewed and deliberated the proposed Revised Duopharma Biotech’s Halal Policy to be realigned with other policies.

Details on the Terms of Reference of the Halal Committee can be found on the Company’s website at www.duopharmabiotech.com
COMMUNICATION WITH STAKEHOLDERS

As stewards of the Duopharma Biotech Group, the Board strives to foster a collegial and transparent relationship with the stakeholders of Duopharma Biotech. Accordingly, the Board seeks to ensure that there is continuous communication and dissemination of information to stakeholders through a plethora of engagement which includes Duopharma Biotech’s website, announcements to Bursa Malaysia Berhad as well as social media sites. Duopharma Biotech’s website contains recent announcements to Bursa Malaysia Berhad, media releases, past and current annual reports of the Company, recent notices of meetings of members, and key matters discussed and/or minutes of meetings of members. During the year under review, Duopharma Biotech has also supplemented these activities by regularly holding investors and analyst briefing sessions.

Following the adoption of a new name, logo, vision, mission and tagline, the Board continues to advocate efforts to communicate hope to enhance the brand equity of the Company to the market, reaching shareholder’s, analyst’ and potential investors.

With regard to stakeholder communications, the Board has adopted Chemical Company of Malaysia Berhad’s Shareholders and Investors Communication Policy and Corporate Disclosure Policy that governs communications between Duopharma Biotech and its stakeholders.

Conduct of General Meeting

The Annual General Meeting (“AGM”) and other meetings of members serve as an invaluable platform for shareholders to engage the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall betterment of Duopharma Biotech Group. During the previous AGM and meetings of members held in 2018 and 2019, all Directors were present to provide clear and meaningful response to shareholders’ questions. The external audit partner was also present to answer questions, if any, from shareholders relating to the external audit process and outcome. Likewise, other consultants engaged in relation to the relevant matters tabled at the said meetings (“as the case may be”) were also present to answer questions, if any, from shareholders relating to the matters tabled.

The Board has always given utmost consideration to the location of the Company’s general meetings to ensure it is easy to reach or easily accessible to shareholders. The Company’s AGM for 2019 will be held at Setia City Convention Centre which is located in Shah Alam and within reasonable proximity of Duopharma Biotech’s operation sites in Klang and Glenmarie. In order to encourage shareholders’ participation, shareholders have been given more than 28 days’ notice for the upcoming AGM to accord them with adequate time to prepare and ultimately make informed decisions during the AGM. The notice for the AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes where applicable.

INVESTOR RELATIONS

The Group places strong emphasis in ensuring regular and transparent communication with its stakeholders, the financial and/or investment community and other relevant stakeholders (hereby referred to collectively as the “Stakeholders”) as per the recommendations of the Malaysian Code on Corporate Governance and other regulatory bodies.

We strive to provide equitable information vis-à-vis the Company to facilitate the Stakeholders in making optimal informed investment choices by taking into account the following considerations:

1. The same information will be concurrently disseminated to the Stakeholders.
2. Clear and succinct information is presented to minimize any misinterpretations and misunderstanding.
3. Stakeholders are able to access the same content via various media.
4. Information are made available to the Stakeholders without delay after a public announcement has been made except where this is made impossible due to legal constraints or legitimate business reasons.
5. Information are impartially presented regardless of whether or not it is advantageous to the Company.

The Company is also committed to maintaining a direct and transparent engagement with its Stakeholders in order to ensure that the market is kept informed of the Group’s developments, strategies and prospects.

Additionally, the Company continues to be an active participant in the Mid and Small Cap (MidS) research scheme by Bursa Malaysia Berhad.

INVESTOR RELATIONS ENGAGEMENTS & ACTIVITIES

Engagement with analysts, fund managers and shareholders are essential by ways of regular meetings and dialogues. At least 2 investors briefing are held each year, usually to coincide with the release of the Group’s half-year and year-end financial results to explain the Group’s results and strategic business plan with the aim of fostering better understanding of the Group’s performance.

