

SECTION 5

OUR GOVERNANCE

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FETY DAY

GOAL ZERO



THINK SAFE
WORK SAFE
COME HOME SAFE



RESPONSIBLE

Having an obligation to do something.

Board of Directors' Profile

1	2	3	4	5	6
TAN SRI DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR	LEONARD ARIFF BIN ABDUL SHATAR	DATO' EISAH BINTI A. RAHMAN	RAZALEE BIN AMIN	ZAITON BINTI JAMALUDDIN	DATUK NIK MOUSTPHA BIN HAJI NIK HASSAN
Non-Independent, Non-Executive Chairman	Group Managing Director, Executive Director	Senior Independent, Non-Executive Director	Independent, Non-Executive Director	Independent, Non-Executive Director	Independent, Non-Executive Director



Note:

1. The photograph of the Board of Directors depicts the composition of the Board as at end of the year under review (i.e. 2023);
2. Puan Amizar resigned with effect from 20 March 2024;
3. Encik Muhammad Shukri ceased to be Alternate Director to Puan Amizar following her resignation;

Board Committees
(for profile reference)



Chairman



Member



Audit Committee



Risk Management Committee

Board of Directors' Profile

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**DATUK MOHD RADZIF
BIN MOHD YUNUS**Non-Independent,
Non-Executive Director

8

**DATO' DR. ZAKI
MORAD BIN
MOHAMAD ZAHER**Independent,
Non-Executive Director

9

**AMIZAR BINTI
MIZUAR**Non-Independent,
Non-Executive Director

10

**DATIN PADUKA
KARTINI BINTI HJ
ABDUL MANAF**Independent,
Non-Executive Director

11

**MUHAMMAD SHUKRI
BIN ISMAIL**Non-Independent,
Non-Executive Alternate
Director to Puan Amizar
Binti Mizuar

4. Encik Mohd Haris Bin Mohd Arshad appointed as Non-Independent, Non-Executive Director with effect from 20 March 2024; and
5. Encik Muhammad Shukri appointed as Alternate Director to Encik Mohd Haris with effect from 20 March 2024.

Board of Directors' Profile

TAN SRI DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR

Non-Independent,
Non-Executive Chairman



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
5 April 2016	31 May 2023	7 years 11 months	10/10

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

- Lotte Chemical Titan Holdings Berhad

Public Companies

- Awqaf Holdings Berhad

Board Committees Membership(s):

None

Details of any interest in the Securities of the Company or its subsidiaries:

None

Academic/Professional Qualification/Membership(s):

- Honorary Doctor of Philosophy (Corporate Management), Universiti Utara Malaysia, Malaysia
- Honorary Doctor of Letters, University of Reading, United Kingdom
- Master of Business Administration, Henley Business School, University of Reading, United Kingdom
- Bachelor in Economics, University of Malaya, Malaysia
- Member of the Institute of Corporate Directors Malaysia (ICDM)
- CEO of the Year 2009 by the New Straits Times Press and American Express

Past Appointments/Experiences:

- Planning Officer/Department Manager, Johor Corporation from 1974 to 1978
- Manager, Healthcare Division, Johor Corporation from 1979 to 1988
- Chief Executive, Kumpulan Perubatan (Johor) Sdn Bhd (KPJSB) from 1989 to 1993

- Managing Director, KPJ Healthcare Berhad ("KPJ") from 1993 to 2012
- Corporate Advisor, KPJ from 2013 to 2014
- Independent Non-Executive Director, KPJ from 2015 to 2020
- Chairman, KPJ Healthcare University College ("KPJUC") from 2011 to 2016
- Pro-Chancellor, KPJUC from 2011 to 2018
- Chancellor, KPJUC from 2019 to 2022
- Independent Non-Executive Director, Bursa Malaysia Berhad from 2004 to 2012
- Board Member, Malaysia External Trade Development Corporation (MATRADE) from 1999 to 2012
- Director, Kulim (M) Berhad from 2005 to 2016
- Director, KFC Holdings Malaysia Bhd from 2010 to 2013
- Director, QSR Brands (M) Holdings Bhd from 2010 to 2013
- Independent Non-Executive Director, Chemical Company of Malaysia Berhad from 2016 to 2017
- Senior Independent Director, Duopharma Biotech Berhad from 2016 to 2017
- President, Malaysian Society for Quality in Health (MSQH) from 1997 to 2018
- Member of the Leadership Development Committee, Razak School of Government from 2013 to 2018
- Chairman, Universiti Utara Malaysia from 2016 to 2018
- Independent Non-Executive Director, OSK Holdings Berhad from 2016 to 2021
- Pro-Chancellor, University Teknologi Malaysia from 2016 to 2021

Other Present Appointment(s):

- Founder, Women Leadership Foundation since 2021
- Strategy Board, Henley Business School, University of Reading, London since 2021

Board of Directors' Profile

**LEONARD ARIFF BIN
ABDUL SHATAR**

Group Managing Director,
Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
28 December 2017	31 May 2023	6 years 3 months	10/10

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

- PanGen Biotech Inc. (Korea)
- SCM Lifescience Inc. (Korea)

Public Companies

- National Institutes of Biotechnology Malaysia (Member of the Board of Trustees)
- MyDIGITAL Corporation

Board Committees Membership(s):

None

Details of any interest in the Securities of the Company or its subsidiaries:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Laws (LLB), Monash University, Melbourne, Australia
- Bachelor of Economics, Monash University, Melbourne, Australia
- A Qualified Risk Director and a Member of the Institute of Enterprise Risk Practitioners (IERP)
- Member of the Institute of Corporate Directors Malaysia (ICDM)
- Sustainability and Climate Risk (SCR) Certificate administered by the Global Association of Risk Professionals (GARP) and an Affiliate Member of GARP

Past Appointments/Experiences:

- Chambering Student at Shearn Delamore & Co in 1988
- Legal Advisor, Petronas subsidiary companies from 1988 to 1991
- Legal Executive, ICI Malaysia from 1991 to 1995
- Business Manager, CCM Chemicals Sdn Bhd from 1996 to 2001
- Managing Director, Usaha Pharma (M) Sdn Bhd from 2000 to 2003
- General Manager, ICI Paints Malaysia Sdn Bhd from 2003 to 2005
- Managing Director, ICI Paints Malaysia Sdn Bhd from 2005 to 2008
- Chief Executive Officer, CCM Duopharma Biotech Berhad from 2008 to 2017
- President, Malaysian Organisation of Pharmaceutical Industries from 2009 to 2014
- Director, Chemical Company of Malaysia ("CCM") Berhad (Chemicals Division) from 2014 to 2015
- Group Managing Director, CCM Berhad from 2015 to 2017

Other Present Appointment(s):

- Director of Monash University Malaysia Sdn Bhd
- Advisory Committee of Monash University Malaysia Business School
- Adjunct Professor at the Faculty of Pharmacy, Universiti Kebangsaan Malaysia (UKM)
- Council Member of the Action Group for Entrepreneurship (AGE Council) of Universiti Malaysia Kelantan (UMK)
- CEO@Faculty, Universiti Sains Malaysia (USM)
- Chairman of Duopharma Biotech's Group Management Committee

Board of Directors' Profile

DATO' EISAH BINTI A. RAHMAN

Senior Independent,
Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
16 November 2016	17 June 2020	7 years 4 months	10/10

Other Directorship in Public Companies and Listed Issuers:

None

Board Committees Membership(s):



Details of any interest in the Securities of the Company or its subsidiaries:

None

Academic/Professional Qualification/Membership(s):

- Master of Science in Pharmaceutical Analysis, University of Manchester, United Kingdom
- Bachelor of Pharmacy, Curtin University of Technology, Western Australia, Australia
- Postgraduate Diploma in Medical Microbiology, Institute for Medical Research, Kuala Lumpur, Malaysia
- Patron/Adviser to ISPE Malaysia Affiliate
- Member of the Institute of Corporate Directors Malaysia (ICDM)
- Life Member of Malaysia Pharmacist Society

Past Appointments/Experiences:

- Pharmacist, National Pharmaceutical Control Laboratory ("NPCL") from 1979 to 1992
- Head, Microbiology Laboratory, NPCL from 1992 to 1997
- Head, GMP & Licensing, National Pharmaceutical Control Bureau ("NPCB") from 1997 to 2001

- Kelantan State Pharmacist, Ministry of Health ("MOH") from 2001 to 2002
- Deputy Director, Product Evaluation & Safety Division, NPCB from 2002 to 2005
- Secretary, Drug Control Authority (DCA), NPCB from 2002 to 2005
- Member, Malaysian Advertisement Board (MAB), MOH from 2002 to 2006
- Chairman, Malaysian Adverse Drug Reactions Advisory Committee (MADRAC) from 2005 to 2006
- Director, NPCB now known as the National Pharmaceutical Regulatory Agency (NPRA) from 2005 to 2006
- Director, Pharmacy Enforcement of Pharmaceutical Services Division, MOH from 2007 to 2008
- Secretary, Malaysian Poison Board, MOH from 2007 to 2008
- Senior Director, Pharmaceutical Services, MOH from 2008 to 2016
- Alternate Chairman, DCA and MAB, MOH from 2008 to 2016
- Registrar, Malaysian Pharmacy Board, MOH from 2008 to 2016
- Member/Alternate Chairman, MOH Drug Formulary from 2005 to 2016
- Chairman, ASEAN Consultative Committee for Standards & Quality (ACCSQ) Pharmaceutical Product Working Group (PPWG) from 2008 to 2016

Other Present Appointment(s):

None

Board of Directors' Profile

RAZALEE BIN AMIN

Independent,
Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
1 June 2016	21 June 2022	7 years 9 months	10/10

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

- HeiTech Padu Berhad

Public Companies

- None

Board Committees Membership(s):

AC

Details of any interest in the Securities of the Company or its subsidiaries:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Economics (Hons) in Accounting, University of Malaya, Malaysia
- Postgraduate Diploma in Accounting, University of Malaya, Malaysia
- Chartered Accountant, Malaysian Institute of Accountants
- Certified Public Accountants, Malaysian Institute of Certified Public Accountants
- Certified Financial Planner, Financial Planning Association of Malaysia
- Fellow Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences:

- Chartered Accountant, Messrs. Hanafiah Raslan & Mohamad from 1977 to 1983
- Group Financial Controller, Sateras Resources (Malaysia) Berhad from 1983 to 1987
- Senior Vice President, Investment and Acquisition Division, MBF Finance Berhad from 1987 to 1994
- Senior General Manager, Damansara Realty Berhad from 1994 to 1996

Other Present Appointment(s):

- Managing Partner, Razalee & Co.
- Director, RCO Management & Consulting Services Sdn Bhd
- Director, Channel Professional Advisory Sdn Bhd
- Director, MP Capital Advisory Sdn Bhd
- Director, SKMN Tax Accountants Sdn Bhd
- Director, SKMN Insolvency Sdn Bhd
- Partner, SKMN PLT

Board of Directors' Profile

ZAITON BINTI JAMALUDDIN

Independent,
Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
1 September 2016	31 May 2023	7 years 6 months	10/10

Other Directorship in Public Companies and Listed Issuers:
None

Board Committees Membership(s):



Details of any interest in the Securities of the Company or its subsidiaries:
None

Academic/Professional Qualification/Membership(s):

- Master of Business Administration, Keele University, United Kingdom
- Bachelor of Pharmacy, Western Australia Institute of Technology, Australia
- Diploma in Management, Malaysian Institute of Management, Malaysia
- Member of the MARA Council (2000 - 2002)
- Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences:

- Pharmacist, Ministry of Health Malaysia from 1982 to 1984
- Sales and Marketing, United Italian Trading Corporation from 1984 to 1985
- Assistant Medical Information Manager, South East Asia Regional Office, Novo Industri A/S from 1985 to 1989
- Business Development Manager (Malaysia), Novo Nordisk A/S from 1989 to 1993
- Country Manager (Malaysia), Novo Nordisk A/S from 1993 to 1997
- General Manager, Novo Nordisk Pharma (M) Sdn Bhd from 1997 to 2007
- Director, Malaysian Biotechnology Corporation Sdn Bhd from 2006 to 2008
- President, Pharmaceutical Association of Malaysia from 2005 to 2007

Other Present Appointment(s):

None

Board of Directors' Profile

**DATUK NIK MOUSTPHA BIN
HAJI NIK HASSAN**

Independent,
Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
28 December 2017	28 May 2021	6 years 3 months	10/10

Other Directorship in Public Companies and Listed Issuers:

None

Board Committees Membership(s):**Details of any interest in the Securities of the Company or its subsidiaries:**

None

Academic/Professional Qualification/Membership(s):

- Master in Economics, Ohio University, Ohio, United States of America
- Degree in Business Administration, Ohio University, Ohio, United States of America
- Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences:

- Lecturer, Faculty of Economics and Agribusiness, Agricultural University of Malaysia from 1979 to 1983
- Lecturer, Faculty of Economics and Management of International Islamic University Malaysia ("IIUM") from 1983 to 1987
- Dean, Faculty of Economics and Management of IIUM from 1987 to 1989

- Associate Professor, Faculty of Economics and Management of IIUM from 1988 to 1992
- Visiting Fellow, Oxford Centre for Islamic Studies, University of Oxford from 1989 to 1990
- Dean, Postgraduate Faculty of IIUM from 1991 to 1992
- Senior Fellow, Institute of Islamic Understanding Malaysia ("IKIM") from 1992 to 2003
- Deputy Director General, IKIM from 2003 to 2009
- Director General, IKIM from 2009 to 2015
- Adjunct Professor, Universiti Pertahanan Malaysia from 2015 to 2017
- Member of Group Shariah Committee, MNRB Holdings Berhad from 2015 to 2020
- Adjunct Professor, Faculty of Economics and Management, Universiti Kebangsaan Malaysia from 2017 to 2019
- Adviser of the Faculty of Business and Accounting at University of Malaya from 2016 to 2021
- Independent Non-Executive Director, Chemical Company of Malaysia Berhad from 2016 to 2017
- Independent Non-Executive Director, Takaful Ikhlas Berhad from 2016 to 2018
- Independent Non-Executive Director, Takaful Ikhlas General Berhad from 2018 to 2021

Other Present Appointment(s):

None

Board of Directors' Profile

DATUK MOHD RADZIF BIN MOHD YUNUS

Non-Independent,
Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
8 March 2018	28 May 2021	6 years	10/10

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

- HeiTech Padu Berhad

Public Companies

- Amanah Raya Berhad

Board Committees Membership(s):



Details of any interest in the Securities of the Company or its subsidiaries:

Duopharma Biotech Berhad - 25,293 shares (0.002%)

Academic/Professional Qualification/Membership(s):

- Bachelor Applied Science Property Resource Management with Finance, University of South Australia, Australia
- Diploma in Land Survey, Universiti Teknologi Malaysia, Malaysia
- Registered Valuer Real Estate Professional and Property Manager, Board of Valuers Malaysia
- Certified Risk Director by Institute Enterprise Risk Management
- Fellow of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences:

- Managerial positions in Perwira Affin Bank from 1988 to October 1992
- Chief Executive Officer ("CEO"), Shapadu Properties Sdn Bhd from November 1992 to April 1996
- Consultant, Ruang Properties from May 1996 to January 2002

- Director, Core Resources Sdn Bhd from May 1996 to January 2002
- CEO, TH Properties Sdn Bhd from January 2002 to August 2003
- CEO, TH NSTC Sdn Bhd from May 2002 to August 2003
- CEO, Institut Jantung Negara Sdn Bhd from August 2003 to October 2009
- Group Managing Director, IJN Holdings Sdn Bhd from May 2006 to March 2010
- CEO, IJN College Sdn Bhd from January 2007 to March 2010
- Group Managing Director, Small Medium Enterprise Development Bank Malaysia (SME Bank) from July 2010 to June 2017
- Chairman, Association of Development Finance Institutions of Malaysia (ADFIM) from 2011 to 2017
- Vice Chairman, Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI) from 2013 to 2017
- Board member of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) from 2013 to 2017
- Independent Non-Executive Director, Bina Darulaman Berhad from November 2017 to September 2020
- Independent Non-Executive Director, SMRT Holdings Berhad from September 2019 to July 2020

Other Present Appointment(s):

- Member of Perbadanan Pembangunan Kampong Bharu
- Chairman, Board of Trustees of Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)
- Independent Non-Executive Chairman, UM Holdings Sdn Bhd
- Non-Independent Non-Executive Chairman, Amanah Raya Kenedix REIT Managers Sdn Bhd

Board of Directors' Profile

DATO' DR. ZAKI MORAD BIN MOHAMAD ZAHER

Independent,
Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
6 September 2019	17 June 2020	4 years 6 months	10/10

Other Directorship in Public Companies and Listed Issuers:

None

Board Committees Membership(s):**Details of any interest in the Securities of the Company or its subsidiaries:**

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Malaya, Malaysia
- Postgraduate training in Nephrology – Royal Hallamshire Hospital, Sheffield, United Kingdom – Guys Hospital, London, United Kingdom – General Hospital Kuala Lumpur, Malaysia
- Member of the Royal College of Physicians, United Kingdom
- Fellow of the Royal College of Physicians, Edinburgh
- Fellow of the Academy of Medicine of Malaysia
- Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences:

- Consultant, Department of Nephrology, Hospital Kuala Lumpur from 1982 to 1987
- Head, Department of Nephrology, Hospital Kuala Lumpur from 1987 to 2006
- National Advisor and Head of Service for Nephrology, Ministry of Health Malaysia (MOH) from 1987 to 2006
- Director of the Clinical Research Unit, MOH from 2000 to 2006
- President, Malaysian Society of Nephrology from 1990 to 1992
- Chairman, National Renal Registry from 2008 to 2010
- Independent Non-Executive Director, KPJ Healthcare Berhad from 2017 to 2020

Other Present Appointment(s):

- Chairman, National Kidney Foundation
- Resident Consultant Nephrologist, KPJ Ampang Puteri Specialist Hospital

Board of Directors' Profile

AMIZAR BINTI MIZUAR

Non-Independent,
Non-Executive Director
(Resigned as a Non-Independent Non-Executive Director with effect from 20 March 2024)



Date of Appointment	Date of Last Re-Election	Length of Service (as of 20 March 2024)	Board Meetings Attended
9 July 2021	21 June 2022	2 years 8 months	10/10

Other Directorship in Public Companies and Listed Issuers:
None

Board Committees Membership(s):



(Resigned with effect from 20 March 2024)

Details of any interest in the Securities of the Company or its subsidiaries:

None

Academic/Professional Qualification/Membership(s):

- Master of Business Administration (Applied Finance & Investment), Universiti Kebangsaan Malaysia, Malaysia
- Bachelor of Business Administration (Hons), Universiti Utara Malaysia, Malaysia
- Graduate Diploma of Applied Finance & Investment, Securities Institute of Australia, Australia
- Executive Diploma in Investment Analysis, Institut Teknologi MARA, Malaysia
- Diploma in Banking Studies, Institut Teknologi MARA, Malaysia
- Capital Markets Services Representative's Licence, Securities Commission Malaysia, Malaysia
- Leadership Transition Programme, INSEAD, Fontainebleau, France
- Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences:

- Served Permodalan Nasional Berhad ("PNB") in various capacities for over 20 years, primarily in the areas of investment management and corporate finance, including mergers and acquisitions, corporate restructuring and investment analysis, before being appointed as the Head of the Financial Institution, Strategic Investments Division of PNB in 2019.
- Non-Independent Non-Executive Director on the Board of HeiTech Padu Berhad from January 2018 to December 2019
- Non-Independent Non-Executive Director on the Board of Chemical Company of Malaysia Berhad from September 2018 to December 2020.

Other Present Appointment(s):

- Head of the Financial Institution, Strategic Investments Division of PNB

Board of Directors' Profile

**DATIN PADUKA KARTINI BINTI
HJ ABDUL MANAF**

Independent,
Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
1 June 2023	N/A	0 year 9 months	6/6

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

- Syarikat Takaful Malaysia Keluarga Berhad

Public Companies

- Perumahan Kinrara Berhad
- TMK Chemical Bhd

Board Committees Membership(s):**Details of any interest in the Securities of the Company or its subsidiaries:**

None

Academic/Professional Qualification/Membership(s):

- Master of Business Administration, Ohio University, USA
- Bachelor of Business Administration, Ohio University, USA
- Diploma in Banking Studies, Universiti Teknologi MARA, Malaysia

Past Appointments/Experiences:

- Former Deputy President of Strategic Investments at Permodalan Nasional Berhad (PNB) and in various capacities, primarily in the areas of investment management and corporate finance, including mergers and acquisitions, corporate restructuring and investment analysis, portfolio management,

property investment, and business development for over 30 years until her retirement on 31 December 2019.

- Director, Projek Lintasan Kota Holdings Sdn Bhd from 1 April 2019 to 1 December 2019
- Non-Independent Non-Executive Director, Sime Darby Berhad from 1 December 2017 to 15 November 2018
- Non-Independent Non-Executive Director, Chemical Company of Malaysia Berhad from 10 January 2011 to 28 May 2018
- Director, Unilever (Malaysia) Holdings Sdn Bhd
- Non-Independent Non-Executive Director, Sapura Energy Berhad from 24 April 2019 to 31 December 2019
- Director, UiTM Holdings Sdn Bhd from 1 July 2020 to 19 May 2021
- Director, Universiti Malaysia Kelantan
- Non-Independent Non-Executive Director, See Sen Chemical Berhad from 28 October 2011
- Non-Independent Non-Executive Director, UMW Holdings Berhad from 15 June 2017 to 13 December 2023
- Chairman, TH Properties Sdn Bhd

Other Present Appointment(s):

- Director, VentureTECH Sdn Bhd
- Director, VentureTECH-SBI Sdn Bhd
- Director, I&P Kota Bayuemas Sdn Bhd
- Director, LTH Property Holdings Ltd
- Director, LTH Property Holdings 2 Ltd
- Director, LTH Property Holdings 3 Ltd
- Director, LTH Property Holdings 4 Ltd

Board of Directors' Profile

MOHD HARIS BIN MOHD ARSHAD

Non-Independent, Non-Executive Director



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
20 March 2024	N/A	Less than one (1) month	N/A

Other Directorship in Public Companies and Listed Issuers:

None

Board Committees Membership(s):



Details of any interest in the Securities of the Company or its subsidiaries:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Science Degree in Business Administration, University of Arizona
- Advanced Management Program, Harvard Business School, Boston.

Past Appointments/Experiences:

- Senior Trader, Cargill (Malaysia) Sdn. Bhd. from 1994 to 2000
- Head, Commodity Price Risk Management, Nestle from 2001 to 2010
- Director of Commodity Risk Management, Unilever Singapore from 2010 to 2014

Other Present Appointment(s):

- Group Chief Operating Officer, Sime Darby Plantation Berhad
- Managing Director, Sime Darby Oils
- Board Member, Malaysian Palm Oil Board
- Board Member, Emery Oleochemicals LLC
- Board of Trustees, Malaysian Palm Oil Council
- Chairman, Palm Oil Refiners Association of Malaysia
- Director, Sime Darby Oils International Limited
- Director, New Britain Palm Oils Limited
- Director, PT Minamas Gemilang
- Director, PT Anugerah Sumbermakmur
- Director, FGV Johor Bulkera Sdn. Bhd.

ADDITIONAL INFORMATION

1. None of the Directors have any family relationship with any Director and/or major shareholder of Duopharma Biotech Berhad.
2. None of the Directors have any conflict of interest or potential conflict of interest, including any interest in any competing business with Duopharma Biotech or its subsidiaries, save for the following:-
 - (A) potential conflict of interest that may arise from Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir, Datuk Mohd Radzif Bin Mohd Yunus, Puan Amizar Binti Mizuar (resigned with effect from 20 March 2024), Encik Mohd Haris Bin Mohd Arshad and Encik Muhammad Shukri Bin Ismail being Nominee Directors of Permodalan Nasional Berhad ("PNB"), a major shareholder of Duopharma Biotech. The aforesaid potential conflict of interest is mitigated by way of such Nominee Directors abstaining from deliberation and voting on any transaction involving any member of the Duopharma Biotech Group that involves the interest of PNB or persons connected to PNB.
 - (B) potential conflict of interest involving Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir and Dato' Dr Zaki Morad Bin Mohamad Zaher that may arise from the legal proceeding that has been commenced by KPJ Healthcare Berhad ("KPJ") and its wholly-owned subsidiary, Kumpulan Perubatan (Johor) Sdn. Bhd. (collectively the "Plaintiffs") against 11 former directors of KPJ, including Tan Sri Datin Paduka Siti Sa'diah and Dato' Dr Zaki Morad, as the Duopharma Biotech Group supplies from time to time pharmaceutical and healthcare products to pharmacies and hospitals under the KPJ group. The aforesaid potential conflict of interest is mitigated as follows:-

Board of Directors' Profile

MUHAMMAD SHUKRI BIN ISMAIL

Non-Independent, Non-Executive Alternate Director
to Encik Mohd Haris Bin Mohd Arshad
(Ceased as a Non-Independent Non-Executive Alternate Director
to Puan Amizar Binti Mizuar with effect from 20 March 2024)



Date of Appointment	Date of Last Re-Election (as of 29 March 2024)	Length of Service (as of 29 March 2024)	Board Meetings Attended
20 March 2024	N/A	Less than one (1) month	4/4

Other Directorship in Public Companies and Listed Issuers:

None

Board Committees Membership(s):

None

(Encik Muhammad Shukri will be the Alternate Director to Encik Mohd Haris at Board meetings and Board Committee meetings where Encik Mohd Haris is a member. Currently, Encik Mohd Haris is a member of the Nomination and Remuneration Committee and the Halal and Sustainability Committee)

Details of any interest in the Securities of the Company or its subsidiaries:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Accounting and Finance, University of Warwick, United Kingdom

Past Appointments/Experiences:

- Associate in Research and Technology Analysis, Permodalan Nasional Berhad ("PNB") from April 2015 to October 2015
- Has held various positions, including Analyst, Senior Analyst, Associate Manager, and Manager in Corporate Services & Strategic Investments, PNB from 2015 to present.

Other Present Appointment(s):

- Assistant Vice President in Strategic Investments, PNB

- (i) such supplies of pharmaceutical and healthcare products by the Duopharma Biotech Group are in the ordinary course of business and usually handled by the Management of Duopharma Biotech Group at the operational level; and
- (ii) since the commencement of the aforesaid legal suit, there was no transaction between any member of the KPJ group and any member of the Duopharma Biotech Group that required deliberation by the Board of Directors of Duopharma Biotech. In the event any transaction between any member of the KPJ group and any member of the Duopharma Biotech Group is deliberated at the level of the Board of Directors of Duopharma Biotech after the commencement of the aforesaid legal suit, Tan Sri Datin Paduka Siti Sa'diah and Dato' Dr Zaki Morad would abstain from deliberation and voting on the said transaction.

3. None of the Directors have been convicted of any offence within the past five years and have not been imposed public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 2023.

4. All the Independent Non-Executive Directors satisfy the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Senior Management Team

1

**LEONARD ARIFF BIN
ABDUL SHATAR**

Group Managing Director,
Executive Director

*The full profile is available on page 85
of this Integrated Annual Report 2023*

2

**WAN AMIR-JEFFERY BIN
WAN ABDUL MAJID**

Chief Executive Officer -
Commercial

3

**DATO' DR. ANAS BIN
ALAM FAIZLI**

Chief Executive Officer -
Corporate

4

CHEK WU KONG

Chief Financial Officer



Senior Management Team

5

KRISNAKUMARA-REDDI A/L KESAVA-REDDI
Chief Manufacturing & Sustainability Officer

6

IBRAHIM HUSSIN SALLEH
Chief Legal Officer & Group Company Secretary

7

SHAMSUL IDHAM BIN A. IAHAD
Chief Executive Officer, Duopharma Consumer Healthcare Sdn Bhd


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SABRINA BINTI HARON
Chief Compliance Officer



Senior Management Team's Profile

**WAN AMIR-JEFFERY BIN
WAN ABDUL MAJID**
Chief Executive Officer -
Commercial




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Date of Appointment

6 October 2022



Other Directorship in Public Companies and Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Business Administration – International Trade, University of Central Arkansas, United States of America
- Senior Management Development Program, Harvard Business School, United States of America
- Qualified Risk Director (QRD) programme
- Member of the Institute of Corporate Directors Malaysia (ICDM)


Past Appointments/Experiences

- Executive Director, Resources Management (SRM) Sdn Bhd from 1997 to 2007
- Lead Business Analyst, Biomedical Business Development and Investment Division, Malaysian Biotechnology Corporation (BiotechCorp) Sdn Bhd from 2007 to 2008
- Vice President, Biomedical Business Development and Investment Division, Malaysian Biotechnology Corporation (BiotechCorp) Sdn Bhd from 2008 to 2013
- Chief Executive Officer, Johor Biotechnology & Biodiversity Corporation and J-Biotech Holdings Sdn. Bhd ("J-Biotech") from 2013 to 2016
- Chief Strategy Officer, Duopharma Biotech Berhad from 2016 to 2018
- Chief Operating Officer, Duopharma Biotech Berhad from 2018 to 2020
- Chief Commercial Officer, Duopharma Biotech Berhad from 2020 to 2022

Other Current Appointment(s)

- Member of Duopharma Biotech's Group Management Committee
- Member of the Executive Council of the Malaysian Organisation of Pharmaceutical Industries (MOPI)

**DATO' DR ANAS BIN
ALAM FAIZLI**
Chief Executive Officer -
Corporate




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Date of Appointment

6 October 2022



Other Directorship in Public Companies and Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Science, Universiti Teknologi Malaysia, Malaysia
- Master of Project Management, Open University Malaysia, Malaysia
- Doctor of Business Administration, Open University Malaysia, Malaysia
- Certified Project Management Professional by Project Management Institute, United States of America
- Certified Industrialised Building System (IBS) Professional by the Construction Industry Development Board (CIDB), Malaysia
- Certified Oil & Gas Expert by the Ministry of Human Resources, Malaysia
- Member of the Project Management Institute
- Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences

- Assistant Project Manager, Sime Semcorp Engineering Sdn Bhd from 2002 to 2004
- Senior Project Controller, Petronas Carigali Sdn Bhd from 2004 to 2005
- Development Lead, Talisman Malaysia Limited from 2005 to 2015
- Director, Business Development & Special Projects, Eversendai Corporation Berhad from 2015 to 2017
- Assistant Secretary, Malaysian Oil and Gas Services Council (MOGSC) from 2016 to 2017
- Head, North-South Expressway Operations, UEM Edgenta Berhad from 2017 to 2020
- Treasurer, Malaysian Asset and Project Management Association (MAPMA) from 2019 to 2021
- Chief Executive Officer, ProtectHealth Corporation Sdn Bhd from 2020 to 2022

Other Current Appointment(s)

- Member of National Advisory Panel, UN Global Compact Network Malaysia & Brunei (UNGCMYB)
- Member of the Scientific Advisory Board (SAB), Institute of Research, Development and Innovation (IRDI), IMU University
- Member of the National Medicine Policy (DUNAS), Technical Committee of Partnership & Collaboration for the Healthcare Industry Component.
- Member of Duopharma Biotech's Group Management Committee

Senior Management Team's Profile

CHEK WU KONG
Chief Financial Officer



Date of Appointment
1 July 2012

Other Directorship in Public Companies and Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Accounting (Hons), University of Malaya, Malaysia
- Chartered Accountant, Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)
- Senior Management Development Program, Harvard Business School, United States of America
- ICAEW Qualified Person Responsible for Training (QPRT)
- Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experiences

- Joined Deloitte Malaysia audit/tax from 1990 to 1994
- Accountant, Komarkcorp Berhad from 1994 to 1995
- Group Finance Manager, Komarkcorp Berhad from 1995 to 1996
- Group Financial Controller, Komarkcorp Berhad from 1996 to 2000
- Financial Controller, Duopharma Biotech Berhad from 2000 to 2012

Other Current Appointment(s)

- Member of Duopharma Biotech's Group Management Committee

KRISNAKUMARA-REDDI
A/L KESAVA-REDDI
Chief Manufacturing & Sustainability Officer



Date of Appointment
1 January 2016

Other Directorship in Public Companies and Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Pharmacy (Hons), University of Science Malaysia
- Senior Management Development Program, Harvard Business School, United States of America
- Certified Lean Six Sigma – Black Belt

Past Appointments/Experiences

- Housemanship, Biro Pengawalan Farmaseutikal Kebangsaan (BPFK) now known as the National Pharmaceutical Regulatory Agency (NPRA) from 1994 to 1995
- Hospital Sales Representative, Bristol-Myers Squibb from 1995 to 1996
- Production Pharmacist, Sterling Health Manufacturing from 1996 to 1997
- Production Pharmacist, UPHA Pharmaceutical Manufacturing (M) Sdn Bhd now known as Duopharma Manufacturing (Bangi) Sdn Bhd from 1997 to 1998
- Production Pharmacist/Sterile production Manager, Duopharma (M) Sdn Bhd from 1998 to 2006
- Senior Quality Assurance Manager, Duopharma (M) Sdn Bhd from 2006 to 2008
- Senior Manager II, Production, Duopharma (M) Sdn Bhd from 2008 to 2010
- Senior Manager I, Operations, Duopharma (M) Sdn Bhd from 2010 to 2013
- General Manager, Operations CCM Pharmaceuticals from 2013 to 2016
- Chief Manufacturing Officer, Duopharma Biotech Berhad from 2016 to 2022

Other Current Appointment(s)

- Member of Duopharma Biotech's Group Management Committee

Notes:

- Redesignated to current position on 6 October 2022.
- Previously served as Chief Manufacturing Officer from 2016 to 2022.

