

**CCM DUOPHARMA BIOTECH BERHAD**

(Company No. 524271-W)

Incorporated in Malaysia

**MINUTES OF EXTRAORDINARY GENERAL MEETING (“EGM”) HELD AT BALLROOM 1 & 2, SETIA CITY CONVENTION CENTRE, NO. 1, JALAN SETIA DAGANG AG U13/AG, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 31 MAY 2018 AT 10.30 A.M. OR IMMEDIATELY FOLLOWING THE CONCLUSION OR ADJOURNMENT OF THE EGM OF CCM DUOPHARMA BIOTECH BERHAD (“THE COMPANY”) FOR THE PROPOSED BONUS ISSUE AND PROPOSED DRP (AS DEFINED IN THE “DEFINITIONS” SECTION OF THE CIRCULAR TO SHAREHOLDERS OF THE COMPANY DATED 30 APRIL 2018), SCHEDULED AT THE SAME VENUE AND ON THE SAME DATE AT 10.00 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").

## **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 89 proxies totaling of 173,212,657 shares representing 62.1% 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 Acquisition by the Company of 806,450 Common Shares in PanGen Biotech Inc. ("PanGen") representing approximately 8.39% Equity Interest in PanGen from Chemical Company of Malaysia Berhad ("CCMB") for a total purchase consideration of RM59.16 Million (equivalent to Korean Won 16.35 Billion) to be satisfied entirely in cash on 16 May 2018, Dato' Chairman sought consent that the notice be taken as read. After consent was duly obtained from the shareholders present, Dato' Chairman then called the meeting in order.

## **PRELIMINARIES**

Tan Sri Chairman had made aware to all shareholders that she was at current, a Non-Independent Non-Executive Chairman of the Company and a nominee of Permodalan Nasional Berhad ("PNB"), and was the Independent Non-Executive Director of Chemical Company of Malaysia Berhad ("CCMB") until her resignation on 28 December 2017 pursuant to the completion of the demerger of the Company from CCMB.

In view of Tan Sri Chairman's directorship in the Company as a nominee of PNB, who was currently the major shareholder for both the Company and CCMB, and her past directorship in CCMB within the preceding 6 months from the date on which the terms of the Proposed Acquisition, that was the subject matter of this EGM, were agreed upon, Tan Sri Chairman was deemed interested in the Proposed Acquisition.

In respect thereto, Tan Sri Chairman passed the Chair to the Senior Independent Director, Dato' Mohamad Kamarudin bin Hassan ("Dato' Chairman") to conduct the proceedings of this meeting.

## **GENERAL INSTRUCTIONS ON MEETING PROCEDURES**

### **NOTED:**

- (a) That Dato' 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. That for this purpose, a poll was conducted upon completion of the deliberation of all resolutions to be transacted at this EGM.
- (b) Dato' Chairman emphasis that that only members present in person or proxies appointed by members may vote on the resolution tabled at this EGM. Every member present in person or by proxy shall have one (1) vote for each share he or she holds. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way.
- (c) 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.
- (d) Dato' Chairman also informed the shareholders that a number of shareholders had appointed her as their proxy and he would vote in accordance to their instructions.
- (e) Dato' 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 ACQUISITION BY CCM DUOPHARMA BIOTECH BERHAD (“THE COMPANY”) OF 806,450 COMMON SHARES IN PANGEN BIOTECH INC. (“PANGEN”) (“PANGEN SHARES’) REPRESENTING APPROXIMATELY 8.39% EQUITY INTEREST IN PANGEN FROM CHEMICAL COMPANY OF MALAYSIA BERHAD (“CCMB”) FOR A TOTAL PURCHASE CONSIDERATION OF RM59.16 MILLION (EQUIVALENT TO KRW 16.35 BILLION) TO BE SATISFIED ENTIRELY IN CASH (“PROPOSED ACQUISITION”).**

### **NOTED:**

- (a) That the shareholders consented the Ordinary Resolution No. 1 as stated in the Notice of Extraordinary General Meeting as read.
- (b) Dato’ Chairman briefed to the shareholders that PNB was deemed interested in the Proposed Acquisition in view that PNB was the common major shareholder of both the Company and CCMB. Accordingly, PNB would abstain from voting in respect of its direct and indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition to be tabled at this EGM. PNB was also required to ensure that persons connected to it will abstain from voting in respect of their direct and indirect shareholdings in CCMD on the said resolution.
- (c) That Tan Sri Datin Paduka Siti Sa’diah binti Sh. Bakir, Encik Leonard Ariff bin Abdul Shatar, Datuk Nik Moustpha bin Haji Nik Hassan and Datuk Mohd Radzif bin Mohd Yunus were Directors of the Company who were deemed interested in the Proposed Acquisition. Details of their deemed interest were set out on page 21 of the Circular To Shareholders on the Proposed Acquisition.