Throughout FY 2018, we have frequent meetings and site visits with analysts and fund managers as well as 2 financial results briefing in March 2018 and September 2018. These engagements are led by our Group Managing Director and/or Chief Financial Officer which include site visits to our plant.
Responsibility

The Board is responsible for the review of the adequacy and effectiveness of the Duopharma Biotech Group’s system of risk management and internal controls, which includes financial, operational and compliance controls. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The risk management and control processes are implemented by the Management, led during the year under review by the Group Managing Director and Senior Management of the Group, who collectively are responsible for good business practices and governance.

Risk Management and Sustainability Function

The Board had decided that a committee is required to ensure business sustainability in the face of challenging external condition. In view of this, the Group Risk Management Committee is responsible to assist the Board of Directors in ensuring that there is a sound system for risk management and effective management of sustainability practices within the Group and its subsidiaries and the committee is renamed Risk Management and Sustainability Committee (“RMSC”).

The RMSC is supported by an in-house risk management function i.e. Group Risk Management Department (“GRMD”) and Sustainability Department (“SD”). GRMD provides risk advisory and supports the Board, Executive Risk Management Committee (“ERMC”) in all matters of Enterprise Risk Management (“ERM”). While SD implements sustainability-related policies, measures and actions in achieving company sustainability milestones and goals. Please refer to the stand-alone Sustainability Report which explain efforts in the area of sustainability.

Risk Management

The ERM framework defines the policy and objectives and sets the risk reporting structure. The framework structure includes risk profiling of historical and current risks as well as future expectation to anticipate probable future exposures. The framework ties into the Group’s governance policies and guidelines via deliberations at various committees. The framework operates within the context of Strategic, Operational, Financial, Emerging and Project risks categories.

ERM FRAMEWORK

---

**SYSTEM & TOOLS**

Communication, Education, Training & Guidance

---

Strategic  Operational  Financial  Emerging  Project

---

Roles & Delegated Authorities

Governance

Committees & Departments

Policies

Risk Profile
Quantification & Analysis
PRESENT

Incidents & Loss Events
PRESENT

Predictor Events
FUTURE

ERM PROCESS

Planning & Change

Line Management & Reporting

Action

Controls

Risk Appetite

Risk Analysis

Communication, Education, Training & Guidance
Statement on Risk Management and Internal Control

The RMSC receives reports from members of the ERMC which is chaired by the Group Managing Director and comprises of Group Management Committee ("GMC"). The ERMC is assisted by the Risk Champions whose role is to identify, mitigate and manage risks within their departments. The GRMD has a role in facilitating, coordinating, monitoring and assessing the effectiveness of the ERM framework in accordance to established policies, principles and standards. The ERM structure is summarized below:

![Diagram showing the enterprise risk management reporting structure](image)

The Company adopts ISO31000:2009 Risk Management Principles and Guidelines in its risk management processes, whereby the focus is on the management of risk from any event or uncertainty that may have a significant impact on Group objectives. Risk management process includes risk identification, analysis, evaluation and treatment, with continuous monitoring, review, communication and consultation. Risks events are analyzed in terms of its likelihood of occurrence and significance of their consequences, where an approved Risk Matrix is used to ensure consistent practice throughout the Group.
Statement on Risk Management and Internal Control

The table below provides an indication of key risk areas and mitigation strategies during the year.