Senior Management Team's Profile

IBRAHIM HUSSIN SALLEH
 Chief Legal Officer &
 Group Company Secretary



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* Permanent Resident of Malaysia



Date of Appointment
 28 December 2017

Other Directorship in Public Companies and Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Laws (LL.B) (Hons.), International Islamic University Malaysia, Malaysia
- Master of Laws (LL.M), University of Malaya, Malaysia
- Advocate & Solicitor of the High Court of Malaya (Non-Practising)
- Company Secretary License, Companies Commission of Malaysia
- Qualified Risk Director (QRD) Program, Institute of Enterprise Risk Practitioners
- Senior Management Development Program, Harvard Business School, United States of America
- Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Member of the Inns of Court Malaysia
- Member of the Association of Muslim Lawyers of Malaysia
- Member of the Institute of Enterprise Risk Practitioners (IERP)
- Associate Member of the Harvard Business School Alumni Club of Malaysia
- Sustainability and Climate Risk (SCR) Certificate administered by the Global Association of Risk Professionals (GARP) and an Affiliate Member of GARP


Past Appointments/Experiences

- Practised as an Advocate and Solicitor from 1993 to 2002, gaining experience in banking, conveyancing, corporate and litigation matters
- Head of Legal & Secretarial Department of a public listed property development company from 2002 to 2006
- Legal Manager cum Joint Company Secretary, Chemical Company of Malaysia Berhad from 2006 to 2008
- General Manager, Legal cum Joint Company Secretary, Chemical Company of Malaysia Berhad from 2008 to 2017

Other Current Appointment(s)


- Member of Duopharma Biotech's Group Management Committee

SHAMSUL IDHAM BIN A. IAHAD
 Chief Executive Officer,
 Duopharma Consumer
 Healthcare Sdn Bhd



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Date of Appointment
 1 January 2020

Other Directorship in Public Companies and Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Diploma in Business Studies, MARA Institute of Technology, Malaysia
- Bachelor of Science (Marketing), University of Bridgeport, Connecticut, United States of America
- Managerial Finance from The London School of Economics and Political Science, United Kingdom

Past Appointments/Experiences


- Assistant Brand Manager, F&N Dairies (M) Sdn Bhd from 1996 to 2000
- Senior Brand Manager, GlaxoSmithKline Consumer Healthcare from 2000 to 2005
- Marketing Manager, Kotra Pharma (M) Sdn Bhd from 2005 to 2009
- Sales & Marketing Manager, Sanofi-Aventis (Malaysia) Sdn Bhd from 2009 to 2011
- Senior Manager, Over-the-counter ("OTC") Marketing Department, and the Events & Promotions Department, Duopharma Marketing Sdn Bhd from 2012 to 2017
- General Manager, Duopharma Marketing Sdn Bhd from 2017 to 2020




Other Current Appointment(s)

- Member of Duopharma Biotech's Group Management Committee

Senior Management Team's Profile

SABRINA BINTI HARON
Chief Compliance Officer



Date of Appointment
1 July 2023

Other Directorship in Public Companies and Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Pharmacy (Hons), National University of Malaysia (UKM)
- Master in Business Administration Executive, Universiti Teknologi MARA (UiTM)
- Oxford Executive Leadership Programme, Saïd Business School, University of Oxford.
- Member of the Malaysian Pharmacists Society
- Member of the Malaysian Affiliate of the International Society for Pharmaceutical Engineering

Past Appointments/Experiences

- Houseman Pharmacist, General Hospital of Kuala Lumpur from 2004 to 2005
- Regulatory Affairs Manager, 21st Century Products Sdn Bhd 2005 to Nov 2009
- Regulatory Affairs Manager, Duopharma (M) Sdn Bhd from Dec 2009 to Jun 2014
- Regulatory Affairs Senior Manager, Duopharma (M) Sdn Bhd Jul 2014 to Jun 2020
- Technical Compliance Senior Manager, Duopharma (M) Sdn Bhd from Jul 2020 to March 2021
- Technical Compliance General Manager, Duopharma (M) Sdn Bhd from April 2021 to June 2023

Other Current Appointment(s)

- Member of the Executive Council of the Malaysian Organisation of Pharmaceutical Industries (MOPI)
- Member of Duopharma Biotech's Group Management Committee
- Member of the National Medicine Policy (DUNAS), Technical Committee of Quality, Safety & Efficacy Component.
- Member of Biosimilars Committee of International Generic and Biosimilar Medicines Association (IGBA)

ADDITIONAL INFORMATION

1. None of the Senior Management team members have family relationship with any Director and/or major shareholder of Duopharma Biotech Berhad;
2. None of the Senior Management team members have conflict of interest with Duopharma Biotech Berhad;
3. None of the Senior Management team members have been convicted of any offence within the past five years; and
4. None of the Senior Management team members have been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

Note:

- Age is as at 29 March 2024

Other Key Management Team's Profile

RAMA SOCKALINGAM
A/L NAGAPPAN
 Head,
 Group Internal Audit



Date of Appointment
 28 December 2017

Directorship in Public Companies and Other Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Bachelor of Business (Accounting & Management), La Trobe University, Australia
- Certified Practising Accountant (CPA), Australia
- Certified Internal Auditor (CIA)
- Chartered Member, Institute of Internal Auditors Malaysia
- Certified Integrity Officer (CeIO), Malaysian Anti-Corruption Academy
- ISO 37001 (Anti-Bribery Management System) Lead Implementer Certification from Professional Evaluation and Certification Board (PECB), Canada
- ISO 37001 Lead Auditor Certification from Exemplar Global, Australia
- Oxford Executive Leadership Programme, Saïd Business School, University of Oxford

Past Appointments/Experiences

- Senior Audit Assistant, Crowe Horwath from 2006 to 2008
- Assistant Manager Group Internal Audit, United Engineers Malaysia Group Berhad from 2008 to 2012
- Senior Manager, Group Integrity & Assurance, Chemical Company of Malaysia Berhad from 2012 to 2017
- Head, Group Internal Audit & Integrity from 2018 to 2023

Other Current Appointment(s)

- Secretary, Association of Anti-Bribery Management System Practitioners Malaysia
- Appointed Member of the Malaysian Institute of Integrity (INTEGRITI)

Notes:

- Redesignated to current position on 1 April 2023.
- Previously served as Head, Group Internal Audit & Integrity from 2018 to 2023.

WAN AHMAD NIZAM BIN
WAN MOHD. SALLEH
 Head, Group Risk
 Management & Integrity



Date of Appointment
 27 January 2023

Directorship in Public Companies and Other Listed Issuers:

None

Academic/Professional Qualification/Membership(s):

- Degree in Accountancy, Universiti Teknologi MARA, Malaysia
- Diploma in Accountancy, Universiti Teknologi MARA, Malaysia

Past Appointments/Experiences

- External Auditor attached with a few small-size audit firms (K.Y.Ho & Co and Ahmad Abdullah & Co) and medium-size audit firms (Grant Thornton Malaysia PLT) from 1998 to 2003
- Head of Internal Audit for Eastern Pacific Industrial Corporation Berhad from 2004 to 2012
- Head of Group Risk Management for Deleum Berhad from 2012 to 2021
- Head of Group Risk Management for Top Glove Corporation Berhad from 2022 to 2022
- Senior Manager, Group Risk Management for Yinson Holdings Berhad from 2022 to 2023

Other Current Appointment(s)

None

Notes:

- Assigned to current position on 1 April 2023.
- Previously served as Head, Group Risk Management from 27 January 2023.

ADDITIONAL INFORMATION

1. None of the Key Management team members have family relationship with any Director and/or major shareholder of Duopharma Biotech Berhad;
2. None of the Key Management team members have conflict of interest with Duopharma Biotech Berhad
3. None of the Key Management team members have been convicted of any offence within the past five years; and
4. None of the Key Management team members have been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

Notes:

- Age is as at 29 March 2024

Corporate Governance Overview Statement

UNWAVERING DEDICATION TO CORPORATE GOVERNANCE



The Corporate Governance Overview Statement (“CGOS”) serves to delineate the corporate governance framework adopted by Duopharma Biotech Berhad (referred to as “Duopharma Biotech” or the “Company”) and its subsidiary entities (collectively referred to as the “Group”).

This CGOS encompasses a comprehensive summary of the Group’s adherence to the Malaysian Code on Corporate Governance (“MCCG”), highlighting key areas of focus and outlining future priorities. Recognising the growing demand for transparency within the market, the Board of Directors (referred to as the “Board”) is committed to furnishing stakeholders with forthcoming and detailed disclosures regarding the Group’s corporate governance practices. This commitment includes the incorporation of Integrated Reporting mechanisms throughout the financial year being reviewed, aimed at providing stakeholders with a clear understanding of the Group’s governance initiatives and performance.

IBRAHIM HUSSIN SALLEH

Chief Legal Officer & Group Company Secretary

Emphasising its unwavering dedication to robust corporate governance practices, Duopharma Biotech continuously strives to provide stakeholders with a comprehensive understanding of how these practices are deeply integrated into the Company’s organisational decision-making processes. Recognising the pivotal role governance plays in shaping long-term success, the Board takes an active role in overseeing and refining the governance framework to ensure its adaptability and efficacy in meeting evolving challenges. The disclosure of Duopharma Biotech’s corporate governance practices aims to illuminate its role in fostering value creation, preservation, and sustainability over the short, medium, and long term.

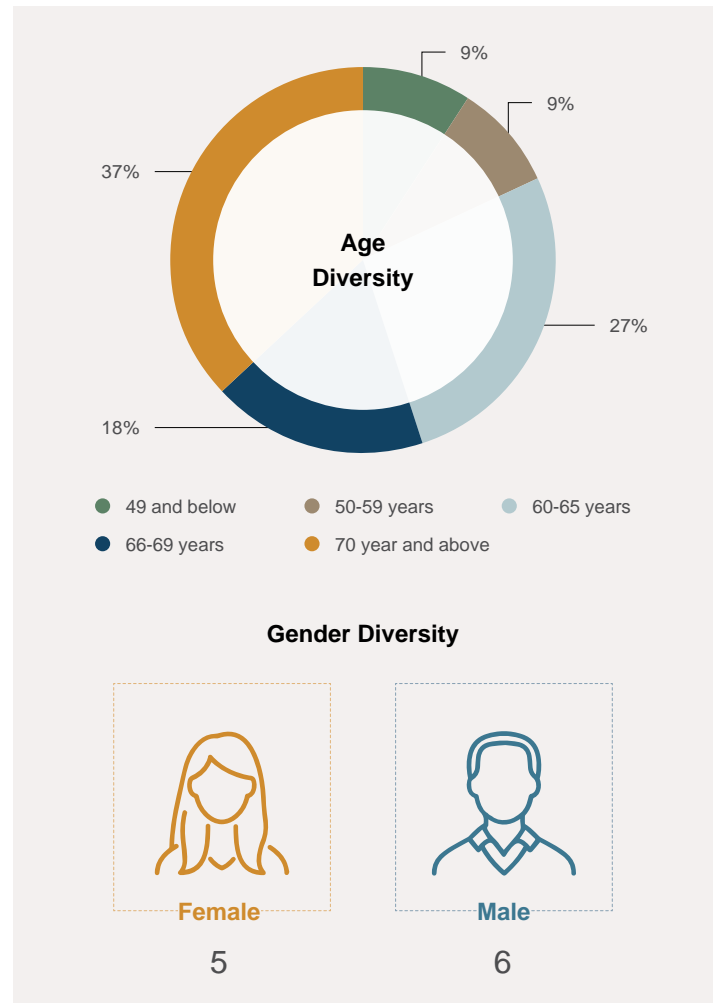
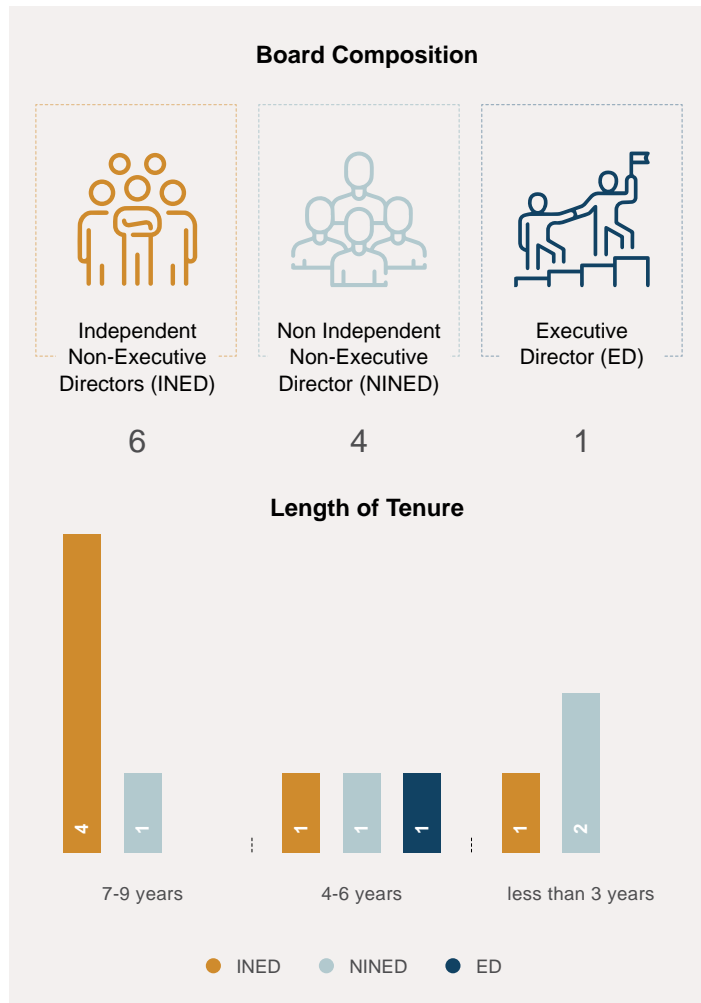
The Board of Duopharma Biotech is resolute in its commitment to transparency and accountability by ensuring stakeholders receive comprehensive insights into the integration of enhanced corporate governance practices throughout the Group’s decision-making processes. This CGOS is further reinforced by a meticulously prepared Corporate Governance Report, which outlines the application of Duopharma Biotech’s corporate governance practices in alignment with the Malaysian Code on Corporate Governance for the fiscal year ended 31 December 2023.

The Corporate Governance Report is readily accessible on Duopharma Biotech’s corporate website – under ‘Annual Reports/Integrated Annual Report’ (<https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/>) and is also announced on the official platform of Bursa Malaysia Securities Berhad (“Bursa Securities”). Both the CGOS and the Corporate Governance Report adhere to Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) by Bursa Securities and are crafted with guidance from Practice Note 9 of the MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities. This CGOS and the Corporate Governance Report in respect of the financial year ended 31 December 2023 were approved by the Board on 19 March 2024.

For a comprehensive understanding of the Group’s corporate governance framework and practices, it is recommended to review this CGOS alongside other statements included in this Integrated Annual Report. These encompass the Statement on Risk Management and Internal Control, Audit Committee Report, Nomination and Remuneration Committee Report, Risk Management Committee Report, Halal and Sustainability Committee Report, as well as the Medical and Research Committee Report, including Duopharma Biotech’s standalone Sustainability Report. This collaborative approach allows for a more holistic and detailed comprehension of the Group’s corporate governance landscape, benefiting from the contextual explanations provided within each respective statement and report.

Corporate Governance Overview Statement

OUR BOARD AT A GLANCE



Note:
The information presented in the charts above pertains to the reporting period for the financial year ended 31 December 2023. In 2024, there have been changes to the Board composition, specifically the resignation of Amizar Binti Mizuar as a Non-Independent Non-Executive Director and the appointment of Mohd Haris Bin Mohd Arshad as a Non-Independent Non-Executive Director effective from 20 March 2024.

Corporate Governance Overview Statement

OUR CORPORATE GOVERNANCE APPROACH

In its stride forward, Duopharma Biotech continued its journey in 2023 by embracing integrated reporting for the second consecutive year, following the guidelines outlined in the International Integrated Reporting (IR) Framework by the International Integrated Reporting Council (IIRC). The Board recognises that integrated reporting lies at the heart of its value creation process. This process heavily relies on the structure of the company's governance framework and the strategies employed for its implementation.

Duopharma Biotech's approach to corporate governance delves into the six (6) categories of capitals as outlined by the IIRC. It explores how governance practices have influenced and benefited the Company, facilitating the transformation of inputs and business activities into outputs and outcomes, ultimately driving value for stakeholders. The Company's governance practices, aligned with the six (6) capitals, are closely intertwined with its six (6) core values. Duopharma Biotech's governance strategies deployed across these capitals and their interconnectedness with the Company's core values are as follows:

SIX CORE VALUES

P Passion **E** Excellence **T** Teamwork **I** Integrity **R** Responsible **R** Respect

FINANCIAL CAPITAL



- Duopharma Biotech made a strategic investment of up to USD 1 million in The Live Green Group, Inc (“TLGG”) a biotech company based in the United States. This investment has empowered Duopharma Biotech to secure valuable manufacturing, marketing, and distribution rights for products co-developed with The Live Green Co (“TLGC”), a subsidiary of TLGG within the ASEAN region. By investing in TLGG, Duopharma Biotech has gained access to innovative products and technologies, allowing for the expansion of its product portfolio and market reach. This investment reflects the Board's diligent assessment of opportunities and risks, ensuring alignment with Duopharma Biotech's long-term strategic objectives and commitment to shareholder value.
- As part of its overarching strategic vision, Duopharma Biotech has developed its Beyond 2025 Corporate Strategy (2024 – 2033) which is designed to optimise the allocation of financial capital towards sustainable growth and value creation over the long term. This comprehensive strategy encompasses a range of initiatives such as strategic development and investments, operational efficiency enhancements, expansions into new markets or product lines, etc. By aligning its financial capital allocation with long-term objectives, Duopharma Biotech aims to foster resilience, innovation, and competitiveness in the rapidly evolving pharmaceutical landscape.
- Duopharma Biotech has in place a whistleblowing program for employees and stakeholders to report any wrongdoings. During the financial year, whistleblowing reports were low in numbers. Through whistleblowing channels, this has reduced erosion of the Group's financial capital by way of minimising or completely averting fraud cases and/or enforcement cases brought against the Group.
- Overseen by the Risk Management Committee, stringent due diligence assessments of all potential investments and acquisitions are carried out by the Group to identify any probable risks that may affect Duopharma Biotech. By undertaking such processes, the Group is able to reduce instances of making poor investment decisions.

Corporate Governance Overview Statement

MANUFACTURED CAPITAL



- The Halal and Sustainability Committee undertook to oversee the implementation of the Company's 5-year Manufacturing Strategy for the year 2022 to 2026, which is aimed at upgrading and increasing the capacity of its manufacturing facilities to meet national and international standards whilst catering to the ever-growing demands of the market.
- Duopharma Biotech's subsidiary, Duopharma (M) Sendirian Berhad, has achieved a significant milestone by producing a complete range of products that are certified as 100% halal. This accomplishment is notable as it establishes the Company as a trailblazer within the pharmaceutical industry, being the first of its kind to attain full halal certification for its manufacturing facility. This achievement underscores Duopharma Biotech's commitment to adhering to rigorous standards of manufacturing excellence while also catering to the specific needs and preferences of diverse consumer markets, particularly those that prioritise halal-certified products.

INTELLECTUAL CAPITAL



- As a source of pride and being the pioneer of Halal certification in Malaysia for pharmaceuticals, the Halal and Sustainability Committee continuously places heightened oversight on the Groups Halal certification for its products. Duopharma Biotech maintains its unique position as a thought and market leader in the Halal front. This position will drive business growth by way of increased sales and revenue as the certification acts as a signpost of high-quality and Muslim-friendly products.
- Duopharma Biotech's Board Committees are vested with the authority to approve matters tabled at Board Committee meetings. These Committees comprises of experienced professionals and subject matter experts with the right intellect to conduct thorough reviews and deliberations on pertinent matters within their respective domains. This authority stems from the delegation of powers by the Board, ensuring that decisions are made with due diligence, transparency, and accountability.

HUMAN CAPITAL



- In its continuous efforts to strengthen its ethical culture and enhance good governance practices, Duopharma Biotech has initiated a new integrity and anti-corruption programme tailored for its external business associates. This program represents a proactive approach by the company to cultivate a culture of integrity and transparency not only within its own operations but also throughout its extended network of partners and collaborators. This programme not only serves as a safeguard against corruption and unethical practices but also demonstrates Duopharma Biotech's recognition of the critical role that human capital plays in upholding its core values and driving sustainable growth.
- The establishment of the Company's Diversity, Anti-Discrimination, and Anti-Harassment Policy underscores its commitment to fostering a workplace culture that values and respects every individual. This policy, rooted in the principles of human capital cultivates an inclusive environment where diversity is celebrated, discrimination is prohibited, and harassment is not tolerated. By prioritising the well-being and dignity of its employees, Duopharma Biotech recognises that a diverse and inclusive workforce contributes to enhanced creativity, innovation, and performance.
- The Directors' Code of Ethics serves as a guiding document that underscores the importance of ethical conduct, integrity, and accountability among the Board members. By adhering to this code, Directors commit to upholding the highest standards of professional behaviour and decision-making, thereby fostering a culture of trust and transparency within the Company. This not only enhances stakeholder confidence but also contributes to the effective management of human capital, ensuring that Directors act in the best interests of all stakeholders and uphold the Company's values and principles.

Corporate Governance Overview Statement

- Duopharma Biotech places a strong emphasis on the pivotal role of leadership and governance in fostering effective human capital management practices throughout the Company. The Board is deeply committed to prioritising human capital considerations and integrating them into the Company's overarching strategic vision. Through robust governance structures and clear leadership directives, Duopharma Biotech ensures that human capital-related initiatives are aligned with the company's core values and long-term objectives, coinciding with the adoption of a new Corporate Culture that now encompasses both employees' and the Company's performance.
- An Employee Engagement Index ("EEI") survey is carried out on annual basis to gauge the level of employee satisfaction, commitment, and motivation within the Company. By fostering open communication and actively soliciting employee feedback through the EEI survey, Duopharma Biotech demonstrates its commitment to creating a positive work environment where employees feel valued, supported, and empowered to contribute to the company's success. During the financial year under review, Duopharma Biotech rolled out the Burnout Survey 2023 to all staff across the Group, prompting various initiatives aimed at addressing the mental wellbeing of its employees. These initiatives included the Mental Resilience Program tailored for staff at highest risk of burnout, an October Mental Health Campaign, Duopharma Wellness Day, training session on Managing Stress & Mental Health, informative talk on Mental Health, the establishment of an HR Helpline, and the incorporation of mental health and wellness components into the onboarding process for new hires.
- The latest revisions to the Succession Plan Framework for Non-Executive Directors emphasise the process for selecting successors for specialised roles on the Board. Candidates are chosen based on a thorough analysis of the Board's key competencies to ensure the selection of the most qualified candidate. The appointment of Directors involves a thorough review of the composition and selection criteria of the candidates through pertinent assessments that are aligned with the Company's Succession Plan Policy for Non-Executive Directors, Fit and Proper Policy well as Diversity Policy for the Board of Directors and Senior Management
- Duopharma Biotech ensures that a comprehensive succession plan for key management roles is carried out based on the Company's leadership structure to ensure the sustainability of Duopharma Biotech's business in the long term. During the year under review, the NRC has reviewed detailed development plans for talents and successors poised to assume critical management positions. This dual approach ensures a steady flow of capable leaders, fostering organisational resilience and sustainability in the face of evolving challenges.

SOCIAL AND RELATIONSHIP CAPITAL



- Duopharma Biotech's practice of conducting investor briefing sessions serves as a crucial platform for nurturing and strengthening its relationships with stakeholders, including investors, shareholders, analysts, and the broader community. These sessions provide opportunities for transparent communication and information sharing, allowing stakeholders to gain insights into the company's performance, strategic direction, and future prospects.
- General Meetings serve as forums for shareholders to voice their opinions, ask questions, and participate in decision-making processes, thereby fostering a sense of inclusivity and ownership among shareholders. By actively listening to stakeholder concerns and incorporating their perspectives into decision-making processes, Duopharma Biotech enhances its social capital by fostering positive relationships built on trust, transparency, and mutual respect.
- Duopharma Biotech is dedicated to increasing awareness among external stakeholders regarding halal-related matters. Through regional and international outreach initiatives managed by the Halal and Sustainability Committee, Duopharma Biotech has solidified its reputation as a trustworthy entity within the community. This effort strengthens the Company's bond with the community, nurturing positive relationships that drive brand loyalty and sustain a long-term customer base.

Corporate Governance Overview Statement

- As part of its community outreach efforts, Duopharma Biotech has conducted numerous press releases to the public, including notable events such as: “Duopharma Biotech Strengthens Good Governance With New Integrity Programme And Industry Recognition”; “Duopharma Biotech Ends FY2022 With Highest Revenue In Five Years”; “Duopharma Biotech To Invest Up To USD1 Million In The Live Green Co.”; “Duopharma Biotech Berhad Elevates Halal Productivity With MyHalalGiG By Holistics Lab” and several others. In addition to press releases, various Corporate Social Responsibility activities were also undertaken during the year, such as the Pink Unity Campaign, Champs Kempen Pemakanan Seimbang Event, Minggu Saham Amanah Malaysia (MSAM) 2023, and the distribution of 400 prepacked food to Bernama employees during Ramadan 2023.

NATURAL CAPITAL



- Duopharma Biotech’s commitment to reviewing the ongoing progress and completion of its 5-year ESG Strategy plan signifies a comprehensive approach to managing its impacts on natural resources and ecosystems. The 5-year ESG Strategy is targeted to minimising environmental footprint, conserving biodiversity, and promoting sustainable resource management practices. Duopharma Biotech aims to mitigate environmental risks, enhance resilience to climate change, and contribute to the long-term sustainability of ecosystems and communities.
- The Net Zero Transition Plan outlines the Duopharma Biotech’s strategic approach to achieve carbon neutrality and reduce its environmental impact. This comprehensive plan integrates initiatives aimed at minimizing greenhouse gas emissions, adopting renewable energy sources, and implementing sustainable practices across operations. By prioritising sustainability in its transition efforts, the company aims to mitigate climate change risks, promote environmental conservation, and contribute to a more sustainable future. Through collaboration with stakeholders and the implementation of innovative solutions, Duopharma Biotech seeks to drive positive environmental outcomes while creating long-term value for stakeholders.
- In promoting transparency to stakeholders, disclosures on sustainability practices in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance are also unveiled in Duopharma Biotech’s Corporate Governance Report, the Halal and Sustainability Committee Report on page 144 as well as Duopharma’s Sustainability Report 2023.

An overarching summary of how Duopharma Biotech transformed inputs and business activities into outputs and outcomes across the six (6) capitals to provide value creation in the short, medium, and long term, is depicted in the IIRC chart in the ensuing page.

Corporate Governance Overview Statement

- F Financial**
 - Strategic investment with The Live Green Group, Inc.
 - 10-Year Corporate Strategy (2024-2033)
 - Whistleblowing program
 - Due diligence assessment

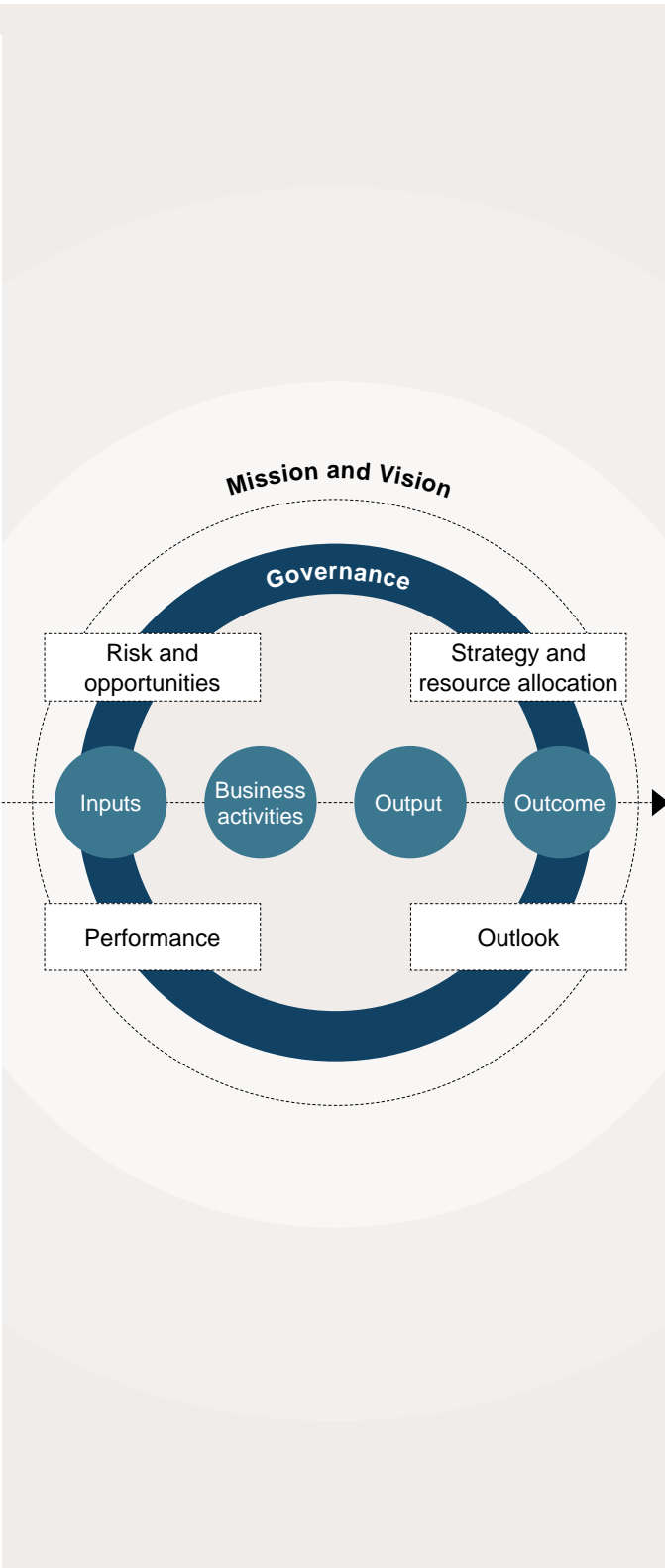
- M Manufactured**
 - 5-year Manufacturing Strategy
 - Producing 100% halal certified products

- I Intellectual**
 - Emphasis on Halal Certification
 - Expertise of Board Committee members

- H Human**
 - Integrity and anti-corruption programme
 - Diversity, Anti-Discrimination and Anti-Harassment Policy
 - Directors' Code of Ethics
 - Leadership and governance of the Board
 - Employee surveys
 - Succession plans for Board and key Management

- S Social & Relationship**
 - Investment briefing sessions
 - General meetings
 - Community outreach programmes

- N Natural**
 - 5-year ESG Strategy plan
 - Net Zero Transition Plan
 - Continuous sustainability disclosures



- Financial**
 - Business and financial growth
 - Reduce fraud cases
 - Reduce occurrences of poor investment decisions

- Manufactured**
 - Compliance to national and international standards
 - Meeting market demands and consumer needs

- Intellectual**
 - Business growth
 - Making informed decisions efficiently

- Human**
 - Strong ethical culture across the Group and at the Board level
 - Workplace environment that nurtures inclusivity, equality and respect
 - Increase employee wellbeing, satisfaction and morale
 - Cultivation of a robust talent pipeline - ensures continuity of leadership and promotes employee growth

- Social & Relationship**
 - Increase stakeholder communication and relationship
 - Maintain long term customer base

- Natural**
 - Enhanced long-term financial performance and sustainability outcomes
 - Promoting transparency to stakeholders

Corporate Governance Overview Statement

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

Duopharma Biotech has applied all the Practices encapsulated in the MCCG for the financial year ended 31 December 2023. In addition to adhering to the standard practices set forth in the MCCG, the Group has voluntarily adopted the following Step-Up Practices, which surpasses the mandated legal requirements.

