

**CCM DUOPHARMA BIOTECH BERHAD**

(Company No. 524271-W)

Incorporated in Malaysia

**MINUTES OF EXTRAORDINARY GENERAL MEETING (“EGM”) OF CCM DUOPHARMA BIOTECH BERHAD (“CCMD” OR “THE COMPANY”) HELD AT BALLROOM 1 & 2, SETIA CITY CONVENTION CENTRE, NO. 1, JALAN SETIA DAGANG AG U13/AG, SETIA ALAM, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 31 MAY 2018 AT 10.00 A.M., OR IMMEDIATELY FOLLOWING THE CONCLUSION OR ADJOURNMENT OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY SCHEDULED AT THE SAME VENUE AND ON THE SAME DATE AT 9.30 A.M., WHICHEVER IS LATER, OR AT ANY ADJOURNMENT THEREOF**

**PRESENT:**

Board of Directors

YBhg Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir	- <i>Non-Independent Chairman</i>
Encik Leonard Ariff bin Abdul Shatar	- <i>Group Managing Director</i>
YBhg Dato' Mohamad Kamarudin bin Hassan	- <i>Senior Independent Director</i>
Encik Razalee bin Amin	- <i>Independent Director</i>
YBhg Puan Sri Datuk Seri Rohani Parkash binti Abdullah	- <i>Independent Director</i>
Puan Zaiton binti Jamaluddin	- <i>Independent Director</i>
YBhg Dato' Eisah binti A. Rahman	- <i>Independent Director</i>
YBhg Datuk Nik Moustpha bin Haji Nik Hassan	- <i>Independent Director</i>
YBhg Datuk Mohd Radzif bin Mohd Yunus	- <i>Non-Independent Director</i>

Company Secretary

Encik Ibrahim Hussin Salleh

The attendance of Directors, Company Secretary and Senior Management is set out in **Annexure 1**.

**IN ATTENDANCE:**

External Auditors:

KMPG PLT

Poll Administrator:

Tricor Investor & Issuing House Services Sdn. Bhd.

Scrutineers:

Asia Securities Sdn Berhad

Shareholders:

*As per attendance list*

Proxies:

*As per attendance list*

Corporate Representatives:

*As per attendance list*

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## **CHAIRMAN OF THE MEETING**

YBhg Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir ("Tan Sri Chairman").

## **PRELIMINARIES**

Tan Sri Chairman introduced each and every member of the Board of Directors ("Board") as well as the Company Secretary who was in attendance

## **QUORUM**

According to Section 64 of the Company's Constitution, the quorum for the meeting shall be two (2) members present in person.

As the number of members present was sufficient, the Secretary confirmed the quorum for the meeting. In addition, a total of 219 proxies totaling of 35,503,929 shares representing 12.73% of the Company's issued and paid up share capital were received by the Registrar.

## **NOTICE OF MEETING**

Having noted that the notice convening the meeting has been dispatched to the shareholders together with the Circular to Shareholders on the Proposed Bonus Issue and the Proposed Dividend Reinvestment Plan on 30 April 2018, Tan Sri Chairman sought consent that the notice be taken as read. Consent was duly obtained from the shareholders present. Tan Sri Chairman then called the meeting in order, to seek shareholders' approval in respect of the following:

### **1) ORDINARY RESOLUTION 1**

Proposed Bonus Issue of up to 371,945,333 New Ordinary Shares in CCMD ("CCMD Shares") ("Bonus Shares") to be credited as fully paid-up on the basis of 4 Bonus Shares for every 3 existing CCMD Shares held on an entitlement date to be determined later ("Proposed Bonus Issue").

## **2) ORDINARY RESOLUTION 2**

Proposed Dividend Reinvestment Plan that provides the shareholders of CCMD with an option to elect to reinvest their cash dividend in CCMD Shares (“Proposed DRP”).

## **3) ORDINARY RESOLUTION 3**

Issuance of new CCMD Shares pursuant to the Proposed DRP that provides the shareholders of the Company with the option to elect to reinvest their dividend in new CCMD Shares (“Issuance of New CCMD Shares pursuant to the Proposed DRP”).