<table>
<thead>
<tr>
<th>KEY RISK</th>
<th>DESCRIPTION</th>
<th>MITIGATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects not meeting planned objectives</td>
<td>Risk on any items that may lead to cost overrun, delay or failure to complete the projects.</td>
<td>All projects that require the approval from the Board, is subjected to risk assessments, where the risk registers resulting from the assessment together with the mitigation plans are mandatorily tabled as part of the projects’ proposals. Project risk updates post implementations of the projects are tracked and reported as part of the risk management reporting process.</td>
</tr>
</tbody>
</table>
| Fluctuation in exchange rates and interest rates | Risk of volatilities affecting exchange rates and interest rates which may affect the values of financial assets and liabilities. | • Better cost management in imported items like raw materials, machines etc.  
  • Increase efficiencies in operations.  
  • Close monitoring of foreign assets and liabilities denominated in the same currency to maximise the benefits of natural hedges and also other hedging arrangements. |
| Regulatory change                           | Pharmaceuticals industry is highly regulated. The Group needs to be prepared for anticipated future standards when implemented. | • The Group has established procedures and mechanisms and to ensure full compliance.  
  • An in-house Pharmacovigilance and Clinical Affairs team monitor the drug safety and work closely with regulators and medical practitioners.  
  • Periodically invests in major infrastructure upgrades in anticipation of future regulatory demands. |
| Government policy change                    | New government may introduce new policy and reforms that may impact the company. | Continuous engagement with relevant authorities and close monitoring on changes in government policy and directions. |
| Continuity of collaborations with key partners | The Group has collaborations with key partners in various projects. Retention of these key partners contribute to the success of the projects. | The Group engages key partners closely and ensure good communications. All deliverables and performance indicators are mutually agreed and met or exceeded. |

**KEY ELEMENTS OF THE GROUP’S SYSTEM OF INTERNAL CONTROLS**

The Board, through the Audit and Integrity Committee (“AIC”) had approved a Management Control Policy which dictates the responsibilities of the AIC, the Management and the Internal Audit function with regards to internal controls.

The AIC is responsible for monitoring, overseeing and evaluating the duties and responsibilities of Management, the internal and external auditors as those duties and responsibilities relate to the Group’s processes for controlling its operations. The AIC is also responsible for determining that all major issues reported by the Group Internal Auditor, the external auditors and other outside advisors have been satisfactorily resolved. Finally, the AIC is responsible for reporting to the Board of Directors all important matters pertaining to the Group’s controlling processes.

Management is entrusted with the responsibility of establishing an internal control framework with the objective of controlling the operations of the Group in a manner which provides the Board of Directors with reasonable assurance that the control objectives will be achieved.

The internal audit function is entrusted with the responsibility for ascertaining that the ongoing processes for controlling operations throughout the Group are adequately designed and are functioning in an effective manner. The Group Internal Auditor is also responsible for reporting to Management and the AIC on the adequacy and effectiveness of the Group’s systems of internal control, together with ideas, counsel and recommendations to improve the systems.
Statement on Risk Management and Internal Control

The key elements of the Group’s system of internal controls are described below:

**BOARD COMMITTEES**

The delegation of responsibilities to the various committees of the Board of Directors is clearly defined. At present, the committees which are established are the Audit and Integrity Committee ("AIC"), Risk Management and Sustainability Committee ("RMSC"), Nomination and Remuneration Committee ("NRC") and Halal Committee ("HC").

**ASSIGNMENT OF AUTHORITY AND RESPONSIBILITY**

Clearly defined lines of authority within the Group’s organisation structure have been established to facilitate the supervision and monitoring of conduct and operations of individual business units and support services departments. The Board has approved a defined and documented Limits of Authority ("LOA") which is used consistently throughout the Group. These LOAs specify clear division and delegation of responsibilities from the Board to the Board Committees and to members of Management and the authorisation levels of various aspects of operations. These are regularly reviewed and updated to resolve operational effectiveness and challenges and to reflect changing risks. Additionally, the Duopharma Biotech Group Management and the RMSC of Duopharma Biotech provided added assurance to the Board on the feasibility evaluation of project/investment proposals and subsequent evaluation of the progress and results of endorsed project/investment through a process of due scrutiny.