<p>Step Up 4.5 (Designated management personnel overseeing sustainability matters)</p>	<p>Step Up 5.4 (Nine-year tenure limit for Independent Directors)</p>
<p>Step Up 9.4 (Audit Committee comprising solely of Independent Directors)</p>	<p>Step Up 10.3 (Board establishes a Risk Management Committee)</p>

Additional details on Duopharma Biotech's application of each individual Practice vis-à-vis the MCCG are available within the Corporate Governance Report which is published on Duopharma Biotech's corporate website as well as via an announcement on the website of Bursa Securities.

A summary of Duopharma Biotech's corporate governance practices with reference to the MCCG is outlined below and in the ensuing pages of this CGOS.

A

PRINCIPLE A: Board Leadership and Effectiveness

Board Responsibilities

The Board Charter entrenches the principal responsibilities of Duopharma Biotech, namely, to set the Group's strategic direction, oversee risk management and internal control systems, guide succession planning, ensure effective communication with stakeholders, align strategies with sustainability and stakeholder concerns as well as monitor financial and other forms of reporting. It further sets out the roles and responsibilities of the Board, the Chairman, GMD and Senior Independent Director. The Board Charter is periodically reviewed to ensure it reflects the direction of the Group.

Matters deliberated by the Board and Board Committees during the financial year under review include:

STRATEGY

- Reviewed Halal Initiatives and Key Performance Indicators for 2023
- Reviewed Islamic Shariah Compliant Sukuk Programme
- Reviewed Quarterly Strategy Updates
- Approved the Beyond 2025 Corporate Strategy
- Approved Investment in The Live Green Group, Inc.
- Approved Dividend Reinvestment Plan
- Reviewed ongoing ESG initiatives
- Approved Net Zero Transition Plan
- Approved the Solar Panel installation at all manufacturing plants
- Reviewed 5-year ESG Strategy
- Reviewed ongoing projects in 2023

Corporate Governance Overview Statement

A

PRINCIPLE A: Board Leadership and Effectiveness

GOVERNANCE

- Reviewed and approved the revision of the Board Charter and Terms of Reference ("ToR") of the Board Committees
- Adopted Directors' Code of Ethics
- Reviewed and approved the revision of Policy on External Auditor
- Established Diversity, Discrimination and Anti-Harassment Policy
- Reviewed the retirement and re-election of Directors at the 22nd Annual General Meeting
- Reviewed Related Party Transactions
- Reviewed employee benefits for the year 2023
- Approved appointment of an Independent Non-Executive Director
- Approved appointment of an Alternate Director
- Approved review of the composition of the Board Committees
- Updated the Succession Planning Framework
- Approved the Board Effectiveness Evaluation Questionnaire 2023
- Reviewed the outcome of the Board Effectiveness Evaluation 2023

RISK AND COMPLIANCE

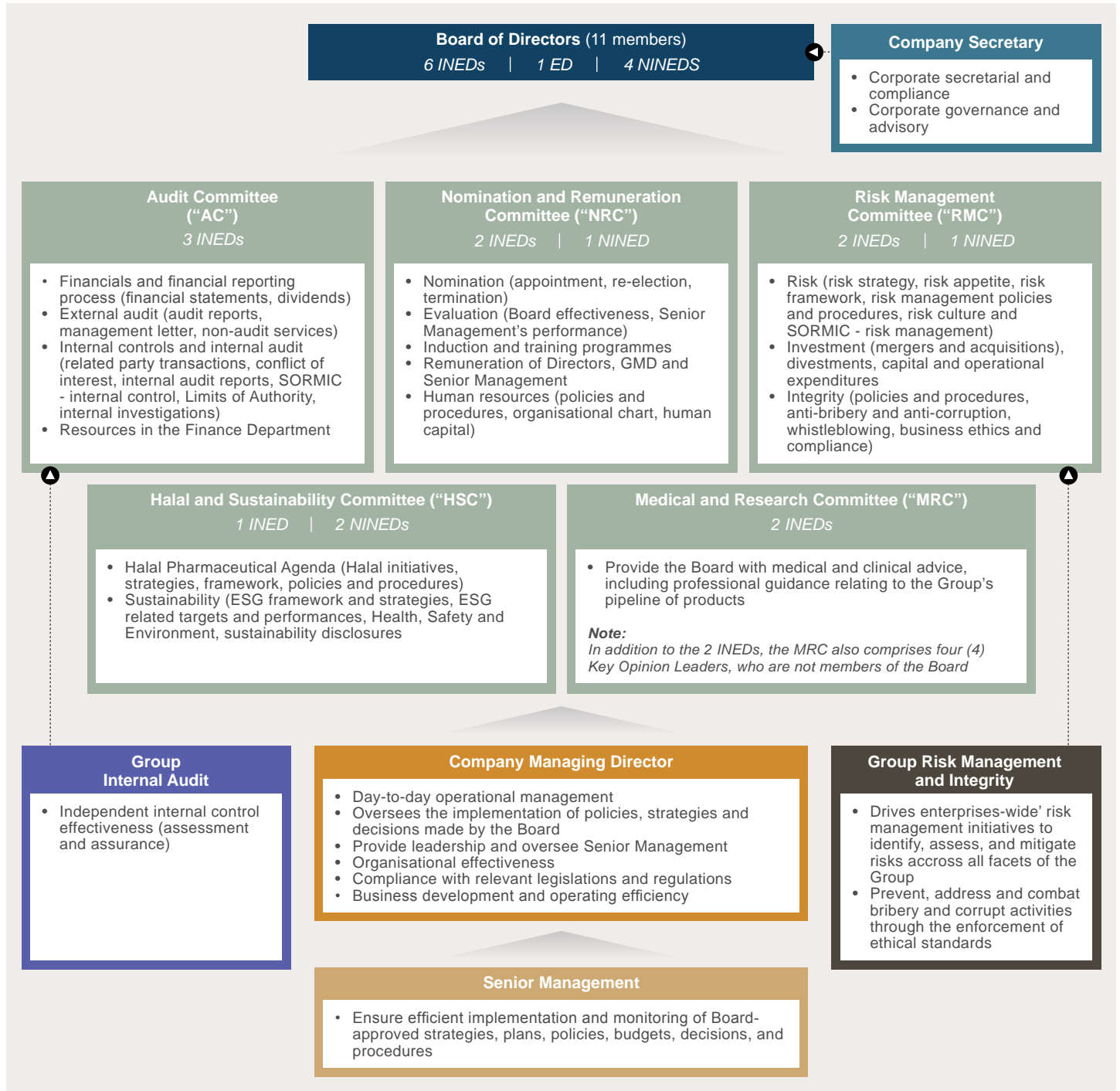
- Reviewed Group Risk Management Key Performance Indicators 2023
- Revised Data Protection Compliance Policy
- Revised Anti-Bribery Management System Related Policies
- Reviewed Key Risk Profile YTD
- Revised Integrity Policies and Procedures
- Revised Whistleblowing Preliminary Evaluation & Internal Investigation Procedure
- Reviewed risk and opportunities arising from the Malaysia Budget 2024
- Approved amendments to the Risk Management Manual & Guidelines ("RMMG")
- Amended the Environmental and Natural Hazard Risk Appetite for the year 2023
- Update on Duopharma Biotech Group's Cybersecurity Project

To aid in overseeing specific areas of responsibility, the Board has formed five (5) Board Committees, namely, the Audit Committee ("AC"), the Nomination and Remuneration Committee ("NRC"), the Risk Management Committee ("RMC"), the Halal and Sustainability Committee ("HSC"), and the Medical and Research Committee ("MRC").

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

The Board maintains overall supervision of these Committees and stays informed of their activities through updates from the Board Committee Chairmen, where proposals and recommendations are presented to the Board for approval. Duopharma Biotech has in place a robust corporate governance framework that is reviewed annually to ensure relevance and fitness for purpose. The Board is assisted by the respective Board Committees in exercising active oversight over the day-to-day management of Duopharma Biotech, led by the Group Managing Director in 2023:



Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

In order to avert instances of excessive self-review threats, the Board Chairman does not occupy membership in any of the Board Committees. Application of this practice is reflective of the Group's unwavering commitment to ensuring effective check and balance safeguards are in place and that Board-level deliberations, including those of the Board Committees are premised on the central tenets of independence and objectivity.

In fulfilling its duties and responsibilities as stewards of the Company, the Board maintains a direct line of communication with the GMD and has unrestricted access to information pertaining to the Group's business affairs. The GMD, Leonard Ariff Bin Abdul Shatar, is tasked with managing the day-to-day operations of the Company's business and is responsible for implementing the policies, strategies and decisions as guided by the Board. The Board Charter calls for the role of the Chairman of the Board and the Company's GMD to be distinct with the former playing a pivotal role in developing and maintaining conditions for the Board to function at its optimal level of effectiveness.

The Senior Management, assists the Board and the GMD in ensuring its strategies, plans and policies, budgets, decisions and procedures, and matters approved by the Board are implemented and monitored efficiently.

The Board and Board Committees are supported by a qualified and experienced Company Secretary, namely Ibrahim Hussin Salleh who provides the Board with periodic updates on the latest regulatory developments. Ibrahim is a non-practising Advocate and Solicitor of the High Court of Malaya, a company secretary licensed by the Companies Commission of Malaysia and an affiliate member of the Malaysian Institute of Chartered Secretaries & Administrators ("MAICSA"). Ibrahim also advises and supports the Board in upholding high standards of corporate governance and facilitates the two-way information flow between Senior Management and the Board.

The Board Charter serves as a comprehensive guide delineating the roles, responsibilities, and authorities of the Board, Board Committees, individual Directors, and the Company Secretary within Duopharma Biotech. This document stands as a cornerstone of governance, providing clarity and direction to stakeholders. It is not only a foundational document but also serves as an essential piece of literature for the induction of new members into the Company.

Accessible via Duopharma Biotech's corporate website, the Board Charter ensures transparency and accountability to stakeholders. Regular review and revision of the Board Charter and the Terms of References of Board Committees are undertaken to incorporate changes to regulatory frameworks such as the Companies Act 2016, MCGG and other relevant authoritative promulgations. This practice ensures alignment with mandatory requirements and the adoption of best practices, thus fostering a culture of compliance and continuous improvement within the organisation.

Board Meetings

During the financial year under review, all Directors have dedicated adequate time and effort to attend Board and Board Committee meetings held to deliberate on matters under their purview. All the Directors recorded 100% attendance across the ten (10) Board meetings held during the financial year ended 31 December 2023. During each Board meeting, the Chairmen of the respective Board Committees presented condensed summaries of the reports, discussions, and recommendations arising from their respective committee meetings. These summaries are then further deliberated upon by the Board, and any matters requiring decisions are recommended for Board action. Additionally, as an extension of this process, the relevant Board Committees, along with their chairmen, submit the confirmed and accurate meeting minutes to the Board for notation. These minutes serve as an official record of proceedings and ensure transparency and accountability within the Company.

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

The meeting attendance of Directors during the financial year under review are shown below:

Director	Board Meeting	Annual General Meeting	Independent Directors Meeting	Non-Executive Directors Meeting	AC Meeting	NRC Meeting	RMC Meeting	HSC Meeting	MRC Meeting
Non-Independent Non-Executive Directors									
Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir (Chairman)	10/10	1/1		1/1					
Datuk Mohd Radzif Bin Mohd Yunus	10/10	1/1		1/1			8/8	5/5	
Amizar Binti Mizuar	10/10	1/1		1/1		6/6		5/5	
Senior Independent Non-Executive Director									
Dato' Mohamad Kamarudin Bin Hassan ¹	4/4	1/1				3/3	4/4		
Dato' Eisah Binti A. Rahman ²	10/10	1/1	1/1	1/1		6/6			2/2
Independent Non-Executive Directors									
Razalee Bin Amin	10/10	1/1	1/1	1/1	5/5				
Zaiton Binti Jamaluddin	10/10	1/1	1/1	1/1	5/5		8/8		
Datuk Nik Moustpha Bin Haji Nik Hassan	10/10	1/1	1/1	1/1	5/5			5/5	
Dato' Dr. Zaki Morad Bin Mohamad Zaher	10/10	1/1	1/1	1/1		3/3			5/5
Datin Paduka Kartini Binti Hj Abdul Manaf ³	6/6		1/1	1/1			4/4		
Non-Independent Non-Executive Alternate Director									
Muhammad Shukri Bin Ismail ⁴	4/4					2/2		2/2	
Executive Director									
Leonard Ariff Bin Abdul Shatar ⁵	10/10	1/1							

Notes:

- ¹ Dato' Mohamad Kamarudin Bin Hassan had retired from the Board on 31 May 2023 and ceased as Chairman of NRC and member of the RMC with effect from the said date.
- ² Dato' Eisah Binti A. Rahman was redesignated as Senior Independent Non-Executive Director and as Chairman of NRC with effect from 1 June 2023 in view of Dato' Mohamad Kamarudin's retirement.
- ³ Datin Paduka Kartini Binti Hj Abdul Manaf was appointed as Independent Non-Executive Director with effect from 1 June 2023 and appointed as member of RMC with effect from the said date.
- ⁴ Muhammad Shukri Bin Ismail was appointed as Non-Independent, Non-Executive Alternate Director to Amizar Binti Mizuar with effect from 1 August 2023.
- ⁵ Leonard Ariff Bin Abdul Shatar is the Group Managing Director.

An annual meeting calendar is prepared and shared by the Company Secretary to the Board prior to the commencement of the financial year. Additional meetings may be convened as special Board meetings, as and when necessary. In the intervening period, administrative matters necessitating the Board's urgent approval may be sought via circular resolutions supported with all the relevant information and explanations required for informed decision-making (with the same applying to the Board Committees).

In addition to the scheduled meetings, the Non-Executive Directors have a framework and forum in place to meet separately to discuss specific matters without any executives present. During the year under review, Non-Executive Directors conducted a separate meeting without the Executive Director or members of Senior Management to deliberate on issues of concern. A separate meeting of the Independent Non-Executive Directors was also held during the year without the presence of the Non-Independent Non-Executive Directors, the Executive Director nor the Senior Management.

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A PRINCIPLE A: Board Leadership and Effectiveness

The primary responsibility of an Independent Non-Executive Director is to act as a safeguard to the interests of minority shareholders and other stakeholders. As such, the Independent Directors play a fundamental role in ensuring transparency and preserving accountability. This is further fortified by the placement of Independent Directors as Chairmen of four (4) out of the five (5) Board Committees which serves to infuse greater impartiality in the Board's decision-making process. The presence of Non-Independent Non-Executive Directors on the other hand also play a crucial role in their responsibilities for strategy and business performance.

As the Board is the epitome of a good governance culture, it continuously strives to set the "tone at the top" and cascade ethical values and standards across every level of the Group. In this regard, the Board has adopted a Code of Conduct (the "Code"), which serves as an authoritative document that governs the conduct of employees of the Group. The Board has also formalised a Director's Code of Ethics during the financial year, delineating clear guidelines and ethical expectations for the Board of Directors of the Duopharma Biotech. This initiative underscores the Company's unwavering commitment to upholding integrity and accountability at the highest levels of governance. As an additional measure to promote ethical conduct, the Board has in place a Whistle-Blowing Policy to enable stakeholders to escalate legitimate ethical concerns without fear and risk of reprisal.

Moreover, Duopharma Biotech has taken proactive measures to enhance its commitment to combat corruption effectively. This includes the implementation of revisions to its Anti-Bribery Management System policies during the financial year, aimed at addressing emerging corruption challenges. These adjustments emphasise the Company's dedication to staying ahead of evolving risks and ensuring robust safeguards are in place. By continuously refining its Anti-Bribery Management System policies, Duopharma Biotech demonstrates a proactive approach to mitigating corruption risks and upholding the highest ethical standards across all aspects of its operations.

The Code of Conduct, Directors' Code of Ethics, Whistle-Blowing Policy, and Anti-Bribery Management System policies are publicly available on Duopharma Biotech's corporate website.

Board Composition

The Board comprises market and industry leaders, cutting across multiple fields, who accordingly serve as Independent Non-Executive Directors, Non-Independent Non-Executive Directors and an Executive Director. For more details on the Directors' background and experience, refer to pages xx to xx of the Integrated Annual Report.

Independent Directors are responsible for protecting the interests of minority shareholders and other stakeholders by infusing the element of detached impartiality. Duopharma Biotech believes that independent judgement serves to promote greater accountability and balance in the Board, thus enhancing the decision-making process. In 2023, the Board comprised of eleven (11) Directors, of whom 66% (6 out of 11) are Independent Directors.

The appointment of Directors to the Board is conducted through a formal and transparent process overseen by the NRC. Likewise, the re-election of existing Directors is subjected to due process, in line with the Company's Constitution, which calls for one-third (1/3) of the Directors to retire and offer themselves for re-election, where eligible. For the year under review, the following Directors had offered themselves for re-election at the 22nd Annual General Meeting:

- Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir;
- Leonard Ariff Bin Abdul Shatar; and
- Zaiton Binti Jamaludin.

Dato' Mohamad Kamarudin Bin Hassan fulfilled the role of Independent Non-Executive Director at Duopharma Biotech for a cumulative period of nine (9) years. He retired in adherence to the Company's Board Charter, which imposes a tenure limit of nine (9) years for both Independent Non-Executive Directors and Non-Independent Non-Executive Directors. Upon stepping down from the position of Senior Independent Director, he was succeeded by Dato' Eisah Binti A. Rahman as the new Senior Independent Director, who was appointed during the financial year under review.

The Senior Independent Director acts as a sounding board for the Chairman and as an intermediary for Independent Directors. Additionally, she is tasked with the instrumental role of serving as a contact point for shareholders and stakeholders to raise any matters pertaining to Duopharma Biotech.

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

The balance between the six (6) Independent Non-Executive Directors, four (4) Non-Independent Non-Executive Directors and one (1) Executive Director has positively contributed to diversity of views. This is further driven by the NRC's due consideration of the candidates' expertise and work experience when considering potential directorship appointments, with the aim of having new Board members complement and enhance the Board as a whole. This is further buttressed by the fact that all the Independent Non-Executive Directors have served the Board as of 31 December 2023 for a tenure of not more than 9 years, in line with Step Up Practice 5.4 of the MCCG.

Within the domain of gender diversity, the Board has 45% female representation during the year under review. Against this backdrop, Duopharma Biotech have met the 30% target as stipulated in the MCCG as a higher order corporate governance aspiration. The NRC seeks to maintain this advantageous level of gender diversity on the Board and Senior Management due to the Board's appreciation of multifarious viewpoints in Duopharma Biotech's decision-making processes.

In observing the requirements of Paragraph 15.08 and Practice Note 5 of MMLR, the Board members have undergone the following trainings based on the training needs analysis undertaken. The trainings completed shares a common theme with the focus areas of the year under review, namely governance, sustainability, digital transformation, and medical as well as healthcare matters.

Directors' Training Programmes	
Seminars/Conferences/Forums/Trainings	Attended by
Permodalan Nasional Berhad Research Institute: PNB Tea Talk Series 2023 #1: A Conversation with YB Tuan Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change (12 January 2023)	<ul style="list-style-type: none"> • Muhammad Shukri Bin Ismail
Institute of Corporate Directors Malaysia (ICDM): Realigning KPIs and Performance Monitoring: From the Board's Lens (2 February 2023)	<ul style="list-style-type: none"> • Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir • Leonard Ariff Bin Abdul Shatar • Dato' Eisah Binti A. Rahman • Razalee Bin Amin • Zaiton Binti Jamaluddin • Datuk Nik Moustpha Bin Haji Nik Hassan • Datuk Mohd Radzif Bin Mohd Yunus • Dato' Dr Zaki Morad Bin Mohammad Zaher • Amizar Binti Mizuar
Women Leadership Foundation (WLF): Session with Minister Dato' Sri Nancy Shukri, United Nations and Women Ambassadors to Malaysia (3 February 2023)	<ul style="list-style-type: none"> • Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir • Amizar Binti Mizuar
Institute of Enterprise Risk Practitioners ("IERP") (Series 3 – Risk Appetite, Tolerance and Board Oversight & IERP (Series 4-Strategic ERM: A Primer for Directors) by IERP (17 March 2023)	<ul style="list-style-type: none"> • Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir
Association of Malay Chartered Accountant Firm Malaysia (AMCAF): Audit A – Z (8 February 2023)	<ul style="list-style-type: none"> • Razalee Bin Amin
Permodalan Nasional Berhad: PLC Transformation (PLCT) Programme - Way Forward with Permodalan Nasional berhad (PNB) (15 February 2023)	<ul style="list-style-type: none"> • Amizar Binti Mizuar
Women Leadership Foundation (WLF): Speaker for Roundtable Session on topic "Empathy Leadership" (17 March 2023)	<ul style="list-style-type: none"> • Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir
Permodalan Nasional Berhad: Introduction to Financial Crime and Anti-Money Laundering (17 March 2023)	<ul style="list-style-type: none"> • Amizar Binti Mizuar

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

Directors' Training Programmes	
Seminars/Conferences/Forums/Trainings	Attended by
Boston Consulting Group: Duopharma Biotech Berhad's Knowledge Sharing on "Healthcare trends and implications for Duopharma" (17 March 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Razalee Bin Amin Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohammad Zaher Amizar Binti Mizuar
Azmi & Associates: Mergers & Acquisitions as a Strategic Initiative for Corporate Growth (28 March 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Razalee Bin Amin Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohammad Zaher Amizar Binti Mizuar
Malaysia Institute of Accountant (MIA): Deferred Tax Under MFRS 112/MPERS Section 29 – Unstacking Complexities with Excel spreadsheets (30 – 31 March 2023)	<ul style="list-style-type: none"> Razalee Bin Amin
Permodalan Nasional Berhad: Experience from McKinsey's Green (3 April 2023)	<ul style="list-style-type: none"> Amizar Binti Mizuar
Association of Private Hospitals Malaysia (APHM): 29 th APHM Healthcare Conference – New Dynamics in Delivery of Healthcare (30 May – 1 June 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir
Malaysia Institute of Accountant (MIA): Preparation and Presentation of Consolidated Financial Statements (7 – 8 June 2023)	<ul style="list-style-type: none"> Razalee Bin Amin
Financial Planning Association of Malaysia (FPAM): Misconduct and abuses in Financial Markets – A Matter of Compliance (13 June 2023)	<ul style="list-style-type: none"> Muhammad Shukri Bin Ismail
Third World Network (TWC): Impact of Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") (15 June 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Razalee Bin Amin Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohammad Zaher Amizar Binti Mizuar
Permodalan Nasional Berhad: Think on Your Feet! (26 – 27 June 2023)	<ul style="list-style-type: none"> Muhammad Shukri Bin Ismail

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

Directors' Training Programmes	
Seminars/Conferences/Forums/Trainings	Attended by
KPMG, Board Leadership Center Webinar:2023 Board and Audit Committee Priorities (6 July 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Razalee Bin Amin
Tabung Haji Nominee Director's Training Programme - Leadership & Workshop Series (12 – 13 July 2023)	<ul style="list-style-type: none"> Datin Paduka Kartini Binti Hj Abdul Manaf
37 th Annual Congress of the Malaysian Society of Nephrology (7-9 July 2023)	<ul style="list-style-type: none"> Dato' Dr Zaki Morad Bin Mohammad Zaher
Permodalan Nasional Berhad: Leadership - Manager Series: People Empowered Through Applied Coaching (PEAC) for Middle Managers (12 – 13 July 2023)	<ul style="list-style-type: none"> Muhammad Shukri Bin Ismail
Permodalan Nasional Berhad: SiberSAFE - Social Engineering and General Security Tips (14 July 2023)	<ul style="list-style-type: none"> Muhammad Shukri Bin Ismail
Permodalan Nasional Berhad: Knowledge Forum 2023, Harnessing Innovation and Technology for Sustainable Business (27 July 2023)	<ul style="list-style-type: none"> Dato' Eisah Binti A. Rahman Amizar Binti Mizuar
17 th National Kidney Foundation Malaysia 's Annual Dialysis Conference (5-6 August 2023)	<ul style="list-style-type: none"> Dato' Dr Zaki Morad Bin Mohammad Zaher
National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health Malaysia: National Regulatory Conference 2023 (15 August 2023)	<ul style="list-style-type: none"> Dato' Eisah Binti A. Rahman
Bursa Malaysia Berhad: Advocacy Session for Directors and CEOs of Main Market Listed Issuers (22 August 2023)	<ul style="list-style-type: none"> Datuk Nik Moustpha Bin Haji Nik Hassan
Heitech – Governance & Integrity Department (G&I): MACC Act Section 17A, "Adequate Procedures" – Roles of the Board and Top Management (18 September 2023)	<ul style="list-style-type: none"> Razalee Bin Amin Datuk Mohd Radzif Bin Mohd Yunus
Heitech – Governance & Integrity Department (G&I): Environment Social & Governance Program (18 September 2023)	<ul style="list-style-type: none"> Razalee Bin Amin Datuk Mohd Radzif Bin Mohd Yunus
Securities Industry Development Corporation (SIDC): Green Market & Investments (27 September 2023)	<ul style="list-style-type: none"> Amizar Binti Mizuar
Permodalan Nasional Berhad: Anti-Bribery & Anti-Corruption & Defence for Corporate Liability (29 September 2023)	<ul style="list-style-type: none"> Amizar Binti Mizuar
Khazanah Nasional Berhad: Khazanah Megatrend Forum 2023 – Orchestrating a Development Bargain for Sustainable Growth (2 – 3 October 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir
Ernst & Young: Management of Cyber Risk (3 October 2023)	<ul style="list-style-type: none"> Razalee Bin Amin
2023 FIDE Core Program - Module A (Insurance) (3 – 6 October 2023)	<ul style="list-style-type: none"> Datin Paduka Kartini Binti Hj Abdul Manaf
Securities Industry Development Corporation (SIDC): Green Taxonomy and Governance (4 October 2023)	<ul style="list-style-type: none"> Amizar Binti Mizuar Muhammad Shukri Bin Ismail
NADI's Diabetes Asia Conference 2023 (12-14 October 2023)	<ul style="list-style-type: none"> Dato' Dr Zaki Morad Bin Mohammad Zaher

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

Directors' Training Programmes	
Seminars/Conferences/Forums/Trainings	Attended by
International Society for Pharmaceutical Engineering (ISPE) Malaysia: ISPE Malaysia Annual Conference 2023 (17 – 18 October 2023)	<ul style="list-style-type: none"> Dato' Eisah Binti A. Rahman
2023 FIDE Core Program - Module B (Bank) (17 – 20 October 2023)	<ul style="list-style-type: none"> Datin Paduka Kartini Binti Hj Abdul Manaf
Permodalan Nasional Berhad: Personal Data Protection ACT (PDPA) (18 October 2023)	<ul style="list-style-type: none"> Muhammad Shukri Bin Ismail
Permodalan Nasional Berhad: ChatGPT Awareness Training (23 October 2023)	<ul style="list-style-type: none"> Muhammad Shukri Bin Ismail
Global Association of Risk Professionals – Certificate in Sustainability and Climate Risk (July – October 2023)	<ul style="list-style-type: none"> Leonard Ariff Bin Abdul Shatar
CPHI Barcelona Spain: CPHI (Convention on Pharmaceutical Ingredients) (24 – 26 October 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Dato' Eisah Binti A. Rahman
Institute of Corporate Directors Malaysia (ICDM): Mandatory Accreditation Programme Part I (26 October 2023)	<ul style="list-style-type: none"> Muhammad Shukri Bin Ismail
KPJ Healthcare Berhad: 24th KPJ Healthcare Conference 2023 – Healthcare Transformation – Reimagining and Redefining (2 – 3 November 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Dato' Dr Zaki Morad Bin Mohammad Zaher
Permodalan Nasional Berhad: PNB Knowledge Forum 2023, Education Reimagined (15 November 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Amizar Binti Mizuar
Permodalan Nasional Berhad: PNB Planet Cyber Security – Securing the Future, Elevating Cyber Resilience (28 November 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Leonard Ariff Bin Abdul Shatar
Corporate Strategy - Data & Stakeholder Management of Duopharma Biotech Berhad: Malaysian Pharma Landscape Updates (29 November 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Razalee Bin Amin Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohammad Zaher Amizar Binti Mizuar Datin Paduka Kartini Binti Hj Abdul Manaf Muhammad Shukri Bin Ismail
Women Leadership Foundation (WLF): Embodying Prophetic Leadership – Lesson for Women by Mufti Menk (8 December 2023)	<ul style="list-style-type: none"> Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir
Institute of Corporate Directors Malaysia (ICDM): Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	<ul style="list-style-type: none"> Razalee Bin Amin Datuk Nik Moustpha Bin Haji Nik Hassan Dato' Dr Zaki Morad Bin Mohammad Zaher Datin Paduka Kartini Binti Hj Abdul Manaf

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

Following in stride with the Board, the Company Secretary had also attended relevant continuing education programmes during the financial year. A non-exhaustive list of the training programmes attended by the Company Secretary are illustrated in the table below:

Directors' Training Programmes		
Date	Title of Training Programmes Attended	Training Organiser
2 February 2023	Institute of Corporate Directors Malaysia (ICDM): Realigning KPIs and Performance Monitoring: From the Board's Lens	Duopharma Biotech Berhad
17 March 2023	Duopharma Biotech Berhad's Knowledge Sharing on "Healthcare trends and implications for Duopharma"	Boston Consulting Group
28 March 2023	Azmi & Associates: Mergers & Acquisitions as a Strategic Initiative for Corporate Growth	Duopharma Biotech Berhad
15 June 2023	Third World Network (TWC): Impact of Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP")	Duopharma Biotech Berhad
6 July 2023	Board Leadership Center Webinar: 2023 Board and Audit Committee Priorities	KPMG
25 – 26 July 2023	SSM National Conference 2023	Suruhanjaya Syarikat Malaysia (SSM)
27 July 2023	PNB Knowledge Forum 2023, Harnessing Innovation and Technology for Sustainable Business	Permodalan Nasional Berhad
4 – 5 October 2023	MAICSA Annual Conference 2023	The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
July to October 2023	Global Association of Risk Professionals – Certificate in Sustainability and Climate Risk	Asia Business School in Collaboration with MIT Sloan
15 November 2023	PNB Knowledge Forum 2023, Education Reimagined	Permodalan Nasional Berhad
29 November 2023	Malaysian Pharma Landscape Updates	Corporate Strategy - Data & Stakeholder Management of Duopharma Biotech Berhad

Board Evaluation

During the financial year under review, an in-house Board Effectiveness Evaluation Assessment ("BEE") exercise was conducted, facilitated by the NRC and the Company Secretary through the use of an electronic-Board Effectiveness Evaluation tool. The exercise was undertaken on the Board, Board Committees, individual Directors, and the GMD, via comprehensive questionnaires or assessment forms which included both qualitative and quantitative assessments using a self and peer rating model.

Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

The NRC undertook the responsibility of providing oversight on the conduct of the BEE as well as reviewing the outcomes alongside the Chairman. Overall, the BEE results were satisfactory, and it exceeded the ratings of the preceding BEE results in 2022. In the same vein the BEE exercise had brought to the fore areas of strengths for the Board, Board Committees, individual Directors and GMD, as well as headroom for improvements.