Accordingly, the Interested Directors had abstained and would continue to abstain from deliberating and voting on any resolution pertaining to the Proposed Acquisition at any Board meeting and also abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Resolution to be tabled at this EGM. They have also undertaken to ensure that persons connected to them would abstain from voting in respect of their direct and indirect shareholdings in CCMD on the said resolution.

- (d) That before the meeting proceed with the voting process, Dato’ Chairman briefed the shareholders on the rationale of the Proposed Disposal as follows:-
  - (i) The Proposed Acquisition involves the acquisition of an investment stake in PanGen Biotech Inc. (“PanGen”), a company incorporated in Korea which is involved in the development of biosimilar products and services required to develop biosimilar products.

- (ii) The Proposed Acquisition would be undertaken together with the Deed of Novation of the Marketing and Commercialization Agreement made between PanGen and CCMB which would give the Company the rights to market biosimilar products developed by PanGen in Malaysia, Brunei and Singapore with the first right of refusal to extend it to other ASEAN countries.
  - (iii) The Proposed Acquisition is undertaken in line with the Company's long-term plan to source for new biosimilar products to grow its pharmaceutical business. The Company would also be able to benefit from the transfer of technology and know-how by PanGen relating to bio-business undertaken or to be undertaken by the Company.”
- (e) 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 and Kenanga Investment Bank Berhad as the Independent Advisor for this purpose. The Board has also appointed Albar & Partners as the Legal Adviser and they were present to clarify on any matters, if required.
- (f) That Dato' Chairman invited the Principle Advisor, Mr. Chris Lai Ther Wei, a representative from UOB Kay Hian Securities (M) Sdn Bhd to brief the shareholders in respect of the Circular to Shareholders issued on 16 May 2018. Thereafter, Ms. Raihan Souket, on behalf of Kenanga Investment Bank Berhad was invited to brief the shareholders in respect of the Independent Advice Letter from Kenanga Investment Bank Berhad to the Non-Interested Shareholders of the Company in relation to the Proposed Acquisition. The Independent Advice Letter has been dispatched to the shareholders together with the Circular to Shareholders on the Proposed Acquisition on 16 May 2018.
- (g) That before the motion was put to the Meeting, Dato' Chairman invited questions from the floor.
- (h) 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.

- (i) 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 Kian Leong, a shareholder.

*“Proposed Acquisition by CCM Duopharma Biotech Berhad (“the Company”) of 806,450 common shares in PanGen Biotech Inc. (“PanGen”) (“PanGen Shares”) representing approximately 8.39% equity interest in PanGen from Chemical Company of Malaysia Berhad (“CCMB”) for a total purchase consideration of RM59.16 million (equivalent to KRW 16.35 billion) to be satisfied entirely in cash (“Proposed Acquisition”).”*

**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 5 minutes.
- (b) That Dato’ 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 Resolution 1 on the Proposed Acquisition was 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 as carried, was as follows:-

Resolution	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
Ordinary Resolution 1	25,301, 994	77.608	7,300, 464	22.392	32,602, 458	100

- (b) That the Chairman declared that all the resolutions had been carried.
- (c) That at this juncture, Dato' Chairman returned the Chairmanship of the Meeting to Tan Sri Siti Sa'diah.

### RESOLVED:

#### ORDINARY RESOLUTION 1

- (1) That, subject to the approvals of all relevant authorities and/ or parties being obtained, the Company be and is hereby authorised to acquire 806,450 PanGen shares, representing approximately 8.39% equity interest in PanGen from CCMB for a total purchase consideration of RM59.16 million (equivalent to KRW16.35 billion) to be satisfied in cash, in accordance with the terms and conditions of the conditional Share Sale Agreement dated 13 April 2018 entered into between the Company and CCMB;
- (2) And that the Company be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Acquisition with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition.

**CLOSE OF MEETING**

**NOTED:**

Tan Sri Chairman thanked the shareholders for their interest for the Company and their attendance to the meeting. There be no other business to be transacted at the EGM, the meeting was closed at 12.32 p.m

**SIGNED AS A CORRECT RECORD:**

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**CHAIRMAN**

**Date:**