**PLANNING, MONITORING & REPORTING**

The Group undertakes a strategic and budgeting planning process annually, to establish plans and targets against which performance is monitored. These business plan and budgets are subjected to evaluation and assessment by the Group’s Senior Management Group and the AIC before it is recommended to the Board for approval. Monthly review is carried out by the Management to ensure that the businesses are operating according to the plans, as well as to monitor adherence to the internal control procedures established. Management reports are presented to the Board each quarter providing financial information including key performance and risk indicators. The information is reviewed by the AIC before it is presented to the Board for consideration and approval.

**POLICIES & PROCEDURES**

There are policies and procedures in place to ensure compliance with controls, and relevant law and regulations. These policies and procedures are periodically reviewed and updated to reflect changes in business structure and processes. In various instances, these documents form an integral part of the Integrated Quality Management Systems ("IQMS").

The Group has implemented Enterprise Resource Planning system ("ERP") as part of the Group initiative to establish best practices across key business functions promoting greater visibility, transparency and efficiency, and data integrity for the business.

Annual assurance is provided by the Group Managing Director to the Board on the adequacy and effectiveness of controls in the business processes. The Senior Management Team likewise provides annual assurance to the Group Managing Director on the said matters.

**BUSINESS CONTINUITY MANAGEMENT**

Business Continuity Management ("BCM") is a holistic management process that allows Duopharma Biotech Group to recover and re-establish the delivery of services or products at acceptable predefined levels following a disruptive event. BCM plays an important role to prevent operational interruption, delays in responding to customer requests and inability to process transactions in a timely manner. In today’s global marketplace the definition of a disaster has significantly changed; no longer are disasters only discussed in terms of hurricanes, fires or human errors, but also our ability to remain connected with our supply chain and customers. The crucial role of BCM is to assist us to be resilient, to a state of “Business as Usual”, if any of these events stated above occurs.

In the event of disruptive incidents such as large scale natural disaster, major fire, flood or social unrest, the established framework of Business continuity management will be used to guide Duopharma Biotech Group to mitigate and respond to the incident.

The Business Continuity team consists of representatives from Site Emergency Response Plan, Manufacturing, Technical, Supply Chain, Finance, HR and Commercial. Additional help from internal and external sources can and will be called in to join the team if the disruptive incident requires additional expertise.

Business Continuity Management provides the Duopharma Biotech Group with a firm strategy to handle any situation, at any circumstances and maintains continuity of operations and service delivery to meet the demand of the market. It also retains the confidence of the shareholders & customers towards our product quality. Business Continuity provides a competitive advantage by preventing significant harm to our corporate image, loss of customer and damage to reputation. Business continuity helps mitigate business risks and financial exposures. As a whole, we could conclude that BCM are the way to move forward as the global market changes consistently.

The framework will be reviewed regularly by the Business Continuity Team to ensure adequacy and efficacy.
Employee Engagement is one of the main focuses for the Group, where various programmes, activities, and competitions are held with active participation from employees, from which the practice of the Group’s Core Values can be reinforced and strengthened.

The Group Internal Audit and Integrity (“GIA”) function independently reviews and assesses the adequacy, operating effectiveness, and integrity of the system of internal control in managing the key risks, and reports accordingly to the AIC on a quarterly basis. The annual audit plan is reviewed and approved by the AIC, and the frequency of which is determined by the level of assessed risks, to provide an independent and objective report on operational and management activities of these functions. Where weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls; and follow-up audits are conducted by the GIA to assess the status of implementation thereof by management. In carrying out its work, GIA focuses on areas of priority as directed and approved by the AIC.

The Board remains committed towards maintaining a sound system of internal control and believe that a balanced achievement of the Group’s business objectives and operational efficiency can be attained. The Group continues to take measures to further strengthen the internal control environment.