The following (4) areas of strengths were highlighted during the BEE exercise:

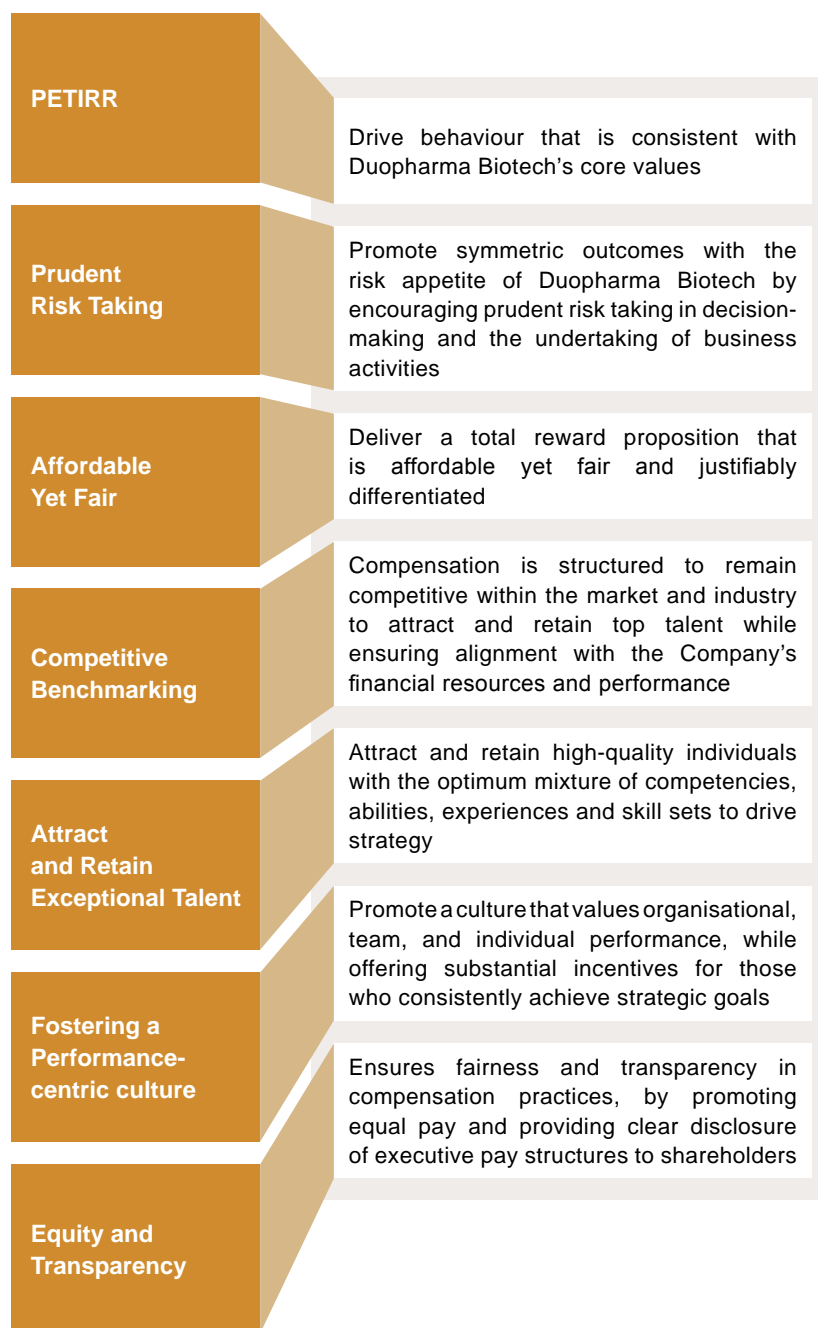


Separately, the identified improvement markers focused on the Board composition, Board needs analysis for identifying suitable candidates and functionalities of the Board Committees. In November 2023, the Board resolved to adopt the BEE exercise results, as recommended by the NRC. In conjunction, the Board resolved to draw up concrete action plans to address the improvement considerations, as highlighted by the BEE exercise, all of which is in line with Duopharma Biotech's unwavering goal of continuous improvement to better serve its stakeholders.

In addition to the BEE exercise and pursuant to paragraph 15.01A of MMLR, the Directors have also completed declarations in relation to fit and proper requirements as enumerated in Duopharma Biotech's Fit and Proper Policy for the Board of Directors and Senior Management that was approved by the Board in January 2022.

Remuneration

Remuneration is offered to the Board and Senior Management, save for the Non-Independent Non-Executive Alternate Director¹, to enhance their effectiveness within Duopharma Biotech and support their efforts in advancing the short-, medium-, and long-term objectives. The Board adheres to a remuneration policy guided by the following philosophy to facilitate this:



Corporate Governance Overview Statement

A PRINCIPLE A: Board Leadership and Effectiveness

Non-Executive Directors, save for the Non-Executive Non-Independent Alternate Director, receive fees and allowances that commensurate with their responsibilities on the Board as well as on the Board Committees and it is designed to attract, incentivise, and retain high-performing individuals. Remuneration packages designed for Non-Executive Directors are based on their individual qualifications, experience and competence while being mindful of their responsibilities, time commitment and annual evaluation undertaken by the NRC. They are paid via fixed directors fees, meeting allowances and other benefits and there shall be no distinction between participation in-person or participation through electronic modalities.

Recognising the heightened engagement necessitated of Directors over the course of recent years, the Board adopted a methodical approach to distinguish between informal and formal meetings for the purpose of according meeting allowances. In instances whereby the Company Secretary was present, and the meeting minutes were recorded, it would be declared a formal meeting for which Directors received the necessary allowance. In all other instances, meetings would be considered informal, with no allowance payable. The Board and the NRC periodically review the Remuneration Policy and Procedures for Directors and Senior Management. External experts are enlisted

periodically, to facilitate in this exercise. The detailed disclosure of the remuneration of individual Directors are disclosed in the Company's Corporate Governance Report under Practice 8.1.

In relation to the GMD and other Senior Management personnel, their remuneration packages are set to be competitive, premised on the aim of attracting, retaining, and motivating executives of the highest calibre needed to manage the Group competently. As such, remuneration is closely linked to performance measured through the achievements of individual key performance indicators.

The Company's comprehensive Remuneration Policy and Procedures for Directors and Senior Management is made available on Duopharma Biotech's corporate website at: <https://duopharmabiotech.com/downloads/esg/policy-and-procedure/Remuneration-Policy-Procedures-Duopharma-Biotech-Berhad-EN.pdf>

Note:

¹ *Muhammad Shukri Bin Ismail ceased to be a Non-Independent Non-Executive Alternate Director to Amizar Binti Mizuar and was subsequently appointed as a Non-Independent Non-Executive Alternate Director to Mohd Haris Bin Mohd Arshad with effect from 20 March 2024.*

B PRINCIPLE B: Effective Audit and Risk Management

Audit Committee

The wholly independent AC is headed by Razalee Bin Amin and by design, this position is distinct from the Chairman of the Board. The remaining members of the AC are Datuk Nik Moustpha Bin Haji Nik Hassan, and Zaiton Binti Jamaluddin, both whom are also Independent Non-Executive Directors.

The AC is reposed with the responsibility of ensuring that there is robust oversight over financial reporting, external audit and internal audit matters concerning Duopharma Biotech and its subsidiaries. In exercising its functions, the AC is generally not delegated with decision-making powers that curtails the Board's ultimate statutory and fiduciary responsibility for decision-making. The AC is expected to report its recommendations to the Board for the final decision.

During the year under review, the AC reviewed and recommended for approval the revised Policy on External Auditors in relation to non-audit services. Moreover, the External Auditor Evaluation Form has been updated to assess the credibility of the external audit firm, adequacy of audit scope, reasonableness of audit fees, competency of the lead engagement partner, and timeliness in escalating audit issues to the AC. This revision

aims to enable the AC to conduct a comprehensive and fair annual evaluation of the external auditors.

The AC reviewed the finance function of Duopharma Biotech group to ensure the resources and expertise within the Finance Department were equipped with the necessary skills and experience to effectively fulfil its duties that commensurate with the complexity of the business operations.

Duopharma Biotech's internal audit function is undertaken by the in-house Group Internal Audit ("GIA"), which is a crucial element in the monitoring of internal governance of the Group. The internal audit function, being the third line of defence, is responsible for providing independent assessment of compliance with existing laws, regulations, policies, and procedures and reviews the adequacy and effectiveness of the risk management systems, internal controls, and governance processes. It is headed by the Head of GIA who has direct access to the Board through the Chairman of the AC, to whom the Head of GIA reports to, directly and functionally. The GIA only maintains a perforated line of reporting to the GMD on administrative matters. The AC receives regular reports on the findings by the internal audit function and recommendations of actions to be carried out.

Corporate Governance Overview Statement

B PRINCIPLE B: Effective Audit and Risk Management

Based on the AC's score in the BEE 2023, the AC had performed relatively well, with a higher BEE result than that of the preceding year. In line with a suggestion from the BEE 2023, the AC members will remain informed about the evolving complexities of tax regulations and legislation, both domestically and globally. This proactive approach ensures that the AC members are well-versed in how these changes might affect the financials and operations of Duopharma Biotech in 2024. By staying abreast of these developments, the AC can effectively anticipate challenges and implement strategies to mitigate potential risks and optimise the company's performance in the coming year.

Risk Management and Internal Control Framework

The Board is mindful of its cardinal responsibility and oversight role over the Group's risk management and system of internal controls and endeavours to keep abreast of developments in the areas of risk and governance. The risk management and control processes are implemented by Senior Management, led by the GMD and other Senior Management personnel of the Group, who are collectively responsible for prudent risk management and sound business practices.

The Board has established the RMC that is tasked with determining the Group's level of risk tolerance and actively identify, assess, and monitor key business risks to safeguard shareholders' investments and the Group's assets. The focus areas pertaining to risk were namely the changing political environment, economic conditions, supply chain, strategic objectives, and regulatory requirements. The risk management function is carried out by the Group Risk Management and

Integrity ("GRMI") department which escalates reports to the RMC, provides advice and supports the Board and Executive Risk Management Committee ("ERMC") in all matters of Enterprise Risk Management ("ERM").

The GIA assists the AC and the Board to perform regular reviews on compliance of operational procedures using a risk-based audit approach. The GIA also conducts investigations on specific areas or issues as directed by the AC and Senior Management. The annual audit plan is reviewed and approved by the AC. The scope as well as frequency of the audit coverage are determined in tandem with the level of assessed risks, in view of providing an independent and objective report on the operational and management activities of these functions.

Taking a step further to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, aside from the GMD and Chief Financial Officer ("CFO"), all other Senior Management of Duopharma Biotech provided assurances to the Board that the Company's risk management and internal control systems were operating adequately and effectively during the year under review. This allows the Board to receive assurance, not just from the operational and financial aspect of the Group, but also on commercial, corporate, technical, manufacturing, sustainability, legal and consumer healthcare matters.

More information is outlined within the Report of the AC, available on page 128 of the Integrated Annual Report. The Statement of Risk Management and Internal Control which provides details of the internal review, is outlined on pages 150 to 160 of the Integrated Annual Report.

C PRINCIPLE C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Communication with Stakeholders

The Board is cognisant of its corporate accountability to stakeholders and ensures high level of efficacy in the form, frequency, and timeliness of its engagement with stakeholders. Duopharma Biotech goes the extra mile in its communication with stakeholders, to share meaningful insights to augment formal disclosures. The Board is committed to ensuring shareholders and stakeholders are well-informed and are enabled to input feedback and share concerns with the Board. The Integrated Annual Report contains a balanced, comparable, and meaningful assessment of the Group's position and prospects as well as

comprehensive details about business activities as well as financial and non-financial performance for the financial year.

Well-defined channels of communication with stakeholders are established, namely the corporate website, announcements on the Exchange, briefing sessions, roadshows, conferences, media releases and social media platforms. In compliance with MMLR and Corporate Disclosure Guide from Bursa Malaysia Berhad, the Board issues quarterly statements in a timely manner to shareholders and stakeholders on Duopharma Biotech's performance. In addition, the GMD and the Chief Financial Officer conducts quarterly analyst and investor briefings.

Corporate Governance Overview Statement

C

PRINCIPLE C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Recognising the importance of effective engagement and communication with the Group's employees, Duopharma Biotech carries out an Employee Engagement Index ("EEI") survey on an annual basis to gauge the level of employees' motivation and engagement as well as the demonstration of Duopharma Biotech's Core Values in their daily interaction with each other. Flowing from this commitment the EEI was conducted in October 2023 with relative results of 88%, demonstrating alignment to global high performing norms.

During the year under review, the Group had undertaken four (4) investor briefing sessions. On top of this, Duopharma Biotech had also conducted investor relation sessions by invitation with Credit Suisse Securities (Malaysia) Sdn Bhd. By and large, the Company conducts broad based briefings to the investment community as opposed to targeted, ad-hoc briefings given the importance it places on information parity. The Group issued quarterly publications of press information via Exchange announcements disseminating the Group's financial results, prospects, and milestones to communicate meaningful insights into the company business with stakeholders.

Virtual townhall sessions were also conducted by the GMD, or in his absence, the Chief Executive Officer - Commercial with the Group's employees, typically after the Company's quarterly statements have been approved by the Board and announced to the Exchange. These townhalls provide an opportunity for Management to engage with the employees including to share the latest financial performance of the Group, human resource and sustainability updates, and other initiatives, strategies and achievements. Employees are encouraged to ask questions or provide feedback during these townhall sessions.

Conduct of General Meeting

The Annual General Meeting ("AGM") serves as the primary modality at which the Board and Senior Management communicate with shareholders. Shareholders are encouraged to actively participate in discussions on proposed resolutions and future developments of the Group, as well as provide feedback on performance. The Board views the AGM as a pertinent event, where Directors, Senior Management and the Company's external auditors are present to participate in the question-and-answer session to provide clarification to shareholders.

The process is fortified through poll voting for all resolutions tabled, with the voting results and procedures validated by an independent scrutineer. The voting results are disclosed immediately (i.e., percentage of shareholders approving, dissenting, and abstaining) for all the resolutions that are tabled.

In continuation of the achievements of the 20th and 21st Annual General Meeting ("AGM") and the Board's emphasis on effective governance, the 22nd AGM, conducted on 31 May 2023, was held virtually through live streaming. This approach aimed to encourage increased shareholder engagement and improve the conduct of the General Meeting. Duopharma Biotech's AGM was conducted in line with promulgations as contained within the MCGG and Securities Commission Malaysia's Guidance on the Conduct of General Meetings for Listed Issuers.

The notice of AGM issued by the Company provided transparent and comprehensive guidance, emphasising the importance of shareholder engagement. Duopharma Biotech actively encouraged shareholders to submit their questions ahead of and during the AGM, ensuring ample opportunity for dialogue and participation. Additionally, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), was appointed as the designated poll administrator and Scrutineer Solutions Sdn Bhd as scrutineer to verify the results of each resolution, thereby enhancing the integrity and transparency of the AGM proceedings.

Since the onset of the pandemic, this AGM marked the fourth occasion where the Company conducted a fully virtual meeting, allowing shareholders to participate and vote remotely, thus democratising the process. Further fortifying objectivity into the AGM and as with the preceding year, Duopharma Biotech engaged an independent moderator, namely KPMG Management & Risk Consulting Sdn Bhd, to streamline questions raised by shareholders during the general meeting as well as pre-submitted questions. In addition to the Notice of the AGM, an Administrative Guide was issued as a reference for shareholders in navigating the roll-out of the virtual AGM. Immediately on conclusion of the 22nd Virtual AGM a survey was conducted that sought shareholders' feedback of the same, and a media briefing was also held to furnish other stakeholders at large with a comprehensive and factual representation of the Company.

The Company Secretary recorded feedback and responses to shareholders' queries during the AGM. In the scenario that substantive information is needed to respond to shareholders' queries during the AGM, the Company Secretary provides a written response that is subsequently uploaded onto Duopharma Biotech's corporate website. Minutes of the previous AGM are made available on the corporate website within 30 business days upon conclusion of the proceedings. The latest 22nd AGM minutes have been uploaded onto the Group's corporate website: <https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/>

Corporate Governance Overview Statement

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PRINCIPLE C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

As a standard practice, notice for the upcoming AGMs will be issued at least 28 days before the AGM to enable shareholders to make adequate preparations. In the event special business items appear in the Notice of AGM, a full explanation is provided to shareholders on the effects of the proposed resolution arising from such items. Helpdesks are also set up for shareholders during the AGM in case of further operational queries.

FOCUS AREAS DURING THE YEAR (2023)

In 2023, the corporate governance focus areas of Duopharma Biotech constituted the following:



Reinforcing the Lines of Defense

In a strategic move aimed at enhancing organisational governance and risk management effectiveness, Duopharma Biotech transferred its integrity function from the Internal Audit to Risk Management. This decision marks a deliberate effort to reinforce the integrity oversight within the framework of risk management, highlighting Duopharma's commitment to upholding ethical standards and mitigating operational risks comprehensively. By integrating the integrity function with the Group Risk Management and Integrity ("GRMI") department, Duopharma Biotech aims to foster a more holistic approach to risk management, ensuring that integrity considerations are seamlessly embedded into decision-making processes across all levels of the organisation. Furthermore, this restructuring also ensures that the Internal Audit function maintains its independence, allowing it to carry out its duties with impartiality and rigour.

To this end, all integrity policies, including the Anti-Bribery Management Systems, have been transferred to the oversight of the GRMI department. This realignment ensures that integrity issues are addressed within the broader context of risk management strategy and oversight. As part of these changes, the Whistleblowing Policy has been updated to reflect the relocation of the integrity office to the GRMI's department office based in Bangi.

This strategic realignment reflects Duopharma's dedication to strengthening its governance framework and ensuring sustainable growth in an ever-evolving business landscape.



Boardroom Policies

Recognising the dynamic nature of corporate governance and the evolving landscape of best practices, the Board remains committed to ensuring that its policies and procedures reflect current and ongoing standards and practices of the Company. In line with this commitment, comprehensive reviews and revisions were carried out on the Board Charter and Terms of Reference of Board Committees during the financial year. These reviews aimed not only to ensure compliance with regulatory requirements but also to enhance the effectiveness and efficiency of Board operations. Specifically, efforts were made to identify and eliminate any unnecessary overlaps or redundancies in the roles and responsibilities outlined in these policies.

In addition to the Board Charter and Terms of Reference of Board Committees, Duopharma Biotech has implemented a separate Directors' Code of Ethics. This initiative aims to elevate the level of corporate governance and ethical behaviour, setting clear standards for Directors' conduct including in the area of avoiding conflict of interest. It also underscores the Company's commitment to social responsibility and accountability, aligning with relevant legislation, regulations, and industry guidelines.

By streamlining the governance framework in this manner, the Board seeks to optimise its decision-making processes, promote clarity in roles and expectations, and ultimately, enhance the overall governance structure of the organisation. This proactive approach underscores the Board's dedication to upholding the highest standards of governance and fostering sustainable long-term value for stakeholders.

Corporate Governance Overview Statement

C**PRINCIPLE C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

Empowerment of Board Committees

In enhancing efficiency within the Boardroom of Duopharma Biotech, the Board Committees are empowered with the authority to review and approve relevant matters at Board Committee meetings. This strategic delegation is aimed to expedite decision-making processes and minimise the volume of issues necessitating direct approval from the Board. By entrusting the Board Committees with this responsibility, discussions at the Board level shall be more focused and meaningful, ensuring that critical matters receive adequate attention. Additionally, any decisions made by the respective Board Committees are systematically reported to the Board for notation, fostering transparency and accountability.

In undertaking these reforms, Duopharma Biotech conducted a comprehensive review and market analysis of practices adopted by other Public Listed Companies. This analysis enabled the Company to benchmark its decision-making processes against industry standards and identify opportunities for improvement, thereby further optimising the governance practices and enhancing organisational effectiveness.

CORPORATE GOVERNANCE PRIORITIES



Environmental, Social and Governance Considerations

Continuing its steadfast commitment, the Board of Duopharma Biotech remains dedicated to integrating ESG considerations deeply into the fabric of its diverse operational landscape, aligning with prevailing regional and global trends. Duopharma Biotech acknowledges that ESG practices are an ongoing journey for the Company.

To navigate this path effectively, Duopharma has devised a comprehensive 5-year ESG strategy aimed at guiding and facilitating the company in fulfilling its sustainability commitments and targets, including climate risk management. Targets and objectives have been set, including achieving Carbon Neutrality by 2030, Net Zero Carbon Emissions by 2050, maintaining listing in the FTSE4Good Index, aligning with investor and shareholder expectations, adhering to the Bursa Malaysia Enhanced Sustainability Reporting Framework, and meeting sustainability-related regulations. The Company remains vigilant in continuing its progress and achieving the targets outlined in its 5-year ESG strategy, with a particular emphasis on Short-Term Strategy for the period spanning 2022 to 2023.

Furthermore, during the fiscal year in review, Duopharma Biotech made a strategic investment in The Live Green Group, Inc., indicating its commitment to advancing sustainability initiatives. This investment signifies Duopharma Biotech's dedication to exploring opportunities that align its operations with environmentally conscious practices. Duopharma Biotech has also approved the Net Zero Transition Plan which denotes the Company's long-term commitment to achieving carbon neutrality and reducing its environmental footprint. In addition to this, the Company has taken further steps in its sustainability efforts by approving the installation of solar panels at all its manufacturing plants. This decision reflects a proactive approach to reducing carbon emissions and dependence on non-renewable energy sources.

Duopharma Biotech remains acutely aware of the challenges posed by potential new accounting standards arising from ESG initiatives. As the landscape of corporate reporting continues to evolve, driven by increasing demands for transparency and sustainability, the Company recognises the importance of staying abreast of emerging accounting standards that may impact its financial reporting practices. By proactively monitoring and assessing these developments, Duopharma Biotech aims to ensure that its accounting processes remain robust and aligned with evolving ESG requirements, thereby reinforcing its commitment to transparency and accountability in corporate governance.

Corporate Governance Overview Statement

C

PRINCIPLE C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders



Boardroom Setting and Achieving Strategy

Duopharma Biotech embarked on a comprehensive strategic review aimed at charting a course for sustained growth and success. This rigorous assessment of the Company's strengths, weaknesses, opportunities, and threats culminated in the formulation of a robust 10-year Corporate Strategy plan. Grounded in a deep understanding of market dynamics, industry trends, and stakeholder expectations, this strategic roadmap serves as a blueprint to guide Duopharma Biotech's endeavours over the coming decade.

At the core of Duopharma Biotech's 10-year Corporate Strategy plan lies a commitment to innovation, excellence, and sustainability. Recognising the importance of agility and adaptability in today's rapidly changing business landscape, the Company aims to foster a culture of innovation that drives continuous improvement and propels it ahead of the competition. By leveraging cutting-edge technologies, nurturing talent, and fostering strategic partnerships, Duopharma Biotech seeks to enhance its product portfolio, optimise operational efficiency, and unlock new avenues for growth.

Duopharma Biotech's 10-year Corporate Strategy plan represents a forward-thinking vision for the future, underpinned by a commitment to innovation, sustainability, and strategic growth. As the Company continues to execute its strategic initiatives with determination and diligence, it remains poised to achieve its long-term objectives and deliver sustainable value to its stakeholders in the years to come.



Continuous Reinforcement of Directors' Fit and Proper Criteria

Duopharma Biotech recognises the critical importance of continuously reinforcing the fit and proper criteria for its Directors. As the Company navigates an ever-evolving business landscape characterised by rapid technological advancements, shifting regulatory frameworks, and dynamic market conditions, ensuring that its Directors possess the requisite skills, expertise, and ethical standards remains paramount. As such, Duopharma Biotech is committed to implementing robust mechanisms for evaluating and monitoring Directors' fit and proper status, including regular assessments of their qualifications, competencies, and adherence to corporate governance principles.

Furthermore, Duopharma Biotech acknowledges the necessity of closely monitoring developments within the Board of Directors itself. With the composition and dynamics of the Board playing a pivotal role in shaping the Company's strategic direction and decision-making processes, maintaining a high calibre of leadership is imperative. To this end, Duopharma Biotech will continue to prioritise its due diligence assessment and ongoing Board evaluation, inclusive of the fit and proper assessment, and succession planning initiatives to ensure that its leadership team remains agile, diverse, and aligned with the Company's long-term objectives. This is conducted annually for all Board members and Executives appointed as Directors within the subsidiary companies. By proactively addressing emerging challenges and opportunities, Duopharma Biotech seeks to uphold the highest standards of corporate governance and safeguard its reputation as a trusted leader in the pharmaceutical industry and healthcare sector.

Report of the Audit Committee

REPORT OF THE AUDIT COMMITTEE



ENCIK RAZALEE BIN AMIN
(Independent Non-Executive Director)

The Board of Directors of Duopharma Biotech Berhad is pleased to present this report on the Audit Committee (“AC” or “Committee”) and its activities during the financial year ended 31 December 2023.

COMMITTEE ROLES

The AC is responsible, on behalf of the Board, to ensure the robust oversight of financial reporting, as well as of external and internal audits concerning Duopharma Biotech and its subsidiaries (collectively referred to as the “Group”).



Details on the Terms of Reference of the AC, which were updated and approved by the Board during the period under review, can be found on the Company’s website at <https://duopharmabiotech.com/esg/governance-and-policies/>

MEMBERSHIP AND ATTENDANCE

As at the end of the financial year 2023, the composition of the Audit Committee stood at three (3) members, all of whom are Independent Non-Executive Directors of the Company. This is in line with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad, Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance 2021 (“MCCG”), as well as Clause 2.2(a) of the Terms of Reference of AC in terms of composition. The Board of Directors of the Company has adopted Practice 9.1 of MCCG, whereby the Chairman of the AC is not the Chairman of the Board.

Encik Razalee Bin Amin, the Chairman of the AC, is a Certified Public Accountant and a Certified Financial Planner with the Financial Planning Association of Malaysia. He is also a member of the Malaysian Institute of Accountants (MIA), thus the AC fulfilled the requirement prescribed in paragraph 15.09(1)(c) of

the MMLR on the accountant’s qualifications. None of the AC members are alternate Directors. All AC members are financially literate with sound judgement, objectivity, independent attitude, management experience, professionalism, integrity and knowledge of the industry. With such diverse skills and experience, the AC members are competent and able to understand matters under the purview of the AC, including the financial reporting process, and were able to discharge their duties responsibly.

A total of five (5) meetings were held during the financial year, all of which were scheduled in September 2022 and communicated to the members early to allow them to plan their time commitments.

The attendance of each AC member during the year is as follows:

The AC held five (5) meetings during the year under review, on the following dates:

7 February 2023

8 March 2023

15 May 2023

8 August 2023

1 November 2023

The attendance of each of the AC members during the year is as follows:

Encik Razalee Bin Amin
Chairman, Independent Non-Executive Director

Meetings Attended

5/5

Puan Zaiton Binti Jamaluddin
Member, Independent Non-Executive Director

Meetings Attended

5/5

Datuk Nik Moustpha Bin Haji Nik Hassan
Member, Independent Non-Executive Director

Meetings Attended

5/5

During the year under review, the committee conducted two (2) private sessions with external auditors and three (3) with internal auditors, all without Management’s presence, to ensure the independence and integrity of the audit process.

The external auditors were not present at meetings where their performance and/or their remuneration was discussed.

Report of the Audit Committee

AC

COMMITTEE FOCUS IN FY2023

In carrying out their functions and duties, the AC members are guided by Duopharma Biotech's overarching philosophy that requires its people to be responsible in performing their duties and responsibilities according to best practices, and to uphold the Company's core values of Passion, Excellence, Teamwork, Integrity, Responsible and Respect ("PETIRR"). This culture of compliance and being responsible includes continuously improving practices to enhance the accountability, transparency and sustainability of the Duopharma Biotech Group.

The AC's responsibilities and duties are outlined in its Terms of Reference. During the financial year under review, the AC focused on matters pertaining to the Company's audit, financial statements and performance, as well as operational matters. In 2023, the AC provided oversight over governance and adherence to international accounting standards, and took note of further developments to the Malaysian Institute of Accountants ("MIA") and International Ethics Standards Board for Accountants ("IESBA")'s by-laws on the Non-Assurance Services Provisions. In this context, the AC considers the provisions of Non-Assurance Services to Duopharma Biotech's controlling entity, Permodalan Nasional Berhad. The AC also reviewed the establishment of the Islamic Syariah Compliant Sukuk Programme as well as the Finance function of Duopharma Biotech Berhad Group.

As part of its remit, the AC keeps under review the suitability, objectivity, independence and effectiveness of the external auditors to safeguard the quality and reliability of audited financial statements. During the financial year under review, it endorsed the revisions to the Policy on External Auditors that included the establishment of enhanced procedures on provisions of Non-Assurance Services to Duopharma Biotech's controlling entity; the introduction of a revised methodology for two-stage assessment of external auditors to ensure their fair and objective assessment; as well as revision to the *de minimis* exceptions on provisions of Non-Assurance Services that improve administrative efficiency and allow Duopharma Biotech to channel such resources towards attaining other corporate objectives and business opportunities available to the Duopharma Group. The AC conducted the External Auditor Evaluation for the year 2023, taking into account emerging and leading practises derived from the roles and responsibilities of external auditors outlined in Bursa Securities' MMLR and the MCCG, as well as other relevant provisions such as the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice) and information published in the External Auditors' Annual Transparency Report for the financial year ended 31 December 2022, that includes the external audit firm's governance and leadership structure, as well as its efforts to maintain audit quality and manage risks. The AC was satisfied with the work performed by the external auditors based on the quality of their service, sufficiency of resources, performance,

independence and professionalism, and their ability to conduct the external audit within an agreed timeline fixed by Management.

Recognising the importance of independent judgement in effective oversight and monitoring, and guided by its commitment to ethical business operations in compliance with laws and regulations, the AC reviewed and deliberated on a quarterly basis:

- Significant accounting policies and newly effective auditing standards, in particular on the Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to MFRS 112);
- Key amendments to the International Ethics Standards Board for Accountants ("IESBA") Code of Ethics;
- Any financial anomalies or irregularities in the financial statements, estimates and judgments made by the Management Team; and
- Technical and regulatory matters that could affect the financial statements for implementation.

In conjunction with risk oversight, the AC reviews and evaluates the effectiveness of risk management, internal control and governance processes as well as any operational issue that could potentially affect the Company's performance as highlighted by the Group Internal Auditor ("the GIA") or external auditors which appears to be beyond its risk appetite.

With effect from 1 April 2023, the integrity function relating to anti-corruption and whistleblowing as well as the integrity issues previously under the purview of AC were transferred to the Risk Management Committee following a review of the Board Committees by the Board, which included a gap and benchmarking exercise on 1 July 2022.

In relation to the recent amendments to the MMLR that enhanced the AC's function including to review and report to the Board on situations that arose, persisted, or may arise during the financial year, as well as measures to resolve, eliminate, or mitigate such conflicts, and save in relation to related party transactions and recurrent related party transactions of a revenue nature that were regularly identified and reviewed by the AC in accordance with the Company's Related Party Transaction Framework, no material conflict of interest ("COI") or potential COI were identified or reported to the AC during the year under review, save for the potential conflict of interest that may arise from Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir, Datuk Mohd Radzif Bin Mohd Yunus, Puan Amizar Binti Mizuar (resigned with effect from 20 March 2024), Encik Mohd Haris Bin Mohd Arshad and Encik Muhammad Shukri Bin Ismail being Nominee Directors of Permodalan Nasional Berhad ("PNB"), a major shareholder of Duopharma Biotech. The aforesaid potential conflict of interest is mitigated by the Nominee Directors abstaining from deliberation and voting on any transaction involving any member of the Duopharma Biotech Group that involves the interest of PNB or persons connected to PNB.

Report of the Audit Committee

REPORT OF THE AUDIT COMMITTEE

In 2024, the AC has reviewed and reported to the Board on potential or perceived COI that were identified to date pursuant to annual declaration of interest by directors of Duopharma Biotech and its subsidiaries, as well as measures to resolve, eliminate, or mitigate such conflicts. No material COI was identified, save for potential conflict of interest involving Tan Sri Datin Paduka Siti Sa'diah Blnti Sh Bakir and Dato' Dr Zaki Morad Bin Mohamad Zaher that may arise from the legal proceeding that has been commenced by KPJ Healthcare Berhad ("KPJ") and its wholly-owned subsidiary, Kumpulan Perubatan (Johor) Sdn. Bhd. (collectively the "Plaintiffs") against 11 former directors of KPJ, including Tan Sri Datin Paduka Siti Sa'diah and Dato' Dr Zaki Morad, as the Duopharma Biotech Group supplies from time to time pharmaceutical and healthcare products to pharmacies and hospitals under the KPJ group. The aforesaid potential conflict of interest is mitigated as follows:-

- i. such supplies of pharmaceutical and healthcare products by the Duopharma Biotech Group are in the ordinary course of business and usually handled by the Management of Duopharma Biotech Group at the operational level; and
- ii. since the commencement of the aforesaid legal suit, there was no transaction between any member of the KPJ group and any member of the Duopharma Biotech Group that required deliberation by the Board of Directors of Duopharma Biotech. In the event any transaction between any member of the KPJ group and any member of the Duopharma Biotech Group is deliberated at the level of the Board of Directors of Duopharma Biotech after the commencement of the aforesaid legal suit, Tan Sri Datin Paduka Siti Sa'diah and Dato' Dr Zaki Morad would abstain from deliberation and voting on the said transaction.

Minutes of the AC meetings were circulated to all members, and matters arising from the discussions and decisions made were escalated to relevant Management in charge for updates and action. Following each meeting, the Chairman of the AC provided a summary report to the Board of Duopharma Biotech, highlighting significant points on the decisions and recommendations made.

CONTINUING TRAINING

As part of the Committee members' continuing professional development, all members of the AC attended various conferences, seminars and training programmes to enhance their knowledge and technical competencies in their respective fields of expertise in order to efficiently discharge their duties as Directors of the Company.



Directors of the Company. Details of the training and professional courses undertaken during the year are disclosed in the Corporate Governance Overview Statement on pages 103 to 127.

BOARD COMMITTEE EVALUATION

The performance of the AC was assessed as part of the Board Effectiveness Evaluation during the year under review ("BEE 2023"). Based on the AC's score in BEE 2023, the AC performed relatively well.

Adopting a recommendation from BEE 2021, the AC members were given the liberty at the conclusion of the financial year under review to plot forward-looking agenda items (also known as "annual missions") for the entire calendar year 2024 ahead of schedule, facilitated by the Company Secretary. This provided a way to proactively solicit input from all AC members in order to formulate the AC's agenda.