## **GENERAL INSTRUCTIONS ON MEETING PROCEDURES**

### **NOTED:**

- (a) That the Tan Sri Chairman briefed the members/ proxies present that pursuant to Paragraph 8.29A(1) of the Bursa Malaysia Listing Requirements, all resolutions in the Notice of Extraordinary General Meeting (“EGM”) which are put to vote shall be decided on a poll.
- (b) That for this purpose, a poll was conducted upon completion of the deliberation of all resolutions to be transacted at this EGM. The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the polling process and Asia Securities Sdn Berhad as Scrutineers to verify the poll results. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the EGM.
- (c) Tan Sri Chairman also informed the shareholders that a number of shareholders had appointed her as their proxy and she would vote in accordance to their instructions.
- (d) Tan Sri Chairman further notified the shareholders that the meeting was not confined to the shareholders of the Company only and made rulings concerning the attendance at the meeting by persons other than shareholders who were not holding valid proxies or corporate representative status on behalf of the shareholders may remain at the meeting subject to any later contrary determination of the meeting and not entitled to speak or vote on resolutions to be considered at the meeting.

The meeting then proceeded to the Agenda proper.

## **ORDINARY RESOLUTION 1**

**PROPOSED BONUS ISSUE OF UP TO 371,945,333 NEW ORDINARY SHARES IN CCMD (“CCMD SHARES”) (“BONUS SHARES”) TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF 4 BONUS SHARES FOR EVERY 3 EXISTING CCMD SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”).**

### **NOTED:**

- (a) That Company has appointed Advisers to assist the Board of Directors in respect of the proposed corporate exercise. In this regard, the Board of Directors of the Company has appointed UOB Kay Hian Securities (M) Sdn Bhd as the Principal Adviser for this exercise. The Board has also appointed Albar & Partners as the Legal Adviser and they were present to clarify on any matters, if required.
- (b) That the shareholders consented the Ordinary Resolution No. 1 as stated in the Notice of Extraordinary General Meeting as read.
- (c) Tan Sri Chairman briefed the shareholders the rationale of the Proposed Bonus Issue. The Board was of the view that the Proposed Bonus Issue was the most appropriate avenue of rewarding the existing shareholders while at the same time enhancing the Company’s capital base as the Proposed Bonus Issue will increase the issued share capital of the Company to a level which would be more reflective of its current scale of operations and assets employed, reward the existing shareholders for their continuous support, enlarge the number of the Company’s shares held by the existing shareholders without increasing the percentage equity interest, and possibly able to encourage trading liquidity of the Company’s shares on Bursa Malaysia Securities Berhad and greater participation by investors as well as potentially broadening the shareholder base of the Company.
- (d) That before the motion was put to the Meeting, Tan Sri Chairman invited questions from the floor.
- (e) That the Company had received written questions from the Minority Shareholders Watchdog Group (“MSWG”), prior to the meeting. The Group Managing Director (“GMD”) presented the questions and responses to the Meeting as follows:
  - (1) Please enlightened the shareholders on the expected timeframe for the different stages of the development of the biosimilar products up to commercialization phase?

### **Response**

The clinical timeline for biosimilars is on average about 9.5 years for all required phases based on global biosimilars trials conducted thus far.

(2) What will be the outlook of the biosimilar products in the ASEAN region?

**Response**

It is expected that the ASEAN biosimilar market, may follow the same pattern as the larger Asian trends (Limited market analysis info available for Biopharma market in ASEAN region) which will see global biologics patent expirations estimated at USD 64 billion by 2020. A double-digit Compound Annual Growth Rate (“CAGR”) of 15% is expected post this expirations. Pricing strategy in different markets will also play a role in ASEAN markets as affordability is one key factor in most markets in these parts - innovator biotech products is expected to face strong competition from biosimilars.

At the same time, CCM Duopharma’s sales and marketing presence in Singapore, Brunei and the Philippines will give it an edge in terms of accessibility and understanding of each of the markets.

(f) That after addressing the queries, the following motion was proposed to the meeting by Mr Lee Yee Chong a shareholder, and seconded by Mr. Lee Leong Chai, a shareholder.