With the introduction of the Corporate Liability bill (“Section 17A”) as an amendment to the MACC Act 2009, it is highly necessary for Companies to establish measures to prevent corruption from happening and further inculcate Integrity and ethical values in the Organisation. This commitment to making Integrity as a culture is underscored by the many effective initiatives we have in place. The key strategies adopted to implement the integrity initiatives are Awareness, Enhancement, Prevention, Punitive and Rewards.

The Integrity function in Duopharma Biotech is responsible for, amongst others, conducting programmes to further inculcate and enhance integrity in the Group’s culture and it’s stakeholders, managing the Group’s Whistleblowing channels (“SpeakUpPharma”), enhancing business practices to further improve governance and confirming information/complaints received via the whistleblowing channels.
Statement on Risk Management 
and Internal Control

BOARD’S ASSESSMENT

The Board is of the view that the Company’s overall risk management and internal control system is operating adequately and 
effectively, in all material aspects, and have received the same assurance from both the Group Managing Director and Chief 
Financial Officer of the Company.

The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Group 
has been in place throughout 2018 up to date of approval of this statement.

For the financial year 2018, the Board is of the view that the system of internal controls was adequate and effective and, has not 
resulted in any material loss, contingency or uncertainty that would require disclosure in the Annual Report 2018.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Listing Requirements, the external auditors have reviewed 
this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 
("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included 
in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for the inclusion in the annual report of Duopharma 
Biotech Group for the year ended 31 December 2018, and reported to the Board that nothing has come to their attention that 
causes them to believe that the Statement intended to be included in the Annual Report of Duopharma Biotech Berhad, in all 
material respects:

(a) has not been prepared in accordance with disclosures required by Paragraph 41 and 42 of the Statement on Risk Management 
and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of Duopharma Biotech Group’s risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The statement has been approved by the Board of Directors on 19 March 2019.
1. **UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS**

The status of the utilisation of proceeds pursuant to the rights issue exercise of Duopharma Biotech Berhad (*formerly known as CCM Duopharma Biotech Berhad*) (“Duopharma Biotech” or the “Company”) which was completed on 22 July 2015 are as follows:

<table>
<thead>
<tr>
<th>Details of Utilisation</th>
<th>Proceeds Utilisation RM’000</th>
<th>Actual Utilisation RM’000</th>
<th>Balance Unutilised RM’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of bank borrowing</td>
<td>140,000</td>
<td>133,695</td>
<td>6,305</td>
</tr>
<tr>
<td>Expansion of factory</td>
<td>106,963</td>
<td>113,268</td>
<td>(6,305)</td>
</tr>
<tr>
<td>Estimated expenses</td>
<td>4,100</td>
<td>4,100</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>251,063</strong></td>
<td><strong>251,063</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

2. **AUDIT AND NON-AUDIT FEES FOR SERVICES RENDERED TO THE LISTED ISSUER OR ITS SUBSIDIARIES FOR THE FINANCIAL YEAR**

During the year ended 31 December 2018, the following amounts have been paid or are payable to the auditors for services rendered to the Duopharma Biotech Group:

<table>
<thead>
<tr>
<th></th>
<th>Audit Work (RM’000)</th>
<th>Non-Audit Work (RM’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company level</td>
<td>36</td>
<td>12</td>
</tr>
<tr>
<td>Group level</td>
<td>263</td>
<td>27</td>
</tr>
</tbody>
</table>

3. **MATERIAL CONTRACTS**

Save for the following, there were no material contracts entered into by the Duopharma Biotech Group during the 2 years preceding the date of this Annual Report, other than contracts entered into in the ordinary course of business:

(i) By way of a Share Subscription Agreement ("SSA") dated 25 October 2018 made between Duopharma Biotech of the first part, SCM Lifescience Co., Ltd. ("SCM Lifescience") of the second part, Sun U. Song of the third part and Byung Geon Rhee of the fourth and last part (hereinafter Sun U. Song and Byung Geon Rhee are collectively referred to as the "Interested Persons"), SCM Lifescience had agreed to issue and sell and Duopharma Biotech had agreed to subscribe for and purchase 164,016 common shares and 109,344 redeemable convertible preference shares representing approximately 5.8% equity stake in SCM Lifescience for a total purchase consideration of Korean Won ("KRW") 5,500,003,200 upon the terms and conditions contained in the SSA.