SUMMARY OF WORK DONE DURING THE YEAR

A. FINANCIAL REPORTING MATTERS

- i. Reviewed the Company's quarterly reports in respect of the results for the quarters ended 31 December 2022, 31 March 2023, 30 June 2023 and 30 September 2023 to ensure compliance with the Malaysian Financial Reporting Standards and regulatory requirements, and recommended to the Board for subsequent release to Bursa Malaysia.
- ii. Reviewed the notes to the draft announcements of the audited and unaudited financial statements to Bursa Malaysia, to ensure compliance with regulatory requirements.
- iii. Reviewed the external auditors' report for the financial year ended 31 December 2022, including matters relating to adjustments arising from the external audit review and adequacy of disclosures, prior to recommending for the Board's approval. No significant adjustments were required to the financial statements, which were presented in a true and fair manner.

B. EXTERNAL AUDIT MATTERS

- i. During the year, two (2) formal private sessions were held with the external auditors on 8 March 2023 and 1 November 2023 without the presence of Management to discuss and review matters of concern and deliberate on observations highlighted by the external auditors, and the respective Management action plans and status updates. No major concerns were raised by the external auditors at these meetings.
- ii. Deliberated on issues and reservations arising from the interim and final audits, and any matter that the external auditors wished to discuss without the presence of Management.

Report of the Audit Committee

AC

- iii. Reviewed and endorsed the external auditors' audit plan and engagement strategy for the financial year ended 31 December 2023, covering the independence, materiality, audit scope, audit methodology and timing of audit, key milestones, audit fees, etc., and reported the same to the Board.
- iv. Reviewed and approved the extent and nature of non-audit services that can be carried out by the external auditors and ensure adequacy of checks and balances on the provision of such non-audit services. During the year, the Company engaged the external auditors and/or its affiliates for the provision of consultancy and advisory services on matters related to corporate governance, moderating services at general meetings and project certification. These services do not fall within prohibited non-audit services and are in line with the Company's Policy on External Auditors. The amounts of audit and non-audit fees are disclosed in the Other Disclosures on pages 161 to 162.
- v. Evaluated the suitability, independence and performance of the Group's external auditors in accordance with the Policy on External Auditors and made recommendations to the Board on their reappointment, which was subsequently approved by the Board.

Assessment of the external auditors' independence and objectivity is performed on an annual basis anchored on the following set of criteria:

- a) Adequacy of the experience and resources of the external audit firm;
- b) The persons assigned to the external audit engagement;
- c) The external audit firm's audit engagements;
- d) The size and complexity of the subject matter being audited; and
- e) The number and experience of supervisory and professional staff assigned to the particular external audit engagement.

The assessment of the external auditors also considers the information presented in the Annual Transparency Report of the audit firm including the external audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks as advocated in Guidance to Practice 9.3 of MCCG.

- vi. Monitored the execution of the revised External Auditors Policy, which demonstrated an improvement in best practises advocated by the revised MCCG.

- vii. Obtained written assurance from the external auditors confirming their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

C. INTERNAL AUDIT MATTERS

- i. Oversees the performance and effectiveness of the Internal Audit function based on approved key performance indicators; assesses the competency and experience of GIA staff as well as the adequacy of resources in order for the Internal Audit function to carry out its work effectively. The AC also ensures that the GIA has the authority to carry out their work objectively and independently, free from any relationship or conflicts of interest.
- ii. Reviewed and approved Duopharma Biotech's Internal Audit Plan and budget for the year.
- iii. Reviewed the status report of internal audit activities for the year to ensure all the planned activities for Duopharma Biotech were carried out properly.
- iv. Reviewed the summary of the internal audit reports prepared by the GIA and deliberated on significant audit issues, audit recommendations, management action plans and the agreed timeline. Where necessary, provided input on improving processes and operations.
- v. Monitored the status of corrective actions taken by the Management to ensure all internal audit issues and concerns are adequately addressed within the stipulated timeline.
- vi. Held private meetings and discussions with the Head of the GIA on significant audit and internal control matters.
- vii. Reviewed and approved Duopharma Biotech's 2024 Internal Audit Plan & Operational Budget, GIA Scorecard 2023 and Proposed Scorecard 2024 as well as the Whistleblowing Preliminary Investigation & Evaluation Procedure.

D. ANNUAL REPORT MATTERS

- i. Reviewed the Report of the AC and Statement on Risk Management and Internal Control ("SORMIC") prior to approval by the Board for inclusion in the Integrated Annual Report 2022. The SORMIC was supported by the Annual Assurance Statement on Risk Management and Internal Controls, which were signed off by the Group Managing Director and the Chief Financial Officer.

Report of the Audit Committee

REPORT OF THE AUDIT COMMITTEE

AC

E. STRATEGIC AND LITIGATION MATTERS

- i. Reviewed and recommended the establishment of the Islamic Syariah Compliant Sukuk Programme.
- ii. Monitored the progress and deliberated on the way forward for Duopharma Biotech's strategic projects and litigation cases.
- iii. Reviewed and recommended to the Board for approval financial plan proposals for Duopharma Biotech and its Group.

F. OTHER RELATED MATTERS

- i. Reviewed and recommended to the Board for adoption the Related Party Transaction Framework to ensure compliance with the MMLR on related party and recurrent related party transactions.
- ii. Reviewed the related party transactions entered into by Duopharma Biotech and its Group and the disclosure of such transactions as well as recurrent related party transactions in the annual report.
- iii. Reviewed and recommended to the Board for approval dividends to be declared to the shareholders of Duopharma Biotech as well as applicability of the Dividend Reinvestment Plan to such dividends.
- iv. Reviewed and monitored the Finance Function of Duopharma Biotech Berhad Group as advocated by the MCCG and provided input on improving processes and operations.
- i. Considered and provided resources for the investigation of whistleblowing reports as necessary, on the recommendation of the Risk Management Committee in accordance with the Whistleblowing Preliminary Investigation & Evaluation Procedure.

the risk management systems, internal controls and governance processes.

The Head of the GIA function reports directly to the AC 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 AC. The internal audit function is responsible for undertaking regular and systematic risk-based assessments of the internal control of the Duopharma Biotech Group so as to provide reasonable assurance that such systems are adequate and continue to operate effectively in managing Duopharma Biotech Group's key risks.

(ii) AUDIT PLANNING AND WORK DONE

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

In 2023, the GIA issued 13 audit reports covering operational and ad-hoc matters, amongst others, Recurrent Related Party Transactions Compliance Review, COVID19 Vaccines Sales & Distribution Management, Kelab PETIRR Duopharma Biotech (Financial & Compliance), Follow-Up on the Trademark Audit, Corruption Risk Management Controls, and Group Human Resources Management. 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 AC for its deliberation and subsequent approval.

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

(iii) INTERNAL AUDIT COST

The GIA function's total expenditure for the financial year, including departmental expenditure such as office running expenses, training expenses, travelling expenses, staff remuneration, etc., is estimated at RM RM1,070,528.46.

Further details of the activities of the Group Internal Audit Department are set out in the Statement on Risk Management and Internal Control on pages 150 to 160 of this Annual Report.

STATEMENT ON INTERNAL AUDIT FUNCTION

The AC is supported by the Group Internal Audit Department ("GIA") in the discharge of its duties and responsibilities. In the Three Lines of Defence model, Management control is the first line of defence in risk management; the various risk control and compliance oversight functions established by Management are the second line of defence; and independent assurance is the third. Each of these three "lines" plays a distinct role within the organisation's wider governance framework. The Internal Audit function, being the third line of defence, is responsible for providing independent assessment of compliance with existing laws/regulations, policies and procedures, and reviews the adequacy and effectiveness of

Report of the Nomination and Remuneration Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

NRC



DATO' EISAH BINTI A. RAHMAN
(Senior Independent Non-Executive Director)

The Board of Directors of Duopharma Biotech Berhad ("Duopharma Biotech" or "the Company") is pleased to present this report on the Nomination and Remuneration Committee ("NRC" or "Committee") and its activities during the financial year ended 31 December 2023.

COMMITTEE ROLES

The NRC is responsible, on behalf of the Board, for duties in relation to:

- the nomination and appointment of Board members and Senior Management of Duopharma Biotech and its subsidiaries (collectively referred to as the "Group"); and
- the Board evaluation process, induction and training programmes, remuneration and human resources function.



Details on the Terms of Reference of the NRC, which were updated and approved by the Board during the period under review, can be found on the Company's website at <https://duopharmabiotech.com/esg/governance-and-policies/>

MEMBERSHIP AND ATTENDANCE

Following the retirement of Dato' Mohamad Kamarudin as the Company's Senior Independent Non-Executive Director at the Company's 22nd Annual General Meeting held on 31 May 2023, Dato' Eisah was redesignated as the Senior Independent Director and as Chairman of the NRC. On 20 March 2024, Puan Amizar Binti Mizuar resigned as a member of the NRC and Encik Mohd Haris Bin Mohd Arshad was appointed as a new member of the NRC, with Dato' Eisah Binti A. Rahman and Dato' Dr Zaki Morad Bin Mohamad Zaher continuing to be the Chairman and member of the NRC, respectively.

The Committee consists of three (3) members, all Non-Executive Directors, with a majority being independent Non-Executive Directors as stipulated in Paragraph 15.08A(2) of the Main Market Listing Requirements ("MMLR"). The members have diverse skills and experience coupled with industry and human capital knowledge.

During the year, a total of six (6) scheduled committee meetings were held, all of which were scheduled in September 2022 and communicated to the members early to allow them to plan their time commitments accordingly.

The NRC held six (6) meetings during the year under review, on the following dates:

9 February 2023

13 March 2023

18 May 2023

18 July 2023

10 August 2023

6 November 2023

The attendance of each of the NRC members during the year is as follows:

Dato' Eisah Binti A. Rahman*

Chairman, Senior Independent Non-Executive Director (Redesignated as a Senior Independent Non-Executive Director with effect from 1 June 2023) (Redesignated as Chairman with effect from 1 June 2023)

Meetings Attended

6/6

Dato' Dr Zaki Morad Bin Mohamad Zaher

Member, Independent Non-Executive Director (Appointed with effect from 1 June 2023)

Meetings Attended

3/3

Encik Mohd Haris Bin Mohd Arshad**

Member, Non-Independent Non-Executive Director (Appointed with effect from 20 March 2024)

Meetings Attended

0/0

Dato' Mohamad Kamarudin Bin Hassan*

Chairman, Senior Independent Non-Executive Director (Retired with effect from 31 May 2023)

Meetings Attended

3/3

Puan Amizar Binti Mizuar**

Member, Non-Independent Non-Executive Director (Resigned with effect from 20 March 2024)

Meetings Attended

6/6

Note:

* Dato' Eisah was redesignated as Senior Independent Non-Executive Director and Chairman of NRC respectively with effect from 1 June 2023, following the retirement of Dato' Mohamad Kamarudin at the Company's 22nd Annual General Meeting.

** Encik Mohd Haris was appointed as a member of the NRC with effect from 20 March 2024, following the resignation of Puan Amizar as a member of the NRC with effect from 20 March 2024.

Report of the Nomination and Remuneration Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

COMMITTEE FOCUS IN FY2023

During the year under review, the NRC recommended a revision to its Terms of Reference in view of Paragraph 10 of the Terms of Reference of the NRC, which requires periodical reviews. One objective was to delegate some approval authority as appropriate to the NRC to accelerate the decision-making process and reduce the volume of matters required to be tabled to the Board for approval.

In view of the retirement of Dato' Mohamad Kamarudin from the Board of the Company at the Company's 22nd Annual General Meeting, the NRC reviewed and recommended a change in the composition of the Board and Board Committees with the appointment of Dato' Eisah Binti A Rahman as the new Senior Independent Non-Executive Director of the Company and the appointment of Datin Paduka Kartini Binti Hj Abdul Manaf as an Independent Non-Executive Director in place of Dato' Mohamad Kamarudin, based on the Company's selection criteria. In August 2023, the NRC again reviewed and recommended a change in the composition of the Board of Directors considering the appointment of a Non-Independent Non-Executive Alternate Director to Puan Amizar Binti Mizuar, Encik Muhammad Shukri Bin Ismail.

The NRC conducted an annual review of the Company's Board Succession Plan Framework based on a Board Needs Analysis from the Board's existing key competencies and identified gaps to ensure that the best candidates are selected. In addition to the Company's internal registry and referrals from the major shareholder, the Company utilises an independent search firm to source suitable and qualified candidates based on Practice 5.6 of the MCGG.

With respect to the NRC's duties in relation to the human resources function, the NRC reviewed and recommended the establishment of the Company's Diversity, Anti-Discrimination and Anti-Harassment Policy in line with the announcement by the Ministry of Human Resources on the implementation of the amended Employment Act 1955 (Amendment 1 January 2023), which includes the principles of equal opportunity and non-discrimination in employment. This is part of the Company's commitment to complying with the amended EA and to manage any potential issues that may arise resulting from diversity, discrimination and/or harassment among Duopharma Biotech's employees. The policy will provide a safe, harmonious and inclusive workplace for all employees.

The Diversity, Anti-Discrimination and Anti-Harassment Policy can be accessed on the Company's website at <https://duopharmabiotech.com/esg/governance-and-policies/>.

Minutes of the NRC meetings are circulated to all members, and matters arising from the discussions and decisions made are escalated to the relevant Management in charge for updates and action. Following each meeting, the Chairman of the NRC provides a summary report to the Board of Duopharma Biotech, highlighting significant decisions and recommendations made. The approved minutes of each meeting of the NRC were tabled at the next practicable Board meeting for notation.

CONTINUOUS DEVELOPMENT

As part of the Committee members' continuing professional development, all members of the NRC attended various conferences, seminars and training programmes to enhance their knowledge and technical competencies in their respective fields of expertise in order to discharge their duties as Directors of the Company efficiently.



Details of the training and professional courses undertaken during the year are disclosed in the Corporate Governance Overview Statement on pages 116 to 120.

ANNUAL PERFORMANCE ASSESSMENT

The performance of the NRC was assessed as part of an internal Board Effectiveness Evaluation during the year under review ("BEE 2023"). The outcome and recommendations of the BEE were reviewed by the NRC and tabled to the Board. BEE 2023 highlighted mutual trust and respect between the Board and Senior Management as well as recognition of the Board's strong leadership. Overall, the NRC performed relatively well in BEE 2023.

Adopting a recommendation from the comprehensive BEE 2021, at the end of the year under review, the NRC members, facilitated by the Company Secretary, adopted the suggestion of planning agenda items for the whole calendar year 2024 ahead of schedule as a proactive way to solicit input from all NRC members in formulating the NRC's agenda.

Report of the Nomination and Remuneration Committee



SUMMARY OF WORK DONE DURING THE YEAR

Below is a listing of the work done by the NRC during the financial year in discharging and meeting their functions, duties and responsibilities with regard to nomination and remuneration:-

A. NOMINATION-RELATED MATTERS

- i. Evaluated, assessed and recommended to the Board the appointment of a Senior Independent Non-Executive Director of Duopharma Biotech based on the Company's selection criteria.
- ii. Evaluated, assessed and recommended to the Board the appointment of an Independent Non-Executive Director of Duopharma Biotech based on the Company's selection criteria.
- iii. Evaluated, assessed and recommended to the Board the appointment of an Alternate Non-Independent Non-Executive Director for Puan Amizar Binti Mizuar based on the Company's selection criteria.
- iv. Reviewed and recommended the composition of the Board Committees of Duopharma Biotech.
- v. Ensured that all Directors received appropriate continuing education programmes in order to keep abreast with developments in related industries and changes in the relevant statutory requirements.
- vi. Reviewed the progress of Duopharma Biotech's talents and succession planning, including calling for selected talents to present themselves to the NRC for its assessment and engagement with talents.
- vii. Reviewed and recommended the Diversity, Anti-Discrimination & Anti-Harassment Policy.
- viii. Reviewed and recommended the conduct of an internal Board Effectiveness Evaluation 2023 for the Board of Directors, Board Committees, individual Directors and Independent Directors.
- ix. Reviewed the outcome and key improvement markers arising from BEE 2023 for implementation and action by the Board and Management.
- x. Reviewed and recommended to the Board Directors retiring by rotation to be put forth for re-election in accordance with the Company's Board Charter and Practice 5.5 of the MCCG.
- xi. Reviewed and recommended the promotion of the Group Management Committee members.

- xii. Reviewed the Annual Declaration of the Board of Directors of Duopharma Biotech's subsidiary companies.
- xiii. Reviewed and deliberated the updated Board Needs Analysis for the Company's Succession Plan Framework for Non-Executive Directors ("Succession Plan Framework") and proceeded with external sourcing for potential Board candidates via the Institute of Corporate Directors Malaysia ("ICDM") as an independent search firm.
- xiv. Reviewed and recommended the composition of the Board of Directors of the subsidiary companies of Duopharma Biotech and training requirements for candidates to be appointed to the said boards.

B. REMUNERATION-RELATED MATTERS

- i. Reviewed the Directors' remuneration for shareholders' approval at the Annual General Meeting of the Company in 2023.
- ii. Reviewed and recommended a Benefits Review for Red and Blue Book employees in Duopharma Biotech Group.
- iii. Reviewed and recommended to the Board the annual increment and bonus package for employees of Duopharma Biotech.
- iv. Reviewed and recommended Optional Retirement Plan application.
- v. Reviewed and recommended the Proposed Renewal of the Directors and Officers Liability Insurance for the year 2023/2024.
- vi. Oversaw the Collective Agreement negotiations for Green Book employees in Bangi and Klang.
- vii. Recommended a review of the Performance Management System ("PMS") for the Group Managing Director ("GMD") for a more inclusive structure and to measure the GMD's performance in relation to meeting the Group's KPIs, including exhibiting leadership competencies.
- viii. Reviewed and recommended the monthly salary for the President Director of PT Duopharma Healthcare Indonesia.
- ix. Reviewed and recommended a Salary Band Review for Duopharma Biotech Group's Red and Blue Book Employees.

Report of the Nomination and Remuneration Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

C. GOVERNANCE MATTERS

Notation of the amendments to the Terms of Reference of the Nomination and Remuneration Committee.

D. ANNUAL REPORTS MATTERS

- i. Reviewed the Report of the Nomination and Remuneration Committee prior to the Board's approval for inclusion in the Integrated Annual Report 2022.

SUCCESSION PLAN POLICY, SUCCESSION PLAN FRAMEWORK FOR NON-EXECUTIVE DIRECTORS, AND THE BOARD NOMINATION AND ELECTION PROCESS AND CRITERIA USED BY THE NRC IN THE SELECTION PROCESS

The Company's Succession Plan Policy for Non-Executive Directors was developed based on Guidance 1.1 and Practice 5.5 of the updated MCCG, which recommends a formalised succession plan of at least 12 to 18 months with appropriate and clear succession models that are practicable to ensure a smooth leadership transition.

Appointment of a Board member should be based on objective criteria, merit and with due regard for diversity of skills, experience, age, cultural background and gender. Duopharma Biotech's Succession Plan Policy aims to serve as a guide for the Board to administer a methodical process for the succession planning of its Non-Executive Directors. It seeks to ensure a robust succession plan by monitoring the Board composition needs and requirements whilst simultaneously identifying high-calibre and suitable candidates for the Company. The policy also aims to clarify the key roles and responsibilities of the Board, the NRC and the Company Secretary in the Non-Executive Directors succession planning procedures. Further, it sets out the guiding principles and practices for the Board's succession plan by taking into account growing regulatory demands, complexities and expectations reposed on the Company as well as the envisaged skillsets, experience and roles of the Non-Executive Directors.

The Succession Plan Policy is guided by a Succession Plan Framework to better define action plans for the successful transition of Non-Executive Directors other than to ensure that the necessary talents, skills, essential knowledge and experience are maintained.

Briefly, all nominations for appointment or re-election as Directors of the Company are first tabled to and deliberated by the NRC, which takes into consideration requirements enumerated in the Companies Act 2016, the MMLR, the Company's Constitution, as well as the Company's policies and procedures, including the Board Charter, Diversity Policy, Fit and Proper Policy, Remuneration Policy, Succession Plan Policy and the Succession Plan Framework. Subject to the Board's and the NRC's review and discretion on the aforesaid requirements, nominations for appointment may come from shareholders, Directors or third parties. The Company also utilises an independent search firm in addition to the Company's internal directors' registry in searching for board member candidates.

If the NRC is satisfied, after such deliberation, that the candidate/Director is fit and proper to be appointed or re-elected as a Director, the NRC recommends the same to the Board for its further deliberation and approval. The re-election of any Director is subject to shareholders' approval at the Annual General Meeting of the Company.

FORMALISED DIVERSITY POLICY

In 2022, the Company established the Fit and Proper Policy for the Board of Directors and Senior Management for the appointment of directors and senior management and re-election of directors as required by Paragraph 15.01A of the MMLR issued by Bursa Malaysia.

This policy addresses the application of Paragraph 2.20A of the MMLR that requires every listed corporation to ensure that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his or her role as a director, chief executive or chief financial officer.

The Diversity Policy reflects the Company's commitment to promote diversity and inclusion in the Board and Senior Management and sets out the guiding principles and practices which underpin the Company's approach to instituting a diverse Board and Senior Management team. It encompasses various areas including, but not limited to, diversity of gender, age, cultural background, education, business and industry skills and experience.

Report of the Nomination and Remuneration Committee

NRC

(i) PRINCIPLES

The Company's Diversity Policy is anchored by the following principles:-

F Focused

the Company articulates its diversity efforts to focus on gender diversity at the leadership level to set the tone on an organisational basis.

N Non-discriminatory

the Company practices non-discrimination of any form where all appointments are based on objective criteria and merit established by the Board.

M Merit-based

the recruitment and selection process ensures that appointments are merit-based.

C Credibility

the Company pursues a well-rounded, diverse and credible approach to ensuring Board and leadership diversity.

(ii) DIVERSITY FRAMEWORK

In promoting diversity, the Company has set objectives at the Board and Senior Management levels. The diversity considerations are set at the leadership level to set the tone for organisational-wide initiatives with a view of imbuing cognitive variety during deliberations and decision-making as well as spurring innovation at all levels.

The Company has a significant proportion of women directors, which exceeds the requirement of Paragraph 15.02 of the MMLR to have at least one (1) woman director.

(iii) MEASURES AND STRATEGIES

The following are some measures and strategies that the Board, NRC and the GMD should undertake:-

■ Board of Directors

- (a) Gender diversity – to have at least 30% women Directors.
- (b) Board Effectiveness Evaluation – to report annually on the outcomes of the Board evaluation exercise, the composition and structure of the Board as well as any issues and challenges the Board is facing when considering the diverse makeup of the Company.
- (c) Age diversity – to acknowledge the benefits of having a diverse boardroom in terms of age demographics, with experience and maturity as well as youthful exuberance, and seek to eliminate age stereotyping or discrimination on age. Further, the age limit for Directors is set at 80 years;
- (d) Ethnic diversity – to set a long-term target for the Board's ethnic composition to reflect the country's ethnicity.

■ Senior Management

- (a) Gender diversity – When shortlisting candidates for Senior Management, the GMD ensures that at least one female candidate is considered.
- (b) Progressive human capital policies – develop and oversee the implementation of appropriate policies, programmes and initiatives to build inclusion and promote diversity at the Senior Management level and monitor equal pay for equal work among selected Senior Management other than practising gender-neutral job openings in internal and external recruitments.
- (c) Age diversity – whilst acknowledging that a wide range of ages for Senior Management individuals has the advantage of creating a dynamic and multi-generational workforce with diverse skillsets that are beneficial to the Company, the Company does not set specific targets or limits on the age of Senior Management individuals.

Report of the Nomination and Remuneration Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

FORMALISED FIT AND PROPER POLICY

The Fit and Proper Policy for the Board of Directors and Senior Management that was established in 2022 in accordance with Paragraph 15.01A of the MMLR addresses the application of Paragraph 2.20A of the MMLR that requires every listed corporation to ensure that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his or her role as a director, chief executive or chief financial officer.

(i) ROLES AND RESPONSIBILITIES

The Board and NRC are responsible for the application of this policy and for conducting the fit and proper assessments. Meanwhile, the NRC is responsible for leading the review of the appropriate skills, experience and characteristics required of Board members and Senior Management through a set procedure.

(ii) FIT AND PROPER ASSESSMENT

The Fit and Proper Policy of the Company outlines the baseline criteria for the fit and proper assessment for the Board of Directors and Senior Management. During the appointment stage, assessment shall be performed via diligence or screening (i.e., using established search databases or services as adopted by the Company from time to time) as well as declarations from the concerned individuals. Meanwhile, as for the re-election of Directors and re-appointment or contract renewal of Senior Management personnel, the assessment shall be performed based on a review of the BEE 2022 results and performance appraisal records.

(iii) FIT AND PROPER CRITERIA

(a) Character and Integrity

In assessing the personal qualities such as honesty, integrity, diligence, independence of mind and fairness of the Directors and Senior Management, the NRC should consider matters including, but not limited to, probity, personal integrity, financial Integrity and reputation.

(b) Experience and Competence

In order to perform his or her role in an effective capacity, Board members and Senior Management personnel must demonstrate the experience and competence requirements to understand Duopharma Biotech's nature of business, inherent risks and the management process. The Board, together with the NRC, should consider matters including, but not limited to, qualifications, training and skills, and relevant past performance or track record.

(c) Time and Commitment

The Board members should also be able to discharge their roles with regard to other commitments and participate and contribute to the Board.

(iv) Application of the Fit and Proper Policy for the Board of Directors and Senior Management

The adopted Fit and Proper Policy was applied by the NRC and the Board when it considered and deliberated the retirement by rotation of Directors and the recommendation for the proposed re-election of those Directors seeking re-election at the forthcoming AGM of the Company. The application of the Fit and Proper Policy also served to fulfil the Company's obligation under Paragraph 2.20A of the MMLR to ensure that each of its Directors has the character, experience, integrity, competence and time to effectively discharge his or her role as a Director of the Company.

Pursuant to the Fit and Proper Policy, the NRC had, prior to recommending to the Board the re-election of the Directors seeking re-election, completed an evaluation of the respective Directors. The NRC and the Board had assessed individual Directors seeking re-election with due regard to, among others, the considerations listed in the Fit and Proper Policy by way of Fit and Proper assessment via diligence or screening (i.e., using established search databases or services as adopted by the Company from time to time) as well as declarations from the concerned individuals.

Additionally, the assessment was also based on a review of the BEE results (in relation to the Directors seeking re-election). Following the said assessment, both the NRC and the Board were satisfied that the Directors seeking re-election were fit and proper to be re-elected as Directors

Report of the Nomination and Remuneration Committee



of the Company and have recommended that the re-election of the said Directors be tabled at the forthcoming AGM for the shareholders' approval.

Among the reasons for the recommendation for the re-election of the aforesaid Directors were:-

- (a) The recommendations for re-election were based on objective criteria and merit;
- (b) Based on the aforesaid diligence/screening, declarations and results of BEE 2023, the Directors recommended for re-election have met the fit and proper criteria under the Fit and Proper Policy, namely –
 - (1) character and integrity (encompassing the qualities of probity, personal integrity, financial integrity and reputation);
 - (2) experience and competence (encompassing qualifications, training and skills; and relevant past performance or track record); and
 - (3) time and commitment (encompassing the ability to discharge their role, having regard to other commitments, and to participate in and contribute to the Board).
- (c) The Directors recommended for re-election have demonstrated that they are able to devote the required time and effort to serve the Board effectively;
- (d) The Directors had, through the Self and Peer Assessment under BEE 2023, been assessed on “contribution and performance” and “calibre and personality”, and the overall high score recorded for each of the Directors seeking re-election showed that they had performed well in terms of their respective contributions and performance as well as in terms of their calibre and personality;
- (e) BEE 2023 highlighted strong recognition of diversity at the Board level and that the variety of skillsets present amongst the current Directors allows them to tackle issues in a multifaceted manner;
- (f) In relation to gender diversity, the re-election of the women Directors seeking re-election would ensure that the Board continues to comprise at least 30% women Directors.
- (g) In relation to the recommendation for re-election of the Independent Non-Executive Director –
 - (1) based on the Independent Director's self-assessment under BEE 2023, the Independent Non-Executive Director had declared her independence.
 - (2) the tenure of service of the Independent Non-Executive Director calculated until the date of the forthcoming AGM was less than nine years;
- (h) In relation to the recommendation for the re-election of the Director who is a nominee of PNB –
 - (1) the nomination by PNB was in line with PNB's Stewardship Framework and Voting Guidelines; and
 - (2) the Board will continue to comprise a majority of independent non-executive directors, thereby fulfilling requirements under Practice 5.2 of the MCCG.

Report of the Risk Management Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE



DATUK MOHD RADZIF BIN MOHD YUNUS
(Non-Independent Non-Executive Director)

The Board of Directors of Duopharma Biotech Berhad (“Duopharma Biotech” or “the Company”) is pleased to present this report on the Risk Management Committee (“RMC” or “Committee”) and its activities during the financial year ended 31 December 2023.

COMMITTEE ROLES

The RMC is responsible, on behalf of the Board, to carry out duties in relation to:

- the risk oversight function;
- the investment oversight function; and
- the integrity oversight function.



Details on the Terms of Reference of the RMC, which were updated and approved by the Board during the period under review, can be found on the Company’s website at <https://duopharmabiotech.com/esg/governance-and-policies/>

MEMBERSHIP AND ATTENDANCE

The Committee comprised three (3) members at the end of the financial year 2023, all of whom were Non-Executive Directors, in line with Step Up 10.3 of the Malaysian Code on Corporate Governance (“MCCG”).

During the financial year ended 31 December 2023, Datin Paduka Kartini Binti Hj Abdul Manaf was appointed as a new

member of the RMC in place of Dato’ Mohamad Kamarudin Bin Hassan effective from 1 June 2023 in view of the retirement of Dato’ Mohamad Kamarudin at the Company’s 22nd Annual General Meeting held on 31 May 2023. Datuk Mohd Radzif Bin Mohd Yunus and Puan Zaiton Binti Jamaluddin continued to be the Chairman and member of the RMC, respectively, thus maintaining the existing number of RMC members at three (3).

The RMC held eight (8) meetings during the year under review, on the following dates:

31 January 2023

6 March 2023

5 May 2023

11 May 2023

21 July 2023

3 August 2023

7 November 2023

20 November 2023

The attendance of each of the RMC members during the year is as follows:

Datuk Mohd Radzif Bin Mohd Yunus
Chairman, Non-Independent Non-Executive Director

Meetings Attended 8/8

Datin Paduka Kartini Binti Hj Abdul Manaf
Member, Independent Non-Executive Director
(Appointed w.e.f. 1 June 2023)

Meetings Attended 4/4

Puan Zaiton Binti Jamaluddin
Member, Independent Non-Executive Director

Meetings Attended 8/8

Dato’ Mohamad Kamarudin Bin Hassan
Member, Independent Non-Executive Director
(Retired w.e.f. 31 May 2023)

Meetings Attended 4/4

COMMITTEE FOCUS IN FY2023

Throughout the year under review, the RMC focused, among others, on the impact of the Health White Paper and the Israel and Palestine War on the Group, addressing any gaps in the existing and future strategy, operations and businesses

while continuously monitoring the Group’s key risks against the changing political environment, economic conditions, operational matters, supply chain, strategic objectives and regulatory requirements.

Report of the Risk Management Committee



The RMC had recommended revisions to the Anti-Bribery and Anti-Corruption (“ABAC”) and Integrity-related Policies and Procedures to reflect the transition of the Integrity function to Group Risk Management and Integrity (“GRMI”).

As part of the RMC’s duties on investment oversight, the RMC also reviewed and recommended to the Board the installation of solar panels at all its manufacturing plants in Klang, Bangi and Glenmarie. This is part of the Company’s 5-year ESG strategy (2022 to 2026) to address ESG material matters, and especially to achieve its climate-related targets via reduced carbon emissions.

With the adoption of technology enhancements in the Company and exposure to cybersecurity-associated risks, updates on the Company’s cybersecurity projects have been among the Group’s key focus areas. The Company’s cybersecurity enhancement projects were reviewed and evaluated with the necessary controls in place to mitigate or manage those risks.

Minutes of the RMC meetings are circulated to all members, and matters arising from the discussions and decisions made are escalated to the relevant Management in charge for updates and action. Following each meeting, the Chairman of the RMC provides a summary report to the Board of Duopharma Biotech, highlighting significant decisions and recommendations made. The approved minutes of each meeting of the RMC were tabled at the next practicable Board meeting for notation.

CONTINUOUS DEVELOPMENT

As part of the Committee members’ continuing professional development, all members of the RMC attended various conferences, seminars and training programmes to enhance their knowledge and technical competencies in their respective fields of expertise in order to discharge their duties as Directors of the Company efficiently. Details of training and professional courses undertaken during the year are disclosed in the Corporate Governance Overview Statement on pages 116 to 120.