*“Proposed Bonus Issue of up to 371,945,333 New Ordinary Shares in CCMD (“CCMD Shares”) (“Bonus Shares”) to be credited as fully paid-up on the basis of 4 Bonus Shares for every 3 existing CCMD Shares held on an entitlement date to be determined later (“Proposed Bonus Issue”).”*

**ORDINARY RESOLUTION 2**

**PROPOSED DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF CCMD WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN CCMD SHARES (“PROPOSED DRP”).**

- (a) That the shareholders consented Ordinary Resolution No. 2 as stated in the Notice of Extraordinary General Meeting as read.
- (b) Tan Sri Chairman briefed in respect of establishment of the Proposed DRP, as part of the Company’s capital management plans, Proposed DRP was intended to:-
- (i) provide an opportunity to Shareholders to elect to exercise the Reinvestment Option to the Electable Portion of the cash dividends declared by the Company which the Board, at its absolute discretion, determines the Reinvestment Option applies, into DRP Shares in lieu of receiving cash under the Proposed DRP;

- (ii) strengthen the Company's capital position as any cash so retained within the Company that would otherwise be made payable by way of dividend, will be preserved to fund the CCM Duopharma Group's working capital, capital expenditures and/or continuing growth and expansion plans; and
  - (iii) potentially improve the liquidity of the Company's shares currently listed on the Main Market of Bursa Malaysia Securities Berhad through the issuance of DRP Shares pursuant to the Proposed DRP resulting in an enlarged CCM Duopharma share capital base.
- (c) That before the motion was put to the Meeting, Tan Sri Chairman invited questions from the floor.
- (d) That since there were no queries from the shareholders, the following motion was proposed to the meeting by Madam Ng Poh Kuan a shareholder, and seconded by Madam Lee Foong Yee, a shareholder.

*"Proposed Dividend Reinvestment Plan that provides the shareholders of CCMD with an option to elect to reinvest their cash dividend in CCMD Shares ("Proposed DRP")."*

### **ORDINARY RESOLUTION 3**

**ISSUANCE OF NEW CCMD SHARES PURSUANT TO THE PROPOSED DRP THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY WITH THE OPTION TO ELECT TO REINVEST THEIR DIVIDEND IN NEW CCMD SHARES ("ISSUANCE OF NEW CCMD SHARES PURSUANT TO THE PROPOSED DRP").**

- (a) That the shareholders consented Ordinary Resolution No. 3 as stated in the Notice of Extraordinary General Meeting as read.
- (b) That before the motion was put to the Meeting, Tan Sri Chairman invited questions from the floor.
- (c) That since there were no queries from the shareholders, the following motion was proposed to the meeting by Madam Lee Foong Yee a shareholder, and seconded by Madam Ng Poh Kuan, a shareholder.

*"Issuance of new CCMD Shares pursuant to the Proposed DRP that provides the shareholders of the Company with the option to elect to reinvest their dividend in new CCMD Shares ("Issuance of New CCMD Shares pursuant to the Proposed DRP")."*

## CONDUCT OF POLL VOTING

- (a) That before polling process conducted, Ms Lee Siew Lee from Tricor, explained the procedures for the conduct of poll at the EGM using Tricor e-Vote application. She informed that all shareholders/ proxies/ corporate representatives to proceed to queue at the voting kiosk set up at the back of the hall. Tricor staff would be stationed at the kiosk for assistance. She reminded all shareholders/ proxies/ corporate representatives to vote using passcode on the wristband that belongs to them. Further, the Scrutineers may verified the identity of all shareholders/ proxies/ corporate representatives before voting. The voting session would be opened for 10 minutes.
- (b) That Tan Sri Chairman then declared that the EGM be adjourned for polling and the meeting reconvened upon the conclusion of the polling for declaration of poll results. The overall estimated time for the polling exercise would be about 15 minutes. That subsequently, the attendees were requested to return to their seats after casting their votes.

## OUTCOME OF THE EGM POLL RESULTS

- (a) That the aforesaid Ordinary Resolutions 1, 2 and 3 on the Proposed Bonus Issue, the Proposed DRP and the Issuance of New CCMD Shares pursuant to the Proposed DRP respectively were tabled to the shareholders of the Company for voting by way of poll, and the result of the voting which had been verified by the independent scrutineers, Asia Securities Sdn Berhad, and declared by the Chairman was as follows:-

Resolutions	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
Ordinary Resolution 1	167,063,482	100	0	0	167,063,482	100
Ordinary Resolution 2	167,059,670	99.998	3,812	0.002	167,063,482	100
Ordinary Resolution 3	167,059,670	99.998	3,812	0.002	167,063,482	100

- (b) That the Chairman declared that all the resolutions had been carried.