In conjunction thereto, and by way of an Exclusive Marketing And Commercialization Agreement ("EMCA") dated 25 October 2018 made between SCM Lifescience of the one part and Duopharma Biotech of the other part, SCM Lifescience had agreed to grant the Company, in consideration of the Company paying to SCM Lifescience the sum of RM10.00 only upon execution of the EMCA and subject to the terms and conditions of the EMCA, (i) exclusive marketing and commercialization rights in Malaysia, Singapore, Brunei and Philippines (collectively “Principal ASEAN Territories”) for all the stem cell therapy products developed by SCM Lifescience; (ii) first right of refusal for exclusive marketing and commercialization rights for all other ASEAN countries, except Indonesia, for all the stem cell therapy products developed by SCM Lifescience; (iii) the technology transfer to the Company for any new future stem cell therapy business undertaken by the Company to the extent it is necessary for SCM Lifescience to fulfil the obligations under the EMCA; and (iv) the license regarding certain patents and patent applications and related know-how to the extent it is necessary for SCM Lifescience to fulfil the obligations under the EMCA.
Other Disclosures

(ii) By way of a Transitional Use Addendum dated 28 July 2018 made between Duopharma Biotech, Chemical Company of Malaysia Berhad (“CCMB”) and SAP Malaysia Sdn. Bhd. (“SAP”) to the SAP Software End-User License Agreement made between SAP and CCMB effective 1 September 2010 (“Initial Agreement”) and all exhibits, appendices, schedules, order forms or other addenda attached to or referenced by the Initial Agreement (collectively the “Agreement”), SAP and CCMB agreed that Duopharma Biotech and affiliates of Duopharma Biotech shall have the right to use the software licensed by CCMB under the Agreement upon the terms and conditions therein contained;

(iii) Facility Agreement for USD20.0 million Revolving Credit-i Commodity Murabahah entered into between Duopharma Biotech and Oversea-Chinese Banking Corporation Limited, Labuan Branch, upon the terms and conditions as contained in the bank’s Facility Letter dated 27 March 2018 and Supplemental Facility Letter dated 16 May 2018;

(iv) By way of a conditional share sale agreement dated 13 April 2018 made between CCMB of the one part and Duopharma Biotech of the other part, Duopharma Biotech had agreed to acquire from CCMB 806,450 common shares in PanGen Biotech Inc. representing approximately 8.39% equity interest in PanGen for a total purchase consideration of RM59.16 million (equivalent to KRW16.35 billion) to be satisfied entirely in cash and upon the terms and conditions therein contained;

(v) By way of a Trade Marks License Agreement dated 11 April 2018 made between CCMB of the one part and Duopharma Biotech of the other part, CCMB had agreed to grant the license and right for Duopharma Biotech and its affiliates to use the trademarks associated with the “CCM Leaf logo” and “CCM” for a consideration of RM250,000 per annum and upon the terms and conditions therein contained, and by way of a sale and purchase agreement of trademarks dated 11 April 2018 made between CCMB and Duopharma Biotech, CCMB had agreed to sell to Duopharma Biotech certain trademarks which are pertinent to the operations of Duopharma Biotech for a total purchase consideration of RM73.00 and upon the terms and conditions therein contained;