ANNUAL PERFORMANCE ASSESSMENT

The performance of the RMC was assessed as part of the Board Effectiveness Evaluation during the year under review (“BEE 2023”). Based on the RMC’s score in BEE 2023, the RMC performed relatively well. Adopting a recommendation from the comprehensive BEE 2021, the RMC members were given the liberty at the conclusion of the financial year under review to plot forward-looking agenda items (also known as “annual missions”) for the entire calendar year 2024 ahead of schedule, facilitated by the Company Secretary. This provided a way to proactively solicit input from all RMC members in order to formulate the RMC’s agenda.

SUMMARY OF WORK DONE DURING THE YEAR

Below is a listing of the work done by the RMC during the financial year in discharging and meeting its functions, duties and responsibilities with regard to risk management:-

A. RISK MANAGEMENT-RELATED MATTERS

- i. Reviewed the status report of risk management activities for the year to ensure all activities planned for the Group were carried out properly.
- ii. Reviewed the summary of the risk assessment report prepared by the GRMI Department.
- iii. Monitored the status of mitigation actions taken by Management to ensure all risk management issues and concerns were adequately resolved in a timely basis.
- iv. Reviewed the amendments to the Environmental and Natural Hazard Risk Appetite for the year 2023 to ensure better quantification, assessment and control of potential environmental and climate-related risks in the Company.
- v. Monitored the status of Duopharma Biotech Group’s cybersecurity projects. The Company is committed to continuously enhancing its overall cybersecurity posture and addressing identified issues. This is achieved by adopting a robust cybersecurity strategy, undertaking immediate rectification works towards improving its rating, and fortifying its defence against future cyber threats.
- vi. Reviewed and recommended the GRMI’s KPIs for the year 2023.
- vii. Reviewed the potential impact of the Israel and Palestine War on the global economy, supply chain, geopolitical landscape and Duopharma Biotech Berhad’s business operations.
- viii. Reviewed the impact, potential threat and opportunities arising from the Malaysia Budget 2024 and plans to address the identified risks/opportunities.
- ix. Reviewed the risk exposure arising from the Health White Paper and for Duopharma Biotech to closely monitor, assess and understand its potential risk exposures and develop appropriate strategies to mitigate them.

Report of the Risk Management Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE

- x. Reviewed and recommended amendments to the Risk Management Manual & Guidelines (“RMMG”) to ensure the RMMG reflects current risk practices and activities.
- xi. Reviewed and recommended the renewal of the Annual Subscription for the HighBond System, a risk management tool.
- xii. Reviewed the implementation of the Business Continuity Plan at the Group level based on a high-level risk assessment conducted to determine the Company’s preparedness to manage potential crises and the effectiveness of said implementation.

B. INTEGRATED ANNUAL REPORT

- i. Reviewed and recommended the Report of the Risk Management Committee for inclusion in the Integrated Annual Report 2022.
- ii. Reviewed the Report of the RMC and Statement on Risk Management and Internal Control (“SORMIC”) prior to approval by the Board for inclusion in the Integrated Annual Report 2022. 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. The SORMIC was also reviewed by the external auditors.

C. PROJECT AND STRATEGY-RELATED MATTERS

- i. Reviewed and recommended to the Board of Directors proposals on the implementation of projects, annual budget and operating plan, including mergers and acquisitions (“M&A”) for the year 2023.
- ii. Reviewed and recommended Duopharma Biotech’s Beyond 2025 Corporate Strategy, which outlines the direction the Group intends to take during the period from 2024 to 2033 after assessing the opportunities and challenges the Group might face moving forward.
- iii. Reviewed and recommended the Net Zero Transition Plan outlining the strategic approach and key initiatives that will support Duopharma Biotech in meeting its climate ambitions of Carbon Neutrality by 2030 and Net Zero Carbon Emissions by 2050.

D. INVESTMENT-RELATED MATTERS

- i. Reviewed and recommended to the Board of Directors Duopharma Biotech’s strategic investment opportunity in The Live Green Group, Inc for technology access and

as a strategic technology partner to develop functional food products for the Company.

- ii. Reviewed and recommended to the Board of Directors Duopharma Biotech’s strategic investment activities in other investee companies, including AZTherapies, Inc., with respect to the change of its name to Alryxo Biotherapeutics, Inc. and SCM Lifescience, Inc., with respect to participation in its Rights Issue.
- iii. Reviewed and recommended to the Board of Directors the overall Good Manufacturing Practice (GMP) construction concept for the K5 biosimilars manufacturing facility for Duopharma Biotech to be able to achieve in-house local development and manufacturing of biosimilars.

E. INTEGRITY-RELATED MATTERS

- i. Reviewed Duopharma Biotech’s Annual Governing Review on the ISO 37001:2016 Anti-Bribery Management System (“ABMS”) in relation to ABMS’s performance, effectiveness of action taken to address corruption and bribery risks faced by the Group, as well as opportunities for continual improvement of the ABMS.
- ii. Reviewed the status of integrity and anti-corruption initiatives, ABMS ISO:37001:2016 Recertification Integrity Structure, and the Integrity Initiatives Dashboard.
- iii. Reviewed integrity matters and whistleblowing reports, including the Corruption Risk Management Report and the outcome of the 2022 SIRIM QAS Surveillance Audit Outcome.
- iv. Reviewed and recommended the Proposed Revision to the Anti-Bribery and Anti-Corruption (“ABAC”) Policy and related policies to reflect changes in the Company’s structure, and amendments to relevant laws and/or guidelines, in line with the Company’s intended best practices.
- v. Reviewed and recommended the Revision to the Whistleblowing Preliminary Evaluation & Internal Investigation Procedure to enhance the process, and for alignment with the transition of the Integrity function from Group Internal Audit to Group Risk Management.

Report of the Risk Management Committee



GROUP RISK MANAGEMENT & INTEGRITY (“GRMI”)

GRMI bears the responsibility for continuously reviewing, developing and coordinating Duopharma Biotech’s Risk Management Framework and also preventing, dealing with and combating bribery and corrupt activities to ensure the risk management and integrity processes are implemented across the entire organisation. A summary of the work carried out by the GRMI during the year under review is listed below:

SUMMARY OF WORK FOR FY2023

- Organised four (4) Risk and Control Self-Assessment (“RCSA”) workshops to instil understanding and importance of risk management.
- Organised four (4) basic training sessions on risk software and quarterly risk refresher training sessions to update the software.
- Held meetings of Risk Champions consisting of Heads of Department and Senior Managers to discuss key risks and other risk matters.
- Issued forty-eight (48) Weekly Market Monitoring Reports with the objective of alerting the Group on market trends and relevant global issues for better preparedness on the potential risks and opportunities with relevant mitigation strategies.
- Issued independent assessment and risk reports for projects, capital expenditure and investment proposals.
- Held Control Effectiveness Committee Meetings involving Management teams from Quality Assurance, Quality Control, Audit and Integrity, Safety Health & Environment and Sustainability departments to discuss audit findings and strengthen controls and mitigation actions.
- Conducted eleven (11) online activities as part of efforts to inculcate a risk management and integrity culture among staff.
- Organised risk certification programme attended by Risk Management personnel conducted by a well-established enterprise risk management institution.
- Attended various technical trainings and meetings with the Group’s risk software vendor to improve the software deliverables.
- Conducted nine (9) virtual awareness training sessions for business associates on anti-corruption.
- Attended Board of Directors and Senior Management trainings on various governance and business matters to gain relevant knowledge.
- Presented quarterly reports on the Group’s Key Risk Profile to the RMC highlighting key risks potentially impacting the Group, new potential key risks, and updates to the risk assessment.
- Presented Key Risk Profile reports on the regional business units – two (2) for Duopharma (Singapore) Pte. Ltd., three (3) for DB (Philippines) Inc. and one (1) for PT Duopharma Healthcare Indonesia – at their Board of Directors meetings, subsequently updating the RMC and Board.
- Involved in the Core Team that assessed the Group’s Beyond 2025 Corporate Strategy.
- Attended three (3) Sustainability Committee meetings to discuss Sustainability initiatives implemented and the strategy going forward.
- Assisted the Sustainability team in conducting two (2) briefing sessions for a group of employees on safety requirements and Consequence Management implementation.
- Established the Annual Budget Report for 2024 for risk management and integrity function in order to operate effectively.
- Prepared and finalised the Statement on Risk Management and Internal Control, Risks & Opportunities and other relevant disclosures for the Integrated Annual Report 2022.
- Obtained the ISO 37001:2016 Anti-Bribery Management System through the Recertification Audit conducted by SIRIM QAS and Technical Expertise.
- Managed the internal Compliance Review on all business functions across the Group and attended to all findings raised.
- Revised the Integrity Policies and Procedures to reflect the current applicable corruption laws and guidelines.
- Assessed and finalised thirty-seven (37) Corruption Risk Management profiles for all functions across the Group in determining the potential corruption risk event and its exposure, risk level and mitigating strategies.
- Conducted Management Review Meetings to brief the Management and stakeholders on the status of compliance with ISO 37001.
- Three (3) Whistleblowing cases were investigated and reported appropriately in line with the Whistleblowing Policy and Whistleblowing Investigation Procedure. One (1) grievance case was also received and was handed to HR.
- Conducted three (3) engagements with Integrity Champions to coordinate and discuss integrity activities and issues concerning different functional areas.
- Reviewed sponsorship requests by external parties in line with the Grant, Charitable Donations and External Sponsorship Policy.
- Maintained records for Declaration of Interest, Gift & Hospitality, Integrity Pact, Honorarium and Whistleblowing cases reported.
- Applied E-Sistem Tapisan Keutuhan (“ESTK”), a background assessment tool by MACC, on potential employees and directors before allowing them to join or be appointed to the company.
- Conducted background corruption assessments on potential and existing business partners using Handshakes system.
- Updated MACC’s Bahagian Pengurusan Integriti Agensi (“BPIA”) twice a year on Company information and initiatives to combat corruption.

Report of the Halal and Sustainability Committee

REPORT OF THE HALAL AND SUSTAINABILITY COMMITTEE



DATUK NIK MOUSTPHA BIN HAJI NIK HASSAN
(Chairman, Independent Non-Executive Director)

The Board of Directors of Duopharma Biotech Berhad (“Duopharma Biotech” or “the Company”) is pleased to present this report on the Halal and Sustainability Committee (“HSC” or “Committee”) and its activities during the financial year ended 31 December 2023.

COMMITTEE ROLES

The HSC is responsible, on behalf of the Board, to carry out duties in relation to:

- the Group’s Halal Pharmaceuticals Agenda (“HPA”); and
- the Group’s sustainability matters.



Details on the Terms of Reference of the HSC, which were updated and approved by the Board during the period under review, can be found on the Company’s website at <https://duopharmabiotech.com/esg/governance-and-policies/>

MEMBERSHIP AND ATTENDANCE

As at the end of the financial year 2023, the composition of the HSC stood at three (3) members. The Committee is chaired by Datuk Nik Moustpha Bin Haji Nik Hassan.

A total of five (5) meetings were held during the financial year, all of which were scheduled in September 2022 and communicated to the members early to allow them to plan their time commitments.

The HSC held five (5) meetings during the year under review, on the following dates:

26 January 2023

6 March 2023

9 May 2023

1 August 2023

1 November 2023

The attendance of each HSC member during the year is as follows:

Datuk Nik Moustpha Bin Haji Nik Hassan
Chairman, Independent Non-Executive Director

Meetings Attended 5/5

Datuk Mohd Radzif Bin Mohd Yunus
Member, Non-Independent Non-Executive Director

Meetings Attended 5/5

Encik Mohd Haris Bin Mohd Arshad*
Member, Non-Independent Non-Executive Director
(Appointed with effect from 20 March 2024)

Meetings Attended 0/0

Amizar Binti Mizuar*
Member, Non-Independent Non-Executive Director
(Resigned with effect from 20 March 2024)

Meetings Attended 5/5

Note:

* Encik Mohd Haris was appointed as a member of the HSC with effect from 20 March 2024, following the resignation of Puan Amizar as a member of the HSC with effect from 20 March 2024.

On 20 March 2024, Puan Amizar Binti Mizuar resigned as a member of the HSC and Encik Mohd Haris Bin Mohd Arshad was appointed as a new member of the HSC with Datuk Nik Moustpha Bin Haji Nik Hassan and Dato’ Mohd Radzif continuing to be the Chairman and member of the HSC, respectively.

COMMITTEE FOCUS IN FY2023

During the financial year under review, the HSC focused on halal compliance and conformity with the Malaysian Standard MS 2424:2019, Halal pharmaceuticals – General requirements (First revision) and the Malaysia Halal Certification by Jabatan

Report of the Halal and Sustainability Committee

HSC

Kemajuan Islam Malaysia (“JAKIM”) while stewarding the HPA. In line with the Group’s commitment to being a leader in the halal pharmaceuticals industry and in addressing the Muslim community’s concerns regarding halal certification of pharmaceutical products, the HSC oversees the Group’s efforts to secure halal certification for all of its active registered products manufactured at all Duopharma facilities. The HSC has also ensured that a robust and innovative Halal Assurance Management System continues to be implemented by adopting MyHalalGiG, a digital managerial platform and repository system.

In conjunction with the Group’s dedication to enhancing external stakeholders’ awareness of the Company’s Halal Commitment, the HSC provides oversight and advisory for the Group’s national, regional and international communication outreach programme for healthcare professionals, academics and the public. The approach of the implemented programmes and initiatives is aligned with the Company’s ESG emphasis on “Access to Medicines” for customers and patients that includes access to halal-assured medicines for all for added comfort and confidence of higher standards of safety, quality, efficacy and hygiene.

The HSC recognises that, for companies to be resilient, boards need to take a much more holistic view of the business coupled with proactive and effective measures to anticipate and address material ESG risks and opportunities. Accordingly, the HSC reviewed and oversaw the development and implementation of the Group’s 5-Year ESG Strategy and sustainability commitments every quarter, where ESG Strategy updates is a fixed agenda item and tabled for review and deliberation at each Board meeting. This is to ensure the successful execution of the strategies and plans. Recognising the importance of employee well-being for business sustainability, the HSC also focuses on monitoring mental health and safety programmes while continuing to monitor the Group’s FTSE4Good ESG ratings to improve the overall rating.

During the financial year under review, the HSC considered the Net Zero Transition Plan which outlines the strategic approach and key initiatives that will support Duopharma Biotech in meeting its climate-related pledges. HSC also reviewed the Group’s Business Continuity Management (“BCM”) based on requirements detailed in the ISO:22301 BCM system to manage and minimise disruptions to the Company’s prioritised activities in the event of any disruptive incident, maintaining an acceptable level of operations and services to safeguard the interests of key stakeholders. This is important to protect the Group’s reputation and maintain customers’ trust and confidence. HSC

monitored the BCM desktop exercise conducted to ensure business units across the Group understand the related process flow and appropriate response to incidents. The exercise also sought to identify areas for improvement in a specified Business Continuity Plan and Incident/Crisis Management Plan (“ICMP”).

Minutes of the HSC meetings were circulated to all members, and matters arising from the discussions and decisions made were escalated to relevant Management in charge for updates and action. Following each meeting, the Chairman of the HSC provided a summary report to the Board of Duopharma Biotech, highlighting significant points on the decisions and recommendations made.

CONTINUING TRAINING

As part of the Committee members’ continuing professional development, all members of the HSC attended various conferences, seminars and training programmes to enhance their knowledge and technical competencies in their respective fields of expertise in order to efficiently discharge their duties as Directors of the Company.



Details of the trainings and professional courses undertaken during the year are disclosed in the Corporate Governance Overview Statement on pages 116 to 120.

BOARD COMMITTEE EVALUATION

The performance of the HSC was assessed as part of the Board Effectiveness Evaluation during the year under review (“BEE 2023”). Based on HSC’s score in BEE 2023, the HSC performed relatively well.

Adopting a recommendation from BEE 2021, the HSC members were given the liberty at the conclusion of the financial year under review to plan forward-looking agenda items (also known as “annual missions”) for the entire calendar year 2024 ahead of schedule, facilitated by the Company Secretary. This provided a proactive way to solicit input from all HSC members in order to formulate HSC’s agenda.

SUMMARY OF WORK DONE DURING THE YEAR

A. STRATEGY AND CONFORMANCE TO HALAL STANDARDS MATTERS

- i. Monitored the structure of Duopharma Biotech’s halal operations committees to ensure all facilities and manufactured products adhere to Halal Certification requirements.

Report of the Halal and Sustainability Committee

REPORT OF THE HALAL AND SUSTAINABILITY COMMITTEE

- ii. Monitored the status of the Company's manufactured products that are halal-certified in accordance with the Malaysian Standard MS 2424:2019, Halal pharmaceuticals - General requirements (First revision) and the Malaysia Halal Certification by JAKIM.
- iii. Reviewed and deliberated on critical aspects of industry, business sustainability and halal strategies to be taken to ensure business sustainability while adhering to all laws and legal requirements, particularly related to halal standards.
- iv. Provided directives to assess the halal pharmaceutical market size and determine Duopharma Biotech's halal pharmaceutical market value. This establishes the Company's baseline for future growth.

B. ORGANISATIONAL CORE RESOURCES AND CAPABILITIES MATTERS

- i. Provided directives on the background and expected credibility of the Company's Shariah Advisors and Halal Executives.
- ii. Reviewed and deliberated on the proposed Halal Key Performance Indicators ("KPIs") for the Group for the year 2023 and recommended the alignment of the proposed Halal KPIs for 2023 with the Company's business strategies and desired outcomes.
- iii. Monitored and reviewed reports on Duopharma Biotech Halal Initiatives 2023 and Recommendations for 2023 Halal Planned Initiatives and Indicative Budget.

C. EXTERNAL STAKEHOLDER MATTERS

- i. Provided guidance on the principles and approach of awareness materials and communication on halal pharmaceuticals to demonstrate quality adherence beyond Good Manufacturing Practice.
- ii. Deliberated and assessed the halal promotional programmes completed in 2023, and made recommendations on improving the approach and activities to enhance Duopharma Biotech's domestic and international presence.

- iii. Recommended key influencers to adequately support the Company's halal pharmaceutical awareness campaigns and halal initiatives.
- iv. Deliberated and monitored research and development on industry-driven issues related to halal pharmaceuticals by science-based and Shariah academicians and research institutions.

D. SUSTAINABILITY / ESG-RELATED MATTERS

- i. Reviewed and recommended the Net Transition Plan which outlines the strategic approach and key initiatives that will support Duopharma Biotech in meeting its climate pledges to becoming carbon neutral by 2030 and a net zero carbon organisation by 2050.
- ii. Reviewed status updates on sustainability reporting and FTSE4Good including updates on establishing the Group's greenhouse gas ("GHG") baseline, Carbon Check, Sustainable Development Goals Index verification for the Sustainability Report 2023, and the 5-Year ESG Strategy.
- iii. Monitored the Group's compliance with requirements relating to Safety, Health and Environment.
- iv. Reviewed reports on Safety, Health and Environment incidents and deliberated on the adequacy and effectiveness of preventive and corrective actions taken.
- v. Reviewed and monitored compliance with requirements detailed in the ISO:22301 Business Continuity Management (BCM) system to ensure understanding of individual roles and responsibilities, and the escalation flow and response to incidents, as well as to validate the crisis communication response to incidents, and identify areas for improvement in the specified Business Continuity Plan for all business units in the Group.
- vi. Reviewed and monitored status updates in relation to COVID-19 including guidelines from the Ministry of Health, Ministry of International Trade and Industry, and other related agencies, as well as the development of Standard Operating Procedures for employees to prevent the spread of COVID-19; and the incidence of COVID-19 within the Group.

Report of the Halal and Sustainability Committee

HSC

- vii. Reviewed and monitored reports on the FTSE4Good Index Series and plans to improve the overall FTSE4Good score.
- viii. Monitored the Company's sustainability commitment as per MCCG 2021 requirements to manage ESG risks and opportunities, and foster sustainable returns through organisational health as well as disclosures in the Sustainability Statement as per the MMLR.

E. ANNUAL REPORT MATTERS

Reviewed the Report of the HSC prior to the Board's approval for inclusion in the 2023 Integrated Annual Report.

GLOBAL AND LOCAL AWARD



Duopharma Biotech was awarded **Gold** at The Edge Malaysia ESG Awards 2023, securing top honours in the Healthcare sector within the Equities category for its dedication to sustainable business practices and responsible corporate governance and commitment to Environmental, Social and Governance (ESG) principles.

Duopharma Biotech was awarded the **UN Global Compact Network Malaysia & Brunei ("UNGCMYB")** in the categories of Partnership for the Goals Recognition and the **Pioneer Sustainable Development Action Recognition** for its partnership with US-based food

tech company, The Live Green Company SpA which aims at spearheading the development and production of plant-only wellness foods and plant-based pharmaceuticals in Malaysia; as well as for its trailblazing efforts to become the first pharmaceutical company to attain halal certification for an oncology product.

These recognitions underscore the Company's dedication to fostering impactful collaborations and driving sustainability efforts in the pharmaceutical industry. As Duopharma Biotech excels in both partnership initiatives and sustainable development actions, it remains steadfast in its mission to inspire positive change and set new benchmarks for excellence in the pursuit of a sustainable future.

Duopharma Biotech won the **Halal Prominent Brand Excellence Award** at the World Halal Excellence Awards 2022 for the product brand "Flavettes".

Duopharma Biotech was recognised among the **Top 30 Organisation of Islamic Cooperation (OIC) Halal Product Companies for 2023** based on an article released by Salaam Gateway and DinarStandard on 30 November 2023 where the Company was judged on its intra-OIC exports and halal market initiatives.

Report of the Medical and Research Committee

REPORT OF THE MEDICAL AND RESEARCH COMMITTEE



DATO' DR. ZAKI MORAD BIN MOHAMAD ZAHER
(Chairman, Independent Non-Executive Director)

The Board of Directors of Duopharma Biotech Berhad (“Duopharma Biotech”) is pleased to present this report on the Medical and Research Committee (“MRC” or the “Committee”) and its activities during the financial year ended 31 December 2023.

COMMITTEE ROLES

The MRC is responsible for providing the Board with medical and clinical advice, including professional guidance related to the Group’s pipeline of products.



Details on the Terms of Reference of the MRC, which were updated and approved by the Board during the period under review, can be found on the Company’s website at <https://duopharmabiotech.com/esg/governance-and-policies/>

MEMBERSHIP AND ATTENDANCE

The Committee comprised six (6) members, including Board members and non-Board key opinion leaders in their respective fields. The MRC is chaired by Dato’ Dr. Zaki Morad Bin Mohamad Zaher.

During the year, two (2) meetings were held, both of which were scheduled in September 2022 and communicated to the members early to allow them to plan their time commitments accordingly.

The MRC held two (2) meetings during the year under review, on the following dates:

18 March
2023

14 October
2023

The attendance of each member of the MRC during the year is as follows:-

Dato’ Dr. Zaki Morad Bin Mohamad Zaher
Chairman, Independent Non-Executive Director

Meetings Attended 2/2

Dato’ Eisah Binti A. Rahman
Member, Independent Non-Executive Director

Meetings Attended 2/2

Dato’ Dr. Mohamed Ibrahim Bin A. Wahid
Member

Meetings Attended 2/2

Dr. Radhakrishna Sothiratnam
Member

Meetings Attended 2/2

Dr. Ng Wai Kiat
Member

Meetings Attended 2/2

Datuk Dr Zanariah Binti Hussein
Member

Meetings Attended 2/2

Report of the Medical and Research Committee



COMMITTEE FOCUS IN FY2023

In 2023, the MRC deliberated on providing strategic guidance, expert insights and opinions on several key projects and initiatives that the Company wishes to embark on. Members of the Committee ensured the Company operates with integrity by providing guidance on sensitive issues such as product safety, pricing and regulatory compliance.

The MRC noted the revision to its Terms of Reference, in line with Paragraph 10 of said Terms of Reference which requires the Terms of Reference to be reviewed periodically.

Minutes of the MRC meetings were circulated to all members, and matters arising from the discussions and decisions made were escalated to the relevant Management in charge for updates and action. Following each meeting, the Chairman of the MRC provided a summary report to the Board of Duopharma Biotech, highlighting significant points on the decisions and recommendations made.

CONTINUOUS TRAINING

As part of the continuing professional development of the Committee members, the Board members of the MRC attended various conferences, seminars and training programmes to enhance their knowledge and technical competencies in their respective fields of expertise in order to efficiently discharge their duties as Board members of the MRC and the Company.



Details of the training and professional courses undertaken during the year are disclosed in the Corporate Governance Overview Statement on pages 116 to 120.

BOARD COMMITTEE EVALUATION

The performance of the Board members of the MRC was assessed as part of an internal Board Effectiveness Evaluation during the year under review ("BEE 2023"). The outcome and recommendations of the BEE were reviewed by the Nomination and Remuneration Committee and tabled to the Board. BEE 2023 highlighted mutual trust and respect between the Board and Senior Management as well as recognition of the Board's strong leadership. Overall, the MRC performed relatively well in BEE 2023.

Adopting a recommendation from the comprehensive BEE 2021, at the end of the year under review, the Board members of the MRC, facilitated by the Company Secretary, adopted the suggestion of planning agenda items for the whole calendar year 2024 ahead of schedule as a proactive way to solicit input from the Board members of the MRC in order to formulate the MRC's agenda.

SUMMARY OF WORK DONE DURING THE YEAR

(A) MEDICAL AND RESEARCH RELATED MATTERS

- i. Reviewed and deliberated on the information provided by the Management about the Group's strategies and current projects, including the invitation of a key opinion leader to share experience and insights on the proposed project pipeline. Recommendations and feedback were provided on matters related to the project pipeline and Group strategies.
- ii. Reviewed and deliberated on information provided by the Management on research and development activities of the Group. Recommendations were made to improve the product pipeline taking into consideration disease and treatment trends.
- iii. Deliberated and provided advice on issues and queries from Duopharma Biotech's Research and Development, Ethical Specialty Business and Ethical Classic Business Units in relation to various therapeutic areas, including diabetes, oncology, renal, vaccines, cardiovascular and respiratory medicines. Recommendations and feedback were provided on matters related to business strategies and market competitiveness.

(B) GOVERNANCE RELATED MATTERS

- i. Notation of the amendments to the Terms of Reference of the MRC.

(C) ANNUAL REPORT MATTERS

- i. Reviewed the MRC Report prior to submission to the Board for its approval for inclusion in the Integrated Annual Report 2022.

Statement on Risk Management and Internal Control

This Statement is made pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is in line with the Malaysian Code on Corporate Governance 2021.

BOARD AND MANAGEMENT’S RESPONSIBILITY

The Board is responsible for the establishment of a sound risk management framework and internal control system for Duopharma Biotech and its subsidiaries (collectively “the Group”) as well as for reviewing the adequacy and effectiveness of the system. The framework and internal control system encompass the Group’s financial, risk management, operational, strategy, sustainability and compliance functions. In setting the tone for effective risk management and internal control, the Board seeks to create a culture for the Group and its people to take responsibility for performing their duties in line with best practices as they uphold the Company’s core values of Passion, Excellence, Teamwork, Integrity, Responsible and Respect (“PETIRR”). Such a culture entails continuously improving the Group’s practices to enhance its accountability, transparency and sustainability.

In executing its role, the Board recognises that a strong risk management and internal control governance structure and system is designed to manage rather than eliminate the risk of failure to achieve the Group’s objectives. The Board recognises that the risk management and internal control systems can only provide reasonable, and not absolute, assurance against material misstatement, errors, fraud, loss or the occurrence of unforeseen circumstances.

To carry out its risk management and control oversight responsibilities effectively, the Board is assisted by the Risk Management Committee (“RMC”) and the Audit Committee (“AC”) which together oversee matters relating to risk oversight, compliance and internal controls as set out in the respective Terms of Reference (“TOR”). All risk and internal control related matters that require the attention of the Board were recommended by the RMC and AC for the Board’s deliberation and approval. The Board remains responsible for all the actions of the Board committees with regard to the execution of the delegated role.

The risk management and control processes established by the Board are implemented by the Management, led by the Group Managing Director (“GMD”). The GMD is responsible for the overall management of risks whereas the Management is collectively responsible for good business practices and governance across the business operations. Management’s role in this respect include:

- (i) Designing, implementing and monitoring the risk management framework in accordance with the Company’s strategic vision and overall risk appetite and resourcing the same adequately;
- (ii) Communicating the requirements of the risk management framework and ensuring continuous enhancement of Enterprise Risk Management (“ERM”) annually or as and when required;
- (iii) Identifying risks relevant to the Group’s business and the achievement of objectives and strategies;
- (iv) Identifying changes to existing and emerging risks, with mitigation actions to address the risks and reporting to the Board on the changes in a timely manner; and
- (v) Reviewing the Risk Management Manual & Guidelines (“RMMG”) periodically and considering the adoption of best practices based on the Group’s corporate governance.

RISK MANAGEMENT FUNCTION

The RMC assists the Board in ensuring that there is a sound system of risk management and effective oversight of investment, integrity and whistleblowing practices within the Group and its subsidiaries. Deliberations and key decisions at all RMC meetings are minuted and tabled to the Board quarterly. The TOR of the RMC is incorporated in the Board Charter, which is accessible on the Company’s website at <https://duopharmabiotech.com/esg/governance-and-policies/>.

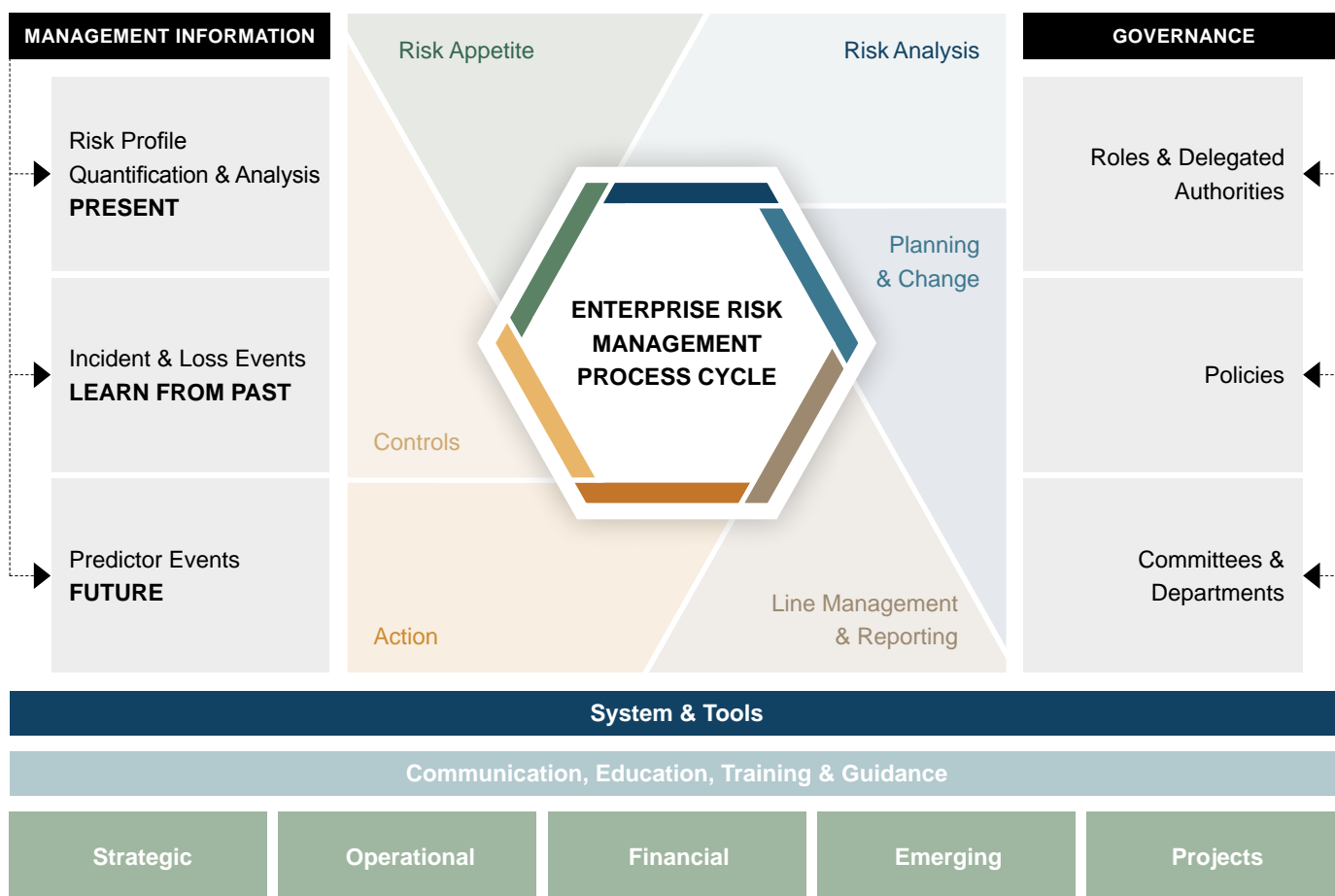
The RMC is supported by an in-house risk management function, however, effective 1 April 2023, the integrity function which was previously managed by Group Internal Audit had been transferred to the Group Risk Management and Integrity Department (“GRMI”), which now provides risk and integrity advisory and supports the Board and the Executive Risk Management Committee (“ERMC”) in all business matters.