**RESOLVED:**

**ORDINARY RESOLUTION 1**

- (1) That, subject to the approvals of all relevant authorities in respect of the listing and quotation of up to 371,945,333 Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad, the Board of Directors of CCMD (“Board”) be and is hereby authorised to capitalise a total sum of up to RM185.97 million from the share premium account of the Company for the purposes of the Proposed Bonus Issue;
- (2) That the Board be and is hereby authorised to apply such capitalisation sum and to issue up to 371,945,333 Bonus Shares to be credited as fully paid-up and such new Bonus Shares be allotted to the shareholders of the Company whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board, on the basis of 4 Bonus Shares for every 3 existing CCMD Shares held in the Company on the Entitlement Date;
- (3) That the Board is hereby authorised to disregard and deal with any fractional entitlements from the Proposed Bonus Issue, if any, which shall be disregarded and dealt with in such manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;
- (4) That the Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing CCMD Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution (“Distribution”) that may be declared for which the entitlement date for the Distribution precedes the date of allotment and issuance of the Bonus Shares;
- (5) And that, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, variations, modifications, termination and/or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue

## **ORDINARY RESOLUTION 2**

- (1) That subject to the approvals of all relevant authorities for the Proposed DRP having being obtained to the extent permitted by law:-
- (i) the Proposed DRP, which shall be upon such terms and conditions as the Board of Directors of the Company (“Board”) at its sole absolute discretion deem fit, be and is hereby approved;
  - (ii) the Board be and is hereby authorised:-
    - (a) to establish and implement the Proposed DRP;
    - (b) to determine, as its sole and absolute discretion, whether the Proposed DRP will apply to any dividends (whether interim, final, special or any other cash dividend) declared and/or approved by the Company;
    - (c) to allot and issue such number of CCMD Shares from time to time as may be required to be allotted and issued pursuant to the Proposed DRP; and
    - (d) to sign and execute all documents, to do all acts, deeds and things and to enter into all transactions, arrangements and agreements as may be necessary and expedient in order to give full effect to the Proposed DRP and to implement, finalise and complete the Proposed DRP with full power to assent to any conditions, variations, modifications and/or amendments in any manner, including amendments, modification, suspension and termination of the Proposed DRP, as the Board may, in its absolute discretion, deem fit and in the best interest of the Company and/or as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts, for and on behalf of the Company.
- (2) And that the new Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the holders of new Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution (“Distribution”) where the entitlement date for such Distribution precedes the relevant date of allotment and issuance of the new Shares.

### **ORDINARY RESOLUTION 3**

- (1) That subject to the passing of Ordinary Resolution 2, and the approvals of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given to the Board to allot and issue such number of new CCMD shares from time to time as may be required to be allotted and issued pursuant to the Proposed DRP until the conclusion of the Company's next annual general meeting, upon terms and conditions and to such persons as the Board may, at its absolute discretion, deem fit and in the best interest of the Company;
- (2) That the issue price of the said new CCMD Shares, which will be determined and fixed by the Board on the price-fixing date to be determined, shall not be more than ten percent (10%) discount to the 5-day volume weighted average market price ("VWAMP") of CCMD Shares immediately preceding the price-fixing date, of which the VMWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue at the material time; and
- (3) That the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds and undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the Issuance of New CCMD Shares pursuant to the Proposed DRP, with full power to assent to any conditions, variations, modifications and/or amendments in any manner, including amendments, modifications, suspension and termination of the Proposed DRP, as the Board may, in its absolute discretion, deem fit and in the best interest of the Company and/or as may be required or permitted by any relevant authorities and to deal with all matters relating thereto.

**CLOSE OF MEETING**

**NOTED:**

There be no other business to be transacted at the EGM, the meeting was closed at 11.45 a.m. That the shareholders were requested to remain at their seats for the Extraordinary General Meeting for the Proposed Acquisition of 806,450 Common Shares in PanGen Biotech Inc. representing approximately 8.39% Equity Interest in PanGen by the Company from Chemical Company of Malaysia Berhad

**SIGNED AS A CORRECT RECORD:**

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**CHAIRMAN**

**Date:**