(vi) By way of an Information Technology (“IT”) Services Agreement dated 11 April 2018 made between CCMB of the one part and Duopharma Biotech of the other part, CCMB had agreed to provide to Duopharma Biotech IT management services, and systems, applications and products (“SAP”) services upon the terms and conditions therein contained. The fees for the IT Services provided by CCMB to Duopharma Biotech are as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>IT Management Services</th>
<th>Charges per SAP user</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2018 – 31 December 2018</td>
<td>3,194,244</td>
<td>773</td>
</tr>
<tr>
<td>1 January 2019 – 31 December 2019</td>
<td>3,353,952</td>
<td>812</td>
</tr>
<tr>
<td>1 January 2020 – 31 December 2020</td>
<td>3,521,652</td>
<td>853</td>
</tr>
<tr>
<td>1 January 2018 – 31 December 2021</td>
<td>3,697,740</td>
<td>896</td>
</tr>
</tbody>
</table>

(vii) By way of a Share Sale Agreement dated 27 February 2018 made between Duopharma Marketing Sdn. Bhd. (formerly known as CCM Pharmaceuticals Sdn. Bhd.) (“DMktg”) (a wholly-owned subsidiary of Duopharma Biotech) of the one part and Duopharma Biotech of the other part, DMktg had agreed to dispose its entire equity interest in Duopharma HAPI Sdn. Bhd. (formerly known as CCM Biopharma Sdn. Bhd.) (a wholly-owned subsidiary of DMktg) and Negeri Pharmacy Sdn. Bhd. (a wholly-owned subsidiary of DMktg) in favour of Duopharma Biotech for a purchase consideration of RM2,500,000.00 and RM1.00 respectively and upon the terms and conditions therein contained;

(viii) By way of a Share Sale Agreement dated 27 February 2018 made between Duopharma (M) Sendirian Berhad (“DMSB”) (a wholly-owned subsidiary of Duopharma Biotech) of the one part and Duopharma Biotech of the other part, DMSB had agreed to dispose its entire equity interest in Duopharma Manufacturing (Bangi) Sdn. Bhd. (formerly known as UPHA Pharmaceutical Manufacturing (M) Sdn. Bhd.) (“DMBSB”) (a wholly-owned subsidiary of DMSB) in favour of Duopharma Biotech for a purchase consideration of RM78,365,000.00 and upon the terms and conditions therein contained;
(ix) By way of a Debt Conversion Agreement dated 27 February 2018 made between Duopharma Biotech of the one part and DMBSB (a wholly-owned subsidiary of Duopharma Biotech) of the other part, the parties had agreed to increase the paid-up share capital of DMBSB by way of conversion of a portion of inter-company loan owed by DMBSB to Duopharma Biotech amounting to RM90,000,000.00;

(x) Proposed bonus issue announced by Duopharma Biotech on 27 February 2018 of up to 371,945,333 new ordinary shares in Duopharma Biotech ("DBB Shares") ("Bonus Shares") to be credited as fully-paid up on the basis of 4 Bonus Shares for every 3 existing DBB Shares held by the shareholders of Duopharma Biotech at an entitlement date to be determined and announced later, and proposed establishment of a dividend reinvestment plan which will provide the shareholders of Duopharma Biotech with an option to elect to reinvest their cash dividend declared by Duopharma Biotech which includes any interim, final, special or any other cash dividend in DBB Shares;

(xi) Acceptance by DMSB, a wholly-owned subsidiary of Duopharma Biotech, of a Letter of Offer from Pharmaniaga Logistics Sdn. Bhd. to supply pharmaceutical and/or non-pharmaceutical products as listed in the Letter of Offer to hospitals, clinics and others under the Government of Malaysia from 1 December 2017 until 30 November 2019 (or at such other date as directed by the Government) for a total estimated value of approximately RM156 million;

(xii) Acceptance of a tender offer by the Government of Malaysia for Biocon Sdn. Bhd. to manufacture and supply, and for DMktg, a wholly owned subsidiary of Duopharma Biotech, to deliver human insulin formulation under the Ministry of Health’s Off-Take Agreement Program, for a period of three (3) years commencing on 2 December 2016 until 1 December 2019 and the Off-Take Agreement in relation thereto dated 18 August 2017 between the Government of Malaysia (represented by the Malaysian Ministry of Health), Biocon Sdn. Bhd. and DMktg for a total consideration of RM300,040,500.00;