Statement on Risk Management and Internal Control

Risk Management

(i) Enterprise Risk Management (“ERM”) Framework

The Group’s Risk Management Manual and Guidelines, which comprises the ERM Framework, provides a standardised and systematic approach for the identification, evaluation, monitoring and reporting of key risks and controls, and ensuring there are adequate measures to implement, track and review the action plans. It also comprises of digitalisation initiatives by identifying risk software namely Highbond, used in process. The Group’s ERM Framework is aligned with the internationally-recognised ISO31000:2009 Risk Management Principles and Guidelines to define our ERM policy and objectives and to develop our risk reporting structure. The framework includes risk profiling of historical and current risks, expectations of probable or associated risks and opportunities in the future besides enhancing the capacity to build value for stakeholders and also the mitigating strategy in managing the risks to the acceptable level. The framework ties into the Group’s governance policies and guidelines via deliberations at various committees; and operates within the context of Strategic, Operational, Financial, Emerging and Project risk categories.



The RMC receives reports from the ERM, which is chaired by the GMD and comprises the Group Management Committee (“GMC”). The ERM is assisted by Risk Champions consisting of Heads of Department and Senior Managers at all sites whose role is to identify, mitigate and manage risks within their respective departments. The Risk Champions have appointed Risk Coordinators within their departments to enhance the risk management process with the risk owners. This reflects the Group’s overall risk governance structure which facilitates an appropriate level of independence and segregation of duties by distributing the accountability and ownership of risk management across three lines of defence.

Statement on Risk Management and Internal Control

The first line of defence comprises Management, who controls the day-to-day risks inherent in business activities via effective internal controls, policies and procedures. Various established risk control and compliance functions serve as the second line of defence; while internal and external auditors who provide independent assurance on the overall integrity, adequacy and effectiveness of the risk management and internal control system noted during the risk evaluation process make up the third line of defence.

(ii) Three Lines of Defence



The GRMI facilitates, coordinates, monitors and assesses the effectiveness of the ERM framework in line with established policies, procedures, principles and standards. The ERM structure is summarised below:



The focus is on the management of risks from any event or uncertainty that may have a significant impact on the Group's objectives. The risk management process includes risk identification, analysis, evaluation and treatment, with continuous monitoring, review, communication and consultation. Risk events are analysed in terms of their likelihood and impact of their occurrence, using an approved Risk Matrix to ensure consistency in risk practices throughout the Group.

KEY DEVELOPMENTS IN FINANCIAL YEAR 2023

Group Key Risk Profile

The Duopharma Biotech Group reviews and re-assesses its risks to determine and respond to the dynamic business environment. Key risk areas which are impacting its business such as Strategic Risk, Operational Risk, Financial Risk, Emerging Risk and Project Risk continue to be reviewed, profiled, monitored, and reported. During the year, the risk profile at the Group level continues to highlight key risk within respective key risk areas which are residually significant and impacting the Group under the present environment. Meanwhile, the remaining risks which had been reasonably managed and no longer a major threat to the Group such as COVID-19 related risks are only maintained and monitored within the risk register.

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During the year, the status of the Group's cybersecurity evaluation, mitigation controls and preventive measures pursuant to Guideline 10.3 and Practice 13.3 of the MCCG was updated to the RMC and Board.

Regional Subsidiaries Risk Profile

As part of the efforts to ensure adequate risk assessment are being implemented across all business segments, GRMI together with the business unit's risk coordinator and risk champion have conducted a review on the Company's regional subsidiaries, namely Duopharma (Singapore) Pte. Ltd., DB (Philippines), Inc. and the newly established subsidiary, PT Duopharma Healthcare Indonesia, with the objective to re-assess the existing risks as well as identify potential emerging risk. The risk profiles are being reported on quarterly basis to the respective Group Board, RMC and the Board of the subsidiary.

Highbond - Risk Management System

GRMI continues to optimise the usage of Highbond, in managing the risk profiles and registers data across the Group. Highbond is an enterprise governance software platform, that creates stronger security, risk management, compliance and assurance. This risk management system will allow the Group to utilise a single risk repository system to capture more accurate risk data, enhance the risk dashboard and facilitate access to live risk information. Available features within the systems are explored and implemented during the year to add value in managing the risk data.

Risk Awareness Sessions

During the year under review, several risk awareness sessions were conducted for onboarding employees, existing staff with vested interest, including for the project team during engagement to develop a project risk profile. These sessions aimed to ensure that the risk processes are reasonably understood enabling participants to identify and assess the potential risks effectively. Besides familiarising participants with the Risk Management Manual & Guideline, they were also briefed on the Highbond system where the risk data is registered. Risk team is committed to continuously enhancing its approach focusing on key areas outlined in the Risk Framework. We will engage with respective risk owners to address any gaps in their understanding on the subject. Nonetheless, Risk team will continue to add more risk management resources and information to the Intranet and MyDuopharma Learning platform, including highlighting the development made to the Risk portfolios.

INTERNAL CONTROL SYSTEM

Key Elements of the Group's System of Internal Controls

(i) Oversight by the Audit Committee

The AC is tasked with ensuring the Board's effective management of financial reporting, external and internal audits, and investigation matters, excluding whistleblowing matters. The Minutes of the AC meetings are tabled to the Board quarterly.

The Board is responsible for reviewing the effectiveness of internal control, whilst Management is accountable to the Board for establishing an internal control framework that provides the Board with reasonable assurance that the control objectives will be achieved. The AC reviews and approves the annual internal audit plan, with the frequency of audits reflecting the level of the assessed risks. The Group Internal Audit assesses the internal control system's effectiveness in managing key risks, reporting to the AC quarterly. It recommends improvements and conducts follow-up audits, focusing on priority areas approved by the AC.

The AC reviews the Internal Auditor's scope of work, as laid out in the Annual Internal Audit Plan, as well as its authority and access as per the Internal Audit Charter – ensuring that the Internal Auditor has sufficient resources to function effectively.

The TOR of the AC in relation to oversight by the audit committee is incorporated in the Board Charter, which is accessible on the Company's website <https://duopharmabiotech.com/esg/governance-and-policies>.

(ii) Oversight by Board Committees

The delegation of responsibilities to the various Board committees is clearly defined in the TOR of the Board Committees, which were revised during the year under review. The revision to the TORs was made to improve decision-making efficiency by allowing the Board to focus on reserved material matters. The revision will facilitate the Board and the Board Committees in discharging their duties more efficiently. Further to the revision of the TORs, the Board Charter was also reviewed to ensure it is in line with the revisions made to the said TORs.

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At present, the committees that have been established are the AC, RMC, Nomination and Remuneration Committee (“NRC”), Halal and Sustainability Committee (“HSC”) and Medical and Research Committee (“MRC”).

(iii) Review of Compliance with the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) and the Recurrent Related Party Transactions (“RRPT”) for the financial year ended 31 December 2023

The Company’s Group Internal Auditor conducts an annual review of the Company’s compliance with the MCCG 2021 and RRPT requirements. The review for the financial year ended 31 December 2023 was conducted in December 2023 and the outcome was reported to the AC.

(iv) Audit Committee’s Oversight on Finance Function

Bursa Malaysia Berhad released an updated Corporate Governance Guide (4th Edition) (“CG Guide”) in December 2021 to complement the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia in April 2021. As recommended by the Guide, the Audit Committee (“AC”) conducts an annual review of the Group Finance Department. The most recent review, conducted in August 2023, included checks on the background of Finance personnel and the infrastructure supporting financial reporting processes. The AC concluded that the finance function is managed by qualified personnel with appropriate skills and resources to support the Group’s financial reporting.

(v) Assignment of Authority and Responsibility

The Board has approved Limits of Authority (“LOA”), delineating responsibilities and authorisation levels across the Board, its committees, and Management. The latest LOA, sanctioned in November 2022, aims to tackle operational challenges and respond to evolving risks within Duopharma Biotech Group.

In February 2022, the Board also approved changes to Duopharma Biotech’s mergers and acquisitions framework, namely the addition of an investment framework that includes Environment, Social and Governance (“ESG”) as another parameter when evaluating mergers and acquisitions, and investment proposals.

(vi) Insurance and physical safeguards

Appropriate safeguards and adequate annual Takaful/ Insurance assessment are in place covering the Group’s significant assets and operating facilities to minimise losses from any mishap including natural or environmental hazards, and unauthorised intrusion.

(vii) Planning, Monitoring & Reporting

The Group undertakes a strategic budget planning process annually to establish plans and targets against which performance is monitored. This process is linked to the Corporate Strategy on which the Board is updated quarterly. This business plan and budgets are subjected to evaluation and assessment by the Management and the Board. The RMC deliberates on the risks and mitigation plans for the strategy and business plan before these are recommended to the Board for approval. Monthly reviews are carried out by the Management to ensure the businesses are operating according to the plans, as well as to monitor adherence to internal control procedures established. Management reports are presented to the Board every quarter providing financial information including key performance and risk indicators. The financial information is reviewed by the Management before it is presented to the Board for consideration and approval. Key issues in 2023 included the strengthening of the US Dollar versus the Ringgit Malaysia and other global currencies, driven by regular interest rate hikes by the US Federal Reserve to combat inflation, the Russia-Ukraine and Palestine -Israel conflicts, the slowing down of China’s economy, Bank Negara’s OPR increase to 3% (highest since 2019), and the changes in demand pattern for immunity-boosting products such as Vitamin C as we exited the COVID-19 pandemic. Multiple strategy reviews were done throughout the year to monitor the impact of these issues on the Group’s financial performance, strategic direction and ongoing projects. Moving forward, Management will continue to monitor the situation.

Moreover, 2023 also saw the development of a new 10 Years Corporate Strategy covering the period from 2024 to 2033. An extensive exercise that derived inputs from various levels within the organisation, and supplemented by engagements with external Key Opinion Leaders, the strategy aims to put Duopharma within the Top 5 among ASEAN’s pharmaceutical players by 2033. The Strategy was approved by the Board on 30th November 2023.

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(viii) Policies & Procedures

Internal policies and procedures are in place to ensure compliance with internal controls. These policies and procedures are formalized and integral to the electronic Quality Management Systems (“eQMS”). Periodic review ensures these policies remain relevant and compliant with laws and regulations.

Annual assurance is provided by the GMD to the Board on the adequacy and effectiveness of controls in the business processes. The Management team likewise provides annual assurance to the GMD on the said matters.

General policies and procedures are made available on the Company’s intranet and corporate website for easy access.

(ix) Information Technology (“IT”) and Cybersecurity

While embracing Industry 4.0 solutions/technologies including Internet of Things (“IoT”) to improve its operational efficiency and increase productivity, the Group is also strengthening its network security against cyber threats.

The Group invested in the following initiatives in 2023:

Efficiency and Productivity Improvement Projects:

- (1) **SAP Automation of Routine Tasks:** Implemented process automation for routine operation tasks, reducing manual workload and improving overall operational efficiency.
- (2) **Collaboration Tools Enhancement:** Upgraded collaboration tools and platforms to facilitate seamless communication and project collaboration among teams, both internally and externally.
- (3) **User Training Programs:** Conducted comprehensive cybersecurity awareness and training programs for employees to enhance their understanding of potential threats and promote secure online behaviors.
- (4) **Virtual Dashboard Reporting:** Implemented data virtual dashboard tools “Tableau” for Data-driven decision-making (“DDDM”). DDDM is defined as using facts, metrics, and business data to guide strategic business decisions that align with DBB Group goals, objectives, and initiatives.

Infrastructure Upgrades:

- (1) **Upgraded Hardware and Software:** Invested in the latest hardware and software upgrades to ensure that our IT infrastructure remains at the forefront of technology, providing optimal performance and security.
- (2) **Data Backup and Recovery Improvements:** Strengthened data backup and recovery processes to minimize downtime in the event of data loss or system failures, ensuring business continuity.

Pursuant to Guidance 10.2 of MCCG 2021, IT Department performs upgrades and enhancements in our cybersecurity defence system and tools against security threats.

Cybersecurity enhancements and upgrades include:

- (1) **Endpoint Security Measures:** Strengthened endpoint security with the deployment of advanced antivirus and anti-malware solutions, ensuring comprehensive protection across all devices connected to our network.
- (2) **Network Segmentation:** Enhanced our network architecture through segmentation to isolate critical assets and limit lateral movement in the event of a breach, minimizing potential damage.
- (3) **Regular Security Audits:** Conducted regular and thorough security audits to identify vulnerabilities and address them proactively, ensuring a robust defence against evolving cyber threats. At end of year 2023, an independent third-party has conducted an assessment on our cybersecurity system where we have been given the rating “A” in their cybersecurity scorecard which evidence the robustness of our system.

By implementing these initiatives, we aim to fortify our cybersecurity defences, enhance operational efficiency, and continually strive for excellence in delivering secure and reliable IT services. We remain committed to transparency and welcome any inquiries from our stakeholders regarding our IT initiatives and ongoing efforts to safeguard our network and enhance overall system productivity.

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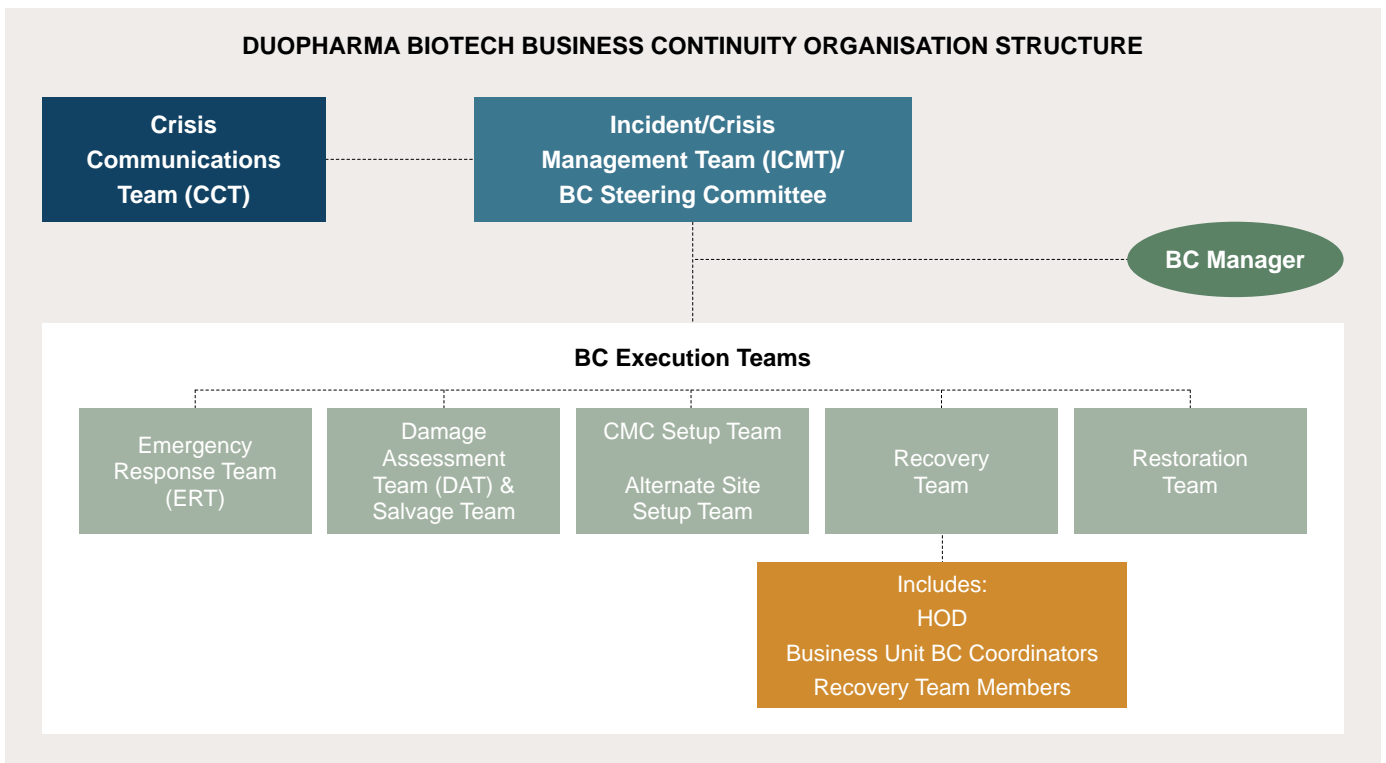
(x) Sustainability Management

Duopharma Biotech’s leadership focuses on sustainability as part of our ESG strategy to become a Responsible Pharmaceutical Company. Our aim is to shift the mindset about sustainability from mere compliance to an opportunity for business innovation and long-term value. We are committed to transitioning into a low-carbon economy and minimizing our negative footprint while enhancing positive outcomes. Duopharma Biotech’s 5-Year ESG Strategy focuses on ‘Climate Performance’ and Net Zero Transition Plan. We have implemented strategic initiatives and established a governance structure to monitor sustainability performance and report progress to the Board of Directors and dedicated committees. At the operational level, the Group Sustainability Department is responsible for implementing sustainability initiatives. The department plays a key role in implementing the ESG Strategy, collaborating with all sites to monitor progress and performance. Reporting occurs weekly to the Chief Manufacturing and Sustainability Officer, monthly to the GMC, and quarterly to the HSC and Board. ESG performance targets are integrated into KPIs for senior management and at the Group level. Duopharma Biotech has been included in the FTSE4Good Bursa Malaysia Index for four consecutive years, continuously improving our overall rating score. Duopharma Biotech acknowledges the risks of being delisted from the index and has included this information in the Group’s risk register.

Further information can be found in our standalone Sustainability Report 2023.

(a) Business Continuity Management (“BCM”)

BCM is a strategic approach to ensure essential organizational functions are maintained during and after disruptions, such as natural disasters or cyberattacks. In Duopharma Biotech, identified business units have documented procedures for our continuity requirements, including Business Impact Analysis (“BIA”) and Business Continuity Plan (“BCP”). Duopharma Biotech conducted a hybrid business continuity exercise in September 2023 to test and verify response and recovery plans. Key learnings from this exercise will inform improvements to Duopharma Biotech’s BCM framework.



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(xi) Human Resource Management

Key Performance Indicators (“KPIs”) are used to measure employees’ achievement in relation to Duopharma Biotech’s business and operational objectives. The Performance Management System utilises a top-down approach of cascading the Group’s performance target into individual KPIs to ensure consistency and alignment in assessing employee performance at all levels. Using the Competencies Framework and Learning & Development Framework, the skills set of the Group’s talent pool and staff are kept updated with various learning programmes, enhancing their capabilities to carry out duties and responsibilities towards achieving the Group’s objectives. The Group also regularly reviews & revises our salary band & benefits scheme in order to stay competitive for talent attraction and retention purposes.

To ensure unsatisfactory performance and workplace conflicts are properly dealt with, the Group has in place guidelines for handling Performance Improvement Plans (“PIP”) and disciplinary issues. The latter include any breach of integrity or other forms of conduct that do not comply with the terms and conditions of service, whether expressed or implied.

Employee engagement is emphasised across the Group, where various programmes, activities and competitions are held with active participation from employees. At these events, the Group’s Core Values are reinforced and strengthened. Our Employee Engagement Index survey conducted from 24 October to 6 November 2023 attracted a strong participation from 98.9% of the respondents and showed a result of 88% engaged workforce.

(xii) Group Internal Audit (“GIA”)

The GIA reviews and assesses the adequacy, operating effectiveness of the system of internal control in managing key risks, and reports to the AC on a quarterly basis. The annual audit plan is reviewed and approved by the AC, with the frequency of audits reflecting the level of the assessed risks. The audit reports provide an independent and objective assessment of operational and management activities in the related functions. Where weaknesses and/or opportunities for improvement have been identified, improvement measures are recommended to strengthen controls, and follow-up audits are conducted by the GIA to monitor Management’s response. Timely resolution of Internal Audit findings has been included as a performance measurement criterion for Heads of Department to ensure accountability. In carrying out its work, GIA focuses on areas of priority as directed and approved by the AC.

(xiii) Integrity

Duopharma Biotech believes that integrating a high-integrity and anti-corruption culture into the corporate responsibility agenda sends a strong message that all organisations seeking to associate with Duopharma Biotech are responsible for addressing and managing their integrity and exposure to corruption.

The Group has zero tolerance for any type of bribery, corruption or fraud, and expects its employees to maintain a high standard of professionalism and ethics in all business activities. Key strategies adopted to maintain a culture of integrity include awareness creation and enhancement, bribery and corruption prevention, punitive actions for misconduct and rewards for exemplary performance.

Integrity Function

Integrity function operates independently in Duopharma Biotech. Integrity function plays a pivotal role in ensuring the robustness and integrity of the internal control system, specifically in managing the critical domain of Corruption Risk within the Corruption Risk Management framework. The dedicated team of Integrity function meticulously reviews and assesses the adequacy and operating effectiveness of the internal control mechanisms in maintaining the highest standards of integrity of the Group.

In the execution of its responsibilities, GRMI maintains a sharp focus on areas prioritized and approved by the RMC. This strategic alignment ensures that efforts are channeled towards the most critical aspects, contributing to a comprehensive and effective risk management framework within Duopharma.

Among the key Integrity activities carried out during the year are as follows:

(a) ISO37001:2016 Anti-Bribery Management System

The Integrity function is responsible for, amongst others, ensuring compliance with the ISO 37001:2016 Anti-Bribery Management System (“ABMS”), conducting programmes to inculcate and enhance integrity in the Group’s culture and its stakeholders, managing the Group’s Whistleblowing channels (“SpeakUpPharma”), enhancing business practices to further improve governance, and verifying information/complaints received via the whistleblowing channels. The Integrity function also provides independent advice to staff and promotes ethical awareness through outreach and training.

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On a quarterly basis, GRMI diligently reports the integrity functional status and insights to the RMC, keeping them apprised of the current situation in relation to corruption risk. A crucial component of their responsibilities for the year involves the scrutiny and approval of the ISO 37001:2016 ABMS Recertification audit conducted by a certification body, SIRIM QAS International Sdn. Bhd. ("SIRIM"). Prior to the scheduled external audits, internal compliance audits are routinely performed by the Anti-Bribery Management System Committee, designed to reflect the preparedness of all business units in complying to the applicable anti-corruption laws and Group policies and procedures.

The Group, including its overseas subsidiaries in the Philippines and Singapore, obtained the ISO 37001:2016 ABMS certification without a single Non-Conformance Report issued by SIRIM in September 2023. However, six Opportunities for Improvement findings were noted. This is a testament to the continuous effectiveness of initiatives embedding ethics and integrity in the Group's culture and the commitment to adequately address bribery/corruption risks while establishing a track record of accountability in order to create a better workplace and business environment.

(b) Duopharma Biotech Organisational Integrity and Anti-Corruption Plan ("OIACP") 2021 – 2023

The Board approved the Duopharma Biotech OIACP 2021 – 2023 to reinforce its commitment to ethical operations. The Plan serves to foster and maintain the confidence of the Board, Management, employees and stakeholders in the Company's Integrity and Anti-Corruption System. This is achieved through the provision of a framework to build a culture of integrity in Duopharma Biotech via strategies and programmes guided by the Malaysian National Anti-Corruption Plan, Guidelines on Adequate Procedures, and ABMS. The details can be referred to in the Sustainability Report.

In 2023, Duopharma Biotech embarked on 31 initiatives, including web-based training on Duopharma Biotech Anti-Bribery and Anti-Corruption; implementation of Human Governance Profiling ("HGP") on a pilot trial for proof-of-concept ("POC"); and formulation of an integrity and anti-corruption module for external business associates, among others. Integrity office shall conclude the OIACP for 2021-2023 soon, marking the completion of its 3 years cycle plan. As at December 2023, the progress of the OIACP stands at 93% completion, pending additional effort to nurture business associates on various anti-corruption subjects via series of training programs module. Additionally, OIACP 2024 has been prepared and will be presented for RMC's endorsement and Board's approval in 1st quarter of 2024.

(c) Corruption Risk Management ("CRM")

Duopharma Biotech's Corruption Risk Management echoes the tone at the top and sets appropriate standards in managing risks arising from fraud, bribery and corruption.

During the year, separate corruption risk assessments were conducted at our subsidiaries in the Philippines, Singapore and Indonesia, reflecting key provisions of Singapore's Prevention of Corruption Act 1960 and the Philippines Republic Act, Act and the Corruption Eradication Indonesia Law respectively. The CRM conforms to the requirement of MS2764 CRM.

A corruption/bribery risk assessment of Duopharma Biotech Group has been undertaken and used to improve the ABMS. The Corruption Risk Report is tabled annually at the Risk Management Committee Meeting and quarterly if there are any changes or updates to the report. The meetings are attended by the relevant corruption/bribery risk owners.

The assessment, which is under the purview of the Integrity Office, is included in the Group's annual risk assessment pursuant to Paragraph 15.29(1) of the Main Market Listing Requirements.

(d) Code of Conduct

Duopharma Biotech's Code of Conduct is enshrined in six fundamental ethical values: Passion, Excellence, Teamwork, Integrity, Responsible and Respect, or PETIRR. The Company and all employees are expected to adhere to these values, both in letter and in spirit.

The Code of Conduct includes policies on Conflict of Interest, Anti-Bribery and Anti-Corruption, Gift, Hospitality and Entertainment, Competition Law, Securities and Insider Trading, Risk Management, Information Communication Technology, Intellectual Property and Innovation, Quality and Halal policies.

A Bahasa Malaysia version of the Code of Conduct was made available to ensure universal understanding by all employees.

(e) Establishment of Key Policies in Relation to Ethics, Integrity and Anti-Corruption

To achieve the highest standards of ethical conduct and comply with all applicable laws and regulations, steps were taken to strengthen the state of governance and integrity in Duopharma Biotech. During the year, several Integrity Policies and Procedure have been revised to reflect the

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current practices. Subsequently, the Board of Duopharma Biotech has approved those Integrity policies and procedure in accordance with ABMS requirements.

The policies and procedure have been uploaded onto the intranet and Duopharma Biotech website for ease of reference in both, Bahasa Malaysia and English versions. Briefing sessions and refreshers have been conducted for employees at all sites, in addition to the use of reminder cards, buntings, posters, computer screen savers and communication through the Integrity Champions. The Business Ethics Policy and the ABMS Policy are displayed at all sites.

(f) Whistleblowing Policy and Procedure

The Group's Whistle-Blowing Policy, available in English and Bahasa Malaysia, was first approved by the Board in 2018. Since then, refresher briefings have been conducted for all staff including in 2023.

Pursuant to the issuance of the ISO 37002:2021 Whistleblowing Management System – Guidelines by the International Organization for Standardization ("ISO") in July 2021, the Head of GRMI has reviewed Duopharma Biotech's Whistleblowing Policy. A revised Whistleblowing Policy conforming with the new guidelines was approved by the Board on 8 November 2023.

Whistleblowing provides an avenue for employees and stakeholders to report any concerns regarding unlawful conduct, financial fraud, malpractice or an unethical act. There are currently five Speak-Up-Pharma channels to address their concerns, namely via written mail, email, telephone, short messaging services, and a secured website.

The Policy also provides assurance that the whistleblower will be protected from possible reprisal or victimisation if they have a reasonable belief that they have made their disclosure in good faith. Reports made via Speak-Up-Pharma and all associated investigatory records will remain confidential.

The Whistleblowing Investigation Procedure was revised and endorsed by the RMC on 7 November 2023 and subsequently approved by the Board on 8 November 2023. These ensure the investigation activities are conducted thoroughly, objectively and effectively, in accordance with the Malaysian Anti-Corruption Commission Act 2009, Whistleblower Protection Act 2010, Penal Code and other best practices.

In 2023, four reports were received via the whistleblowing channel, all of which were discussed and subsequently closed by the RMC. The number of whistleblowing reports received and their status is reported to the Malaysian Anti-Corruption Commission on a bi-annual basis.

(g) Mandatory Ethics & Integrity Policies Briefing

The initial training on Ethics, Integrity and Anti-Corruption was rolled out to all employees in 2015. Since then, periodical programmes, weekly reminders and ethics news have been initiated to share updates with employees.

Following amendments to the Malaysian Anti-Corruption Commission Act 2009 (Act 694) to include Section 17A (Act A1567) on Corporate Liability effective 1 June 2020, a Mandatory Ethics & Integrity Policies briefing was conducted for all employees followed by a refresher briefing in 2023. The Integrity Champions also delivered briefings to our colleagues in the production line. Training for overseas operations was carried out through a combination of in-person and video conferencing.

(h) New Staff Induction on Ethics, Integrity & Anti-Corruption

Since 1 July 2022, it is compulsory for all new Duopharma Biotech employees to go through the online module on Ethics, Integrity and Anti-Corruption via the My Duopharma Learning platform. Previously, the Integrity Office provided in-person and virtual training to new employees in Malaysia.

(i) Integrity Pact

The Integrity Pact ("IP") was developed by Transparency International ("TI") in the 1990s to assist the government, business institutions and the public to curb corruption. The main objective is to commit vendors and suppliers to ethical behaviour and to create a business environment that is free from corruption in tandem with the Anti-Corruption Principles for Corporations.

By signing the IP, the Group and its suppliers agree to uphold Anti-Corruption Principles in the conduct of business and interactions while working towards creating a business environment that is free from corruption.

(j) Integrity and Anti-Corruption Programme for Business Associates

Under Duopharma Biotech's OIACP, there are plans to implement an Integrity & Anti-Corruption programme for external business associates. As a pilot project, agents were

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enrolled in the programme, which is guided by requirements of the MACC Act 2009 and comprised of 14 modules that are expected to be completed by quarter 1, 2024. The inaugural series kicked off in January 2023. Prior to that, in December 2022, an inaugural batch of 27 agents participating in the Integrity & Anti-Corruption programme had pledged to integrity, ethics and anti-corruption by signing the Ikrar Bebas Rasuah (“IBR”).

The Duopharma Biotech Integrity and Anti-Corruption Series for Business Associates assists business associates in identifying gaps, assess the corruption and ethical risks faced, and implement the required control measures to overcome identified corruption risks.

Duopharma Biotech believes that integrating a high-integrity and anti-corruption culture into the corporate responsibility agenda sends a strong message that all organisations seeking to associate themselves with Duopharma Biotech are responsible for addressing and managing their integrity and anti-corruption exposure. Other than the Integrity Pact, desktop due diligence (“KYC”) is conducted on each party that is to be associated with Duopharma Biotech.

(k) Declaration of Interest Filing

The Group’s integrity, ethics and anti-corruption policies provide minimum enforceable guidelines to facilitate handling conflicts of interest and situations that would jeopardise the integrity of the individual and the organisation.

The Integrity Officer continues to oversee the annual process of filing the Declaration of Interest Forms, and the annual circulation of the Declaration of Interest Policy to all employees. The details can be referred to in the Sustainability Report.

(l) Appointment of Integrity Champions

The Integrity Champions comprise employees respected for their professional qualities and their exemplary personal conduct. The details can be referred to the Sustainability Report.

BOARD 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. The Board has additionally received assurance of the same from both the Group Managing Director and Chief Financial Officer of the Company.

The Board confirms that the risk management processes for identifying, evaluating and managing significant risks faced by the Group have been in place throughout 2023 up to the date of approval of this statement.

For the financial year 2023, 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 Integrated Annual Report 2023.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the 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”). They have subsequently reported to the Board that nothing, in all material respects, has come to their attention causing them to believe that the statement intended to be included in the annual report of the Group for the year ended 31 December 2023:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 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 the 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 at its meeting on 19 March 2024.

Other Disclosures

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

On 24 August 2023, Duopharma Biotech established an Islamic medium-term notes programme for the issuance of Islamic medium-term notes (“Sukuk Wakalah”) of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”) for a 30-year programme tenure.

The proceeds from the issuance of the Sukuk Wakalah during the year under the Sukuk Wakalah Programme shall be utilised towards the following purposes which shall be Shariah-compliant:

- (i) to repay/refinance the Issuer’s or its subsidiaries’ (“Issuer Group”) existing borrowings/ Islamic financing and future Islamic financing, existing shareholder loans and existing inter-company loans and future Shariah-compliant inter-company advances; and/or
- (ii) to finance future and present Shariah-compliant investments; and/or
- (iii) to finance the Issuer Group’s Shariah-compliant working capital and capital expenditure requirements; and/or
- (iv) to defray fees, expenses, costs and all other amounts payable in relation to the Sukuk Wakalah Programme.