(xiii) Credit Facilities Agreement dated 6 July 2017 for an additional amount RM10.0 million entered into between DMSB (a wholly owned subsidiary of Duopharma Biotech) and OCBC Bank (Malaysia) Berhad, based on terms and conditions as contained in the bank’s offer letter dated 27 April 2017;

(xiv) Facility Agreement for Murabahah Tawarruq Term Financing-i Facility dated 16 June 2017 of RM250.0 million and Islamic Multi-Trade Facilities dated 19 May 2017 of RM30.0 million entered into between Duopharma Biotech and AmBank Islamic Berhad; and

(xv) Forex Facility for Foreign Exchange Line of USD20.0 million for Forward contract not exceeding three (3) years, and Derivatives Transactions Line of USD20.0 million for Interest Rate Swap contract for up to 3 years, entered between Duopharma Biotech and OCBC Bank (Malaysia) Berhad based on terms and conditions as contained in the bank’s letter of offer dated 15 March 2019.

As at 31 December 2018, the Duopharma Biotech Group has material commitments for capital expenditure of RM12,466,000.00 (contracted but not provided for).
4. **REVALUATION POLICY**

The Company adopted a policy to revalue its landed properties every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying amount.

5. **MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at 31 December 2018, neither Duopharma Biotech nor its subsidiaries, was engaged in any material litigation, claim or arbitration, either as plaintiff or defendant or otherwise, and the Board does not have any knowledge of any proceedings, pending or threatened against Duopharma Biotech and/or its subsidiary, or of any fact likely to give rise to any such proceedings, which might materially or adversely affect the financial position or business of Duopharma Biotech and/or its subsidiary.

6. **RECURRENT RELATED PARTY TRANSACTION OF REVENUE OR TRADING NATURE**

During the Annual General Meeting held on 22 May 2017, Duopharma Biotech obtained a shareholders’ mandate to allow Duopharma Biotech to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature which are necessary for its day to day operations and are in the ordinary course of business with related parties. The said general mandate took effect from 22 May 2017 and expired upon conclusion of the AGM of the Company held on 31 May 2018. The disclosure of the RRPTs conducted pursuant to the said shareholders’ mandate during the financial year ended 31 December 2018 is set out on pages 189 to 192.

By letter dated 23 May 2018, Bursa Malaysia Securities Berhad had approved the Company’s application for waiver from having to comply with Paragraph 10.09 of the Main Market Listing Requirements in respect of any future recurrent related party transactions ("RRPTs") between the Duopharma Biotech group of companies and any companies in which Permodalan Nasional Berhad ("PNB") and/or the unit trust funds managed by PNB are interested in as substantial shareholders ("PNB Investee Companies"). The approval was subject to the condition that all such RRPTs are based on the terms not more favourable to PNB and/or PNB Investee Companies than those generally available to the public and are not detrimental to the minority shareholders of the Company. In view of the aforesaid waiver and -

(a) since no other RRPTs of a revenue or trading nature (i.e. other than those falling within the ambit of the aforesaid waiver) were identified or anticipated for the period from the date of the previous AGM of the Company held on 31 May 2018 until the date of the forthcoming AGM of the Company, the Company did not seek a new shareholders’ mandate to apply to RRPTs of a revenue or trading nature with related parties at the previous AGM of the Company; and

(b) likewise, since no other RRPTs of a revenue or trading nature (i.e. other than those falling within the ambit of the aforesaid waiver) have as at to date been identified or anticipated for the period from the date of the forthcoming AGM of the Company until the date of the next AGM of the Company in 2020, the Company will not be seeking a new shareholders’ mandate to apply to RRPTs of a revenue or trading nature with related parties at the forthcoming AGM of the Company on 31 May 2019.