The status of the utilisation of proceeds pursuant to the issuance of Sukuk Wakalah that was completed as at 31 December 2023 is as follows:

DETAILS OF UTILISATION	PROCEEDS FOR UTILISATION (RM'000)	ACTUAL UTILISATION (RM'000)	BALANCE UNUTILISED (RM'000)
Refinanced Group’s borrowings	290,862	274,157	16,705
Defrayed fees, expenses, costs and all other amounts payable in relation to the Sukuk Wakalah Programme.	1,325	1,325	-
Financing of Group’s shariah-compliant working capital	100,813	100,813	-
Total	393,000	376,295	16,705

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 2023, the following amounts have been paid or are payable to the auditors for services rendered to the Duopharma Biotech Group:

	AUDIT WORK (RM'000)	NON-AUDIT WORK (RM'000)
Company Level	62	55
Group Level	294	89

Other Disclosures

The non-audit services and fees were approved by the Audit Committee (“AC”) and the Board prior to the engagement of such non-audit services. In relation to this, the AC was assured by the external auditors confirming their independence throughout the financial year under review. Details of the nature of the non-audit services rendered are as follows:-

- (i) Drafting Corporate Governance Overview Statement for Integrated Annual Report 2022 and Corporate Governance Report 2022;
- (ii) Moderator services for the Live Question and Answer session for the Virtual AGM held in 2023;
- (iii) Facilitate the online submission of Financial Statements for the financial year ended 31 December 2022 via the Malaysian Business Reporting System (MBRS);
- (iv) Review of Statement of Risk Management and Internal Control for the financial year ended 31 December 2023;
- (v) Provision of In-house Training on Task Force on Climate-Related Financial Disclosures (TCFD); and
- (vi) Provision of word processing/roll forward services.

3. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

Save for the following, there were no material contracts entered into by the Company and/or its subsidiaries involving the interests of Directors or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year:

- (A) Duopharma Biotech had on 8 July 2020 entered and executed the following facilities with Bank Islam Malaysia Berhad (“BIMB”):
 - (1) Tawarruq Facility Agreement for Business Financing-i 1 of RM67,000,000.00 (“BF-i (1)”); and
 - (2) Tawarruq Facility Agreement for Business Financing-i 2 of RM83,000,000.00 (“BF-i (2)”), (hereinafter BF-i (1) and BF-i (2) are collectively referred to as the “BIMB Facilities”).

The particulars of BF-i (1) are as follows:

Purpose:	To redeem the Commodity Murabahah Term Financing-i facility granted by RHB Islamic Bank Berhad, and excess (if any) to be credited to the Company’s current account
Bank’s Profit Rate:	15.00% per annum
Bank’s Effective Rate:	1 month Cost of Funds (‘COF’) + 0.65% per annum
Tenure:	9 years
Terms as to payment:	Quarterly instalments shall become due on the 5 th of every quarter or any other date as determined by the BIMB from time to time
Security provided:	NIL

The particulars of BF-i (2) are as follows:

Purpose:	To redeem the Revolving Credit-i granted by Oversea Chinese Banking Corporation Limited, Labuan Branch, and excess (if any) to be credited to the Company’s current account
Bank’s Profit Rate:	15.00% per annum
Bank’s Effective Rate:	1 month COF + 0.65% per annum
Tenure:	9 years
Terms as to payment:	Quarterly instalments shall become due on the 5 th of every quarter or any other date as determined by the BIMB from time to time.
Security provided:	NIL

Other Disclosures

As of 29 March 2024, Permodalan Nasional Berhad (“PNB”) holds 44.106% of the issued shares of Duopharma Biotech. Yayasan Pelaburan Bumiputra (“YPB”) is an indirect major shareholder of Duopharma Biotech via its deemed interest through PNB by virtue of Section 8(4) of the Companies Act 2016. As of 29 March 2024, the unit trust funds managed by PNB (namely Amanahraya Trustees Berhad - Amanah Saham Bumiputera and Amanahraya Trustees Berhad - Amanah Saham Malaysia) collectively hold 6.757% of the issued shares of Duopharma Biotech. As such, as of 29 March 2024, PNB controls 50.863% of the issued shares of Duopharma Biotech.

By virtue of Paragraph 1.01 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Employees Provident Fund Board (“EPF”) is deemed as person connected to PNB pursuant to a commercial arrangement between EPF and PNB in a joint venture company.

As of 29 March 2024, the Employees Provident Fund Board (“EPF”) through several EPF-Related Accounts held via Citigroup Nominees (Tempatan) Sdn Bhd controls 8.557% of the issued shares of Duopharma Biotech.

PNB, YPB and EPF are deemed interested in the BIMB Facilities as PNB, unit trust funds managed by PNB, and EPF collectively hold more than 5% of the issued shares of BIMB.

(B) Duopharma Biotech (“the “Issuer”) had on 24 August 2023 established an unrated Islamic medium-term notes programme of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”) for the issuance of Islamic medium-term notes (“Sukuk Wakalah”) from time to time.

The Sukuk Wakalah Programme has a 30-year programme tenure. Each Sukuk Wakalah shall have a tenure of not less than one (1) year and up to thirty (30) years from the date of the issuance, as the Issuer may elect, provided always that the maturity date of any of the Sukuk Wakalah shall not fall after the expiry of the Sukuk Wakalah Programme. The Sukuk Wakalah Programme is unsecured and not rated.

On 29 September 2023, Duopharma Biotech made its maiden Sukuk Wakalah issuance of RM364.0 million under the aforesaid Sukuk Wakalah Programme for tenures of 3 – 10 years. Subsequently on 15 December 2023, Duopharma Biotech made a further Sukuk Wakalah issuance of RM29.0 million under the Sukuk Wakalah Programme for tenures of 7 and 10 years.

The subscriber of the Sukuk Wakalah issued to date is AmBank Islamic Berhad (“Ambank Islamic”).

The proceeds from the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme are to be utilised towards the following purposes which shall be Shariah-compliant:

- (i) To repay/refinance the Issuer’s or its subsidiaries’ (“Issuer Group”) existing borrowings/ Islamic financing and future Islamic financing, existing shareholder loans and existing inter-company loans and future Shariah-compliant inter-company advances; and/or
- (ii) To finance future and present Shariah-compliant investments; and/or
- (iii) To finance the Issuer Group’s Shariah-compliant working capital and capital expenditure requirements; and/or
- (iv) To defray fees, expenses, costs and all other amounts payable in relation to the Sukuk Wakalah Programme.

If PNB ceases to be a major shareholder of the Issuer during the tenure of the Sukuk Wakalah Programme, this constitutes a dissolution event whereupon all the outstanding Sukuk Wakalah shall at the direction of the holders of the Sukuk Wakalah become immediately due and payable.

By virtue of Paragraph 1.01 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Employees Provident Fund Board (“EPF”) is deemed as person connected to PNB pursuant to a commercial arrangement between EPF and PNB in a joint venture company.

Other Disclosures

As mentioned above, as of 29 March 2024, PNB controls 50.863% and EPF controls 8.557% of the issued shares of Duopharma Biotech.

AmBank Islamic is the Islamic banking arm of AmBank Group, owned by AMMB Holdings Berhad (“AMMB”).

PNB, YPB and EPF are deemed interested in the Sukuk Wakalah Programme as PNB, unit trust funds managed by PNB, and EPF collectively hold more than 5% of the issued shares of AMMB.

Pursuant to Paragraph 10.08(11)(e) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), the receipt of the BIMB Facilities from BIMB and the subscription of the Sukuk Wakalah by AmBank Islamic Berhad are not normally regarded as related party transactions as these transactions are upon normal commercial terms and in the ordinary course of business, from banks whose activities are regulated by the Islamic Financial Services Act 2013 and are subject to supervision by Bank Negara Malaysia.

As of 31 December 2023, the Duopharma Biotech Group has material commitments for capital expenditure of RM16.2 million (contracted but not provided for).

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As of 31 December 2023, neither Duopharma Biotech nor its subsidiaries were 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.

5. RECURRENT RELATED PARTY TRANSACTION OF REVENUE OR TRADING NATURE

Duopharma Biotech has not sought any shareholders’ mandate for the recurrent related party transaction of a revenue or trading nature at the last Annual General Meeting (“AGM”) of the Company held on 31 May 2023. The last shareholders’ mandate for the recurrent related party

transaction of a revenue or trading nature which is necessary for its day-to-day operations and is in the ordinary course of business with related parties was obtained during the AGM held on 22 May 2017 and the said mandate had expired upon conclusion of the AGM held on 31 May 2018.

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 MMLR 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 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 since no other RRPTs of a revenue or trading nature (i.e., other than those falling within the ambit of the aforesaid waiver, or those transactions that fall within the relevant thresholds prescribed by the MMLR, or those transactions that are not normally regarded as related party transactions under Paragraph 10.08(11) of the MMLR) have as at 29 March 2024 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 2025, 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.

In view of the aforesaid, there was no requirement for shareholders to mandate RRPTs of a revenue or trading nature with related parties during the year under review. Consequently, there were no RRPTs conducted pursuant to a shareholders’ mandate for RRPTs during the financial year ended 31 December 2023, and no requirement to disclose in this Integrated Annual Report on RRPTs conducted pursuant to a shareholders’ mandate for RRPTs during the financial year ended 31 December 2023.

The Board of Directors had in 2022, at the recommendation of the Audit Committee (“AC”), approved the adoption of the Related Party Transaction Framework for the Group which outlined the procedures for identifying, monitoring, evaluating,

Other Disclosures

reporting and approving related party transactions (“RPT”) and recurrent related party transactions (“RRPT”) to ensure that such transactions are conducted on arm’s length basis and in accordance with the MMLR and applicable laws. The Related Party Transaction Framework is intended to assist the Board and the AC in discharging their roles, which are to provide oversight over RPT and RRPT within the Group; and also ensure similar understanding and provide consistency of actions within the Group in identifying, monitoring, evaluating, reporting and approving RPT and RRPT to ensure compliance with the MMLR and applicable laws.

All related party transactions are examined quarterly by the AC and audited annually by the Group Internal Audit Department. The AC and the Board have assessed the Group’s RRPTs of a revenue or trading nature and have prescribed the following processes to be adhered to by the Duopharma Biotech Group:-

- (i) the RRPTs are to be undertaken on an arm’s length basis and on normal commercial terms consistent with Duopharma Biotech Group’s usual business practices and policies, which are no more favourable to the interested parties than those generally available to the public and are not detrimental to the minority shareholders of Duopharma;
- (ii) the RRPTs involving the interest of related parties will only be transacted at the prevailing market rates/prices for the services or products on the usual commercial terms, or otherwise in accordance with applicable industry norms, after taking into account the pricing, the level of services, quality of products and other related factors; and
- (iii) the pricing for services and products to be provided/ supplied and/or received is determined based on the Duopharma Biotech Group’s business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market.

SECTION 6

FINANCIAL REPORT

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RESPECT

A feeling of deep admiration for someone or something elicited by their abilities, qualities, or achievements.

Directors' Report

For the Year Ended 31 December 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Directors regard Permodalan Nasional Berhad, a company incorporated in Malaysia as the Company's ultimate holding company.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	52,645	22,339

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- i) a second interim ordinary dividend of 1.8 sen per ordinary share totalling RM17,140,314 in respect of the financial year ended 31 December 2022 on 9 May 2023.

Out of the total distribution, a total of RM13,098,727 was converted into 9,702,761 new ordinary shares of the Company at the conversion price of RM1.35 per ordinary share under the Dividend Reinvestment Plan ("DRP"); and

- ii) an interim ordinary dividend of 0.5 sen per ordinary share totalling RM4,809,677 in respect of the year ended 31 December 2023 on 22 September 2023.

The second interim ordinary dividend declared by the Directors on 22 February 2024 in respect of the financial year ended 31 December 2023 is 1.8 sen per ordinary share totalling RM17,314,964. The financial statements for the current financial year do not reflect this second interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

Directors' Report

For the Year Ended 31 December 2023

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Duopharma Biotech Berhad

Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir
Leonard Ariff Bin Abdul Shatar
Razalee Bin Amin
Zaiton Binti Jamaluddin
Dato' Eisah Binti A.Rahman
Datuk Nik Moustpha Bin Hj Nik Hassan
Datuk Mohd Radzif Bin Mohd Yunus
Dato' Dr Zaki Morad Bin Mohamad Zaher
Amizar Binti Mizuar
Datin Paduka Kartini Binti Hj Abdul Manaf (Appointed on 1 June 2023)
Muhammad Shukri Bin Ismail (Appointed on 1 August 2023)
Dato' Mohamad Kamarudin Bin Hassan (Resigned on 31 May 2023)

SUBSIDIARIES

Duopharma (M) Sendirian Berhad

Wan Amir-Jeffery Bin Wan Abdul Majid
Mohd Idzwan Bin Mohd Malik
Leonard Ariff Bin Abdul Shatar (Resigned on 20 June 2023)

Duopharma Manufacturing (Bangi) Sdn. Bhd.

Feizril Nor Bin Nurbi
Shamsul Idham Bin A.lahad
Mohd Fairuz Khan Bin Pret Khan (Resigned on 20 July 2023)

Duopharma Marketing Sdn. Bhd.

Noor Aida Binti Jaafar
Mohd Fairuz Khan Bin Pret Khan (Appointed on 20 July 2023)
Mohamed Shazman Merican (Resigned on 20 July 2023)
Zaini Bin Said (Resigned on 20 July 2023)

Duopharma Consumer Healthcare Sdn. Bhd.

Shamsul Idham Bin A.lahad
Dato' Dr Anas Bin Alam Faizli (Appointed on 29 September 2023)
Wan Amir-Jeffery Bin Wan Abdul Majid (Resigned on 29 September 2023)
Feizril Nor Bin Nurbi (Resigned on 29 September 2023)

Duopharma HAPI Sdn. Bhd.

Sabrina Binti Haron
Dato' Dr Anas Bin Alam Faizli (Appointed on 20 June 2023)
Roziyah Hanim Binti Abd. Karim (Resigned on 20 June 2023)
Suhaizar Bin Mansor (Resigned on 20 June 2023)

Directors' Report

For the Year Ended 31 December 2023

SUBSIDIARIES (CONTINUED)

Duopharma Innovation Sdn. Bhd.

Leonard Ariff Bin Abdul Shatar

Dato' Dr Anas Bin Alam Faizli (Appointed on 29 September 2023)

Wan Amir-Jeffery Bin Wan Abdul Majid (Resigned on 29 September 2023)

Krisnakumara-Reddi A/L Kesava-Reddi (Resigned on 29 September 2023)

Unique Pharmacy (Penang) Sdn. Bhd.

Krisnakumara-Reddi A/L Kesava-Reddi

Sabrina Binti Haron (Appointed on 30 June 2023)

Shamsul Idham Bin A.lahad (Resigned on 30 June 2023)

Ng Su Yee (Resigned on 30 June 2023)

Sentosa Pharmacy Sdn. Bhd.

Chek Wu Kong

Dato' Dr Anas Bin Alam Faizli (Appointed on 29 September 2023)

Wan Amir-Jeffery Bin Wan Abdul Majid (Resigned on 29 September 2023)

Duopharma Manufacturing (Glenmarie) Sdn. Bhd.

Leonard Ariff Bin Abdul Shatar

Sabrina Binti Haron (Appointed on 30 June 2023)

Wan Amir-Jeffery Bin Wan Abdul Majid (Resigned on 30 June 2023)

Ng Su Yee (Resigned on 30 June 2023)

Negeri Pharmacy Sdn. Bhd.

Chek Wu Kong

Priya Darshini A/P Asokan (Appointed on 6 October 2023)

Shamsul Idham Bin A.lahad (Resigned on 6 October 2023)

Duopharma (Singapore) Pte. Ltd.

Wan Amir-Jeffery Bin Wan Abdul Majid

Shamsul Idham Bin A.lahad

Owe Kok Liang (Appointed on 1 July 2023)

Teo Cheng Peow (Resigned on 30 June 2023)

DB (Philippines) Inc.

Wan Amir-Jeffery Bin Wan Abdul Majid

Susan M. Chu

Chek Wu Kong

PT Duopharma Healthcare Indonesia

Shamsul Idham Bin A.lahad

Mohd Idzwan Bin Mohd Malik

Directors' Report

For the Year Ended 31 December 2023

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company, holding companies and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023	Bought/ Received	Sold	
Interests in Duopharma Biotech Berhad: Datuk Mohd Radzif Bin Mohd Yunus	25,293	-	-	25,293

None of the other Directors holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM'000
Directors of the Company:	
- Fees	925
- Remuneration	2,965
- Estimated money value of any other benefits	88
	3,978

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

ISSUE OF SHARES

During the financial year, the Company issued 9,702,761 new ordinary shares of RM1.35 per ordinary share via the implementation of DRP for 2022 second interim dividend for a total consideration of RM13,098,727.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

Directors' Report

For the Year Ended 31 December 2023

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, Directors and Officers of Duopharma Biotech Berhad, together with its subsidiaries are covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy.

The total amount of Directors' and Officers' Liability Insurance effected for the Directors and Officers of the Group was RM50 million. The total amount of premium paid by the Group for the Directors' and Officers' Liability Insurance was RM60,107.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

For the Year Ended 31 December 2023

AUDITORS

The auditors, KPMG PLT have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM294,000 and RM62,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir
Director

.....
Leonard Ariff Bin Abdul Shatar
Director

Kuala Lumpur

Date: 19 March 2024

Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	582,365	579,919	2,784	6,902
Investment property	4	1,050	1,050	-	-
Intangible assets	5	38,802	43,980	6,872	2,321
Investments in subsidiaries	6	-	-	386,121	386,090
Other investments	7	36,907	42,151	36,907	42,151
Deferred tax assets	8	8,946	13,332	850	201
Trade and other receivables	9	-	-	58,102	54,942
Total non-current assets		668,070	680,432	491,636	492,607
Inventories	10	243,068	235,179	-	-
Current tax assets		16,320	3,206	1,817	730
Trade and other receivables	9	147,175	145,465	232,628	223,834
Cash and cash equivalents	11	270,502	157,637	211,450	106,996
Total current assets		677,065	541,487	445,895	331,560
Total assets		1,345,135	1,221,919	937,531	824,167
Equity					
Share capital	12.1	432,466	419,367	432,466	419,367
Reserves		(64,408)	(52,515)	(64,991)	(53,326)
Retained earnings		319,065	288,370	52,336	51,947
Equity attributable to owners of the Company	12	687,123	655,222	419,811	417,988
Liabilities					
Loans and borrowings	13	480,902	294,601	480,902	294,601
Trade and other payables	14	1,476	1,921	1,269	1,730
Deferred tax liabilities	8	8,906	5,584	-	-
Total non-current liabilities		491,284	302,106	482,171	296,331
Loans and borrowings	13	65,546	134,141	26,657	99,901
Trade and other payables	14	100,815	129,283	8,892	9,947
Current tax liabilities		367	1,167	-	-
Total current liabilities		166,728	264,591	35,549	109,848
Total liabilities		658,012	566,697	517,720	406,179
Total equity and liabilities		1,345,135	1,221,919	937,531	824,167

The notes on pages 184 to 236 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	15	704,727	696,717	59,002	63,356
Cost of sales		(436,401)	(416,899)	-	-
Gross profit		268,326	279,818	59,002	63,356
Other income		317	112	-	-
Distribution and marketing expenses		(103,855)	(106,910)	-	-
Administrative expenses		(78,860)	(79,675)	(34,457)	(31,064)
Net (loss on)/reversal of impairment of financial instruments		(4,099)	490	-	-
Other expenses		(3,115)	(925)	(914)	(838)
Results from operating activities	16	78,714	92,910	23,631	31,454
Finance income	17	2,750	1,521	17,836	12,662
Finance costs	18	(18,197)	(9,580)	(19,678)	(14,815)
Profit before tax		63,267	84,851	21,789	29,301
Tax expense	20	(10,622)	(14,739)	550	(519)
Profit for the year		52,645	70,112	22,339	28,782
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income		(11,665)	(31,385)	(11,665)	(31,385)
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(228)	694	-	-
		(11,893)	(30,691)	(11,665)	(31,385)
Total comprehensive income/(loss) for the year		40,752	39,421	10,674	(2,603)
Basic earnings per ordinary share (sen)	21	5.49	7.39		

The notes on pages 184 to 236 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2023

	Note	← Attributable to owners of the Company →				Total RM'000
		Share capital RM'000	Translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
Group						
At 1 January 2022		405,856	117	(21,941)	239,972	624,004
Foreign currency translation differences for foreign operations		-	694	-	-	694
Net change in fair value of equity instrument designated at FVOCI		-	-	(31,385)	-	(31,385)
Total other comprehensive loss for the year	-		694	(31,385)	-	(30,691)
Profit for the year		-	-	-	70,112	70,112
Profit/(Loss) and total comprehensive income/(loss) for the year		-	694	(31,385)	70,112	39,421
<i>Contributions by and distributions to owners of the Company</i>						
- Issuance of shares pursuant to Dividend Reinvestment Plan		13,511	-	-	-	13,511
- Dividends to owners of the Company	22	-	-	-	(21,714)	(21,714)
Total transactions with owners of the Company		13,511	-	-	(21,714)	(8,203)
At 31 December 2022		419,367	811	(53,326)	288,370	655,222
		Note 12.1	Note 12.2	Note 12.3		

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2023

	Note	Attributable to owners of the Company				Total RM'000
		Share capital RM'000	Translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
Group						
At 1 January 2023		419,367	811	(53,326)	288,370	655,222
Foreign currency translation differences for foreign operations		-	(228)	-	-	(228)
Net change in fair value of equity instrument designated at FVOCI		-	-	(11,665)	-	(11,665)
Total other comprehensive loss for the year	-		(228)	(11,665)	-	(11,893)
Profit for the year		-	-	-	52,645	52,645
Profit/(Loss) and total comprehensive income/(loss) for the year		-	(228)	(11,665)	52,645	40,752
<i>Contributions by and distributions to owners of the Company</i>						
- Issuance of shares pursuant to Dividend Reinvestment Plan		13,099	-	-	-	13,099
- Dividends to owners of the Company	22	-	-	-	(21,950)	(21,950)
Total transactions with owners of the Company		13,099	-	-	(21,950)	(8,851)
At 31 December 2023		432,466	583	(64,991)	319,065	687,123
		Note 12.1	Note 12.2	Note 12.3		

The notes on pages 184 to 236 are an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2023

	Note	← Attributable to owners of the Company →			Total RM'000
		Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	
Company					
At 1 January 2022		405,856	(21,941)	44,879	428,794
Net change in fair value of equity instrument designated at FVOCI		-	(31,385)	-	(31,385)
Total other comprehensive loss for the year		-	(31,385)	-	(31,385)
Profit for the year		-	-	28,782	28,782
Profit/(Loss) and total comprehensive income/(loss) for the year			(31,385)	28,782	(2,603)
<i>Contributions by and distributions to owners of the Company</i>					
- Issuance of share pursuant to Dividend Reinvestment Plan		13,511	-	-	13,511
- Dividends to owners of the Company	22	-	-	(21,714)	(21,714)
Total transactions with owners of the Company		13,511	-	(21,714)	(8,203)
At 31 December 2022		419,367	(53,326)	51,947	417,988
		Note 12.1	Note 12.3		

The notes on pages 184 to 236 are an integral part of these financial statements.

Statements of Cash Flows

For the Year Ended 31 December 2023

	Note	← Attributable to owners of the Company →			Total RM'000
		Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	
Company					
At 1 January 2023		419,367	(53,326)	51,947	417,988
Net change in fair value of equity instrument designated at FVOCI		-	(11,665)	-	(11,665)
Total other comprehensive loss for the year		-	(11,665)	-	(11,665)
Profit for the year		-	-	22,339	22,339
Profit/(Loss) and total comprehensive income/ (loss) for the year		-	(11,665)	22,339	10,674
<i>Contributions by and distributions to owners of the Company</i>					
- Issuance of share pursuant to Dividend Reinvestment Plan		13,099	-	-	13,099
- Dividends to owners of the Company	22	-	-	(21,950)	(21,950)
Total transactions with owners of the Company		13,099	-	(21,950)	(8,851)
At 31 December 2023		432,466	(64,991)	52,336	419,811
		Note 12.1	Note 12.3		

The notes on pages 184 to 236 are an integral part of these financial statements.

Statements of Cash Flows

For the Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before tax		63,267	84,851	21,789	29,301
Adjustments for:					
Depreciation of property, plant and equipment	3	38,678	33,398	831	1,041
Loss on derecognition of right-of-use asset		2,418	-	-	-
Write-off of property, plant and equipment		8	-	-	-
Amortisation of intangible assets	5	4,372	2,799	1,335	888
Dividend income		-	-	(25,984)	(34,490)
Finance cost	18	18,197	9,580	19,678	14,815
Finance income from					
- Cash and cash equivalents	17	(2,750)	(1,521)	(2,400)	(1,091)
- Subsidiaries	17	-	-	(15,436)	(11,571)
Impairment loss on/(Reversal of) trade receivables	24	4,099	(490)	-	-
Net inventories written back	10	(3,369)	(1,712)	-	-
Net inventories written off	10	8,596	42,086	-	-
Net unrealised foreign exchange loss	16	130	604	455	820
Operating profit/(loss) before changes in working capital		133,646	169,595	268	(287)
Change in inventories		(12,392)	(53,361)	-	-
Change in trade and other receivables		(5,810)	(13,275)	(11,951)	(17,913)
Change in trade and other payables		(28,101)	8,346	(1,040)	465
Cash generated from/(used in) operations		87,343	111,305	(12,723)	(17,735)
Interest paid		(21,710)	(16,535)	(19,678)	(14,815)
Tax paid		(16,829)	(24,505)	(1,186)	(187)
Net cash generated from/(used in) operating activities		48,804	70,265	(33,587)	(32,737)

Statements of Cash Flows

For the Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(32,946)	(65,182)	(387)	(3,888)
Acquisition of intangible assets	5	(6,614)	(5,839)	(2,212)	-
Increase in investments in subsidiaries		-	-	(31)	-
Increase in other investments		(6,421)	-	(6,421)	-
Interest received from					
- Cash and cash equivalents		2,750	1,521	2,400	1,041
- Subsidiaries		-	-	15,436	11,621
Dividend received		-	-	25,984	34,490
Net cash (used in)/generated from investing activities		(43,231)	(69,500)	34,769	43,264
Cash flows from financing activities					
Dividends paid to owners of the Company		(8,851)	(8,203)	(8,851)	(8,203)
Payment of lease liabilities		(845)	(719)	(444)	(428)
Proceeds from loans and borrowings		486,345	85,670	394,802	28,990
Repayment of loans and borrowings		(369,129)	(58,550)	(282,235)	(14,920)
Net cash generated from financing activities		107,520	18,198	103,272	5,439
Net increase in cash and cash equivalents		113,093	18,963	104,454	15,966
Exchange differences on translation of financial statement of foreign operations		(228)	694	-	-
Cash and cash equivalents at 1 January		157,637	137,980	106,996	91,030
Cash and cash equivalents at 31 December		270,502	157,637	211,450	106,996

Statements of Cash Flows

For the Year Ended 31 December 2023

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits placed with licensed banks	11	9,861	11,860	-	-
Cash and bank balances	11	98,846	67,237	49,655	28,456
Highly liquid investment with financial institutions	11	161,795	78,540	161,795	78,540
		270,502	157,637	211,450	106,996

Cash outflows for leases as a lessee

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in net cash from operating activities:					
Payment relating to leases of low value assets	16	172	183	-	-
Payment relating to short-term lease	16	2,872	1,039	-	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	16	2,100	1,009	-	-
Interest paid in relation to lease liabilities	18	77	94	71	86
Included in net cash from financing activities:					
Payment of lease liabilities		845	719	444	428
Total cash outflows for leases		6,066	3,044	515	514

Statements of Cash Flows

For the Year Ended 31 December 2023

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1	Net	Foreign	Addition	At 31	Net	Foreign	Addition	Effect	At 31
	January	changes	exchange	of new	December	changes	exchange	of new	of lease	December
	2022	from	movement	lease	2022/ 1 January	from	movement	lease	modification	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Islamic medium term notes (Sukuk Wakalah)	-	-	-	-	-	391,771	-	-	-	391,771
Term loan	312,872	14,070	-	-	326,942	(222,859)	-	-	-	104,083
Revolving credit	84,273	2,388	900	-	87,561	(61,347)	490	-	-	26,704
Banker's acceptance	3,577	10,662	-	-	14,239	9,651	-	-	-	23,890
Lease liabilities	3,119	(719)	-	461	2,861	(845)	-	701	(317)	2,400
Total liabilities from financing activities	403,841	26,401	900	461	431,603	116,371	490	701	(317)	548,848

Company	At 1	Net	Foreign	Addition	At 31	Net	Foreign	Addition	Effect	At 31
	January	changes	exchange	of new	December	changes	exchange	of new	of lease	December
	2022	from	movement	lease	2022/ 1 January	from	movement	lease	modification	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Islamic medium term notes (Sukuk Wakalah)	-	-	-	-	-	391,771	-	-	-	391,771
Term loan	312,872	14,070	-	-	326,942	(222,859)	-	-	-	104,083
Revolving credit	66,660	-	900	-	67,560	(56,345)	490	-	-	11,705
Lease liabilities	2,602	(428)	-	-	2,174	(444)	-	-	-	1,730
Total liabilities from financing activities	382,134	13,642	900	-	396,676	112,123	490	-	-	509,289

The notes on pages 184 to 236 are an integral part of these financial statements.

Notes to the Financial Statements

Duopharma Biotech Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Lot 2599, Jalan Seruling 59,
Taman Klang Jaya,
41200 Klang,
Selangor Darul Ehsan,
Malaysia

Registered office

Suite 18.06, Level 18, CIMB HUB,
No.26, Jalan Sultan Ismail,
50250 Kuala Lumpur,
Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 31 December 2023 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are disclosed in Note 6. There has been no significant change in the nature of these activities during the financial year.

The ultimate holding company during the financial year is Permodalan Nasional Berhad which is incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 19 March 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Notes to the Financial Statements

1. BASIS OF PREPARATION (CONTINUED)**(a) Statement of compliance (continued)*****MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Non-derivative financial instruments at FVTPL	Fair value
Equity securities at FVOCI	Fair value
Investment properties	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Financial Statements

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 6 – Investments in subsidiaries
- Note 8 – Recoverable amount of deferred tax assets
- Note 10 – Net realisable value of inventories
- Note 15 – Revenue
- Note 9 and 24.4 – Measurement of expected credit loss (“ECL”)

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1 Material accounting policy information

The Group has adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

2.2 Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see Note 8). The temporary mandatory relief applies retrospectively.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

	← Own use →								Total RM'000
	Freehold land RM'000	Freehold buildings RM'000	Plant and machineries RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovations RM'000	Capital work-in- progress RM'000	Right-of- use assets RM'000	
Group									
Cost									
At 1 January 2022	69,882	124,508	293,286	13,833	1,822	2,849	162,632	96,122	764,934
Additions	-	686	25,092	1,478	20	130	37,776	461	65,643
Borrowing costs capitalised at 3.92% per annum	-	-	-	-	-	-	5,101	-	5,101
Reclassification	-	32	32,831	155	-	(155)	(32,863)	-	-
Effect of exchange rate	-	-	-	(43)	(5)	5	-	33	(10)
At 31 December 2022/ 1 January 2023	69,882	125,226	351,209	15,423	1,837	2,829	172,646	96,616	835,668
Additions	-	4,220	10,671	3,899	222	244	13,690	701	33,647
Borrowing costs capitalised at 4.56% per annum	-	-	-	-	-	-	2,678	-	2,678
Reclassification	(4,200)	136,414	52,354	(375)	-	-	(180,539)	4,200	7,854
Write off	-	-	(165)	-	-	-	-	-	(165)
Derecognition	-	-	-	-	-	-	-	(4,200)	(4,200)
Effect of lease modifications	-	-	-	-	-	-	-	(2,230)	(2,230)
Effect of exchange rate	-	-	-	96	7	4	-	81	188
At 31 December 2023	65,682	265,860	414,069	19,043	2,066	3,077	8,475	95,168	873,440

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	← Own use →								
	Freehold land	Freehold buildings	Plant and machineries	Office equipment, furniture and fittings	Motor vehicles	Renovations	Capital work-in-progress	Right-of-use assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
Depreciation									
At 1 January 2022	-	23,489	168,680	9,297	1,489	1,832	-	17,622	222,409
Depreciation for the year	-	2,276	25,610	1,367	163	450	-	3,532	33,398
Effect of exchange rate	-	-	-	(43)	(3)	3	-	(15)	(58)
At 31 December 2022/1 January 2023	-	25,765	194,290	10,621	1,649	2,285	-	21,139	255,749
Depreciation for the year	-	3,935	29,397	1,674	96	140	-	3,436	38,678
Reclassification	-	-	335	(12)	-	-	-	-	323
Write off	-	-	(157)	-	-	-	-	-	(157)
Derecognition	-	-	-	-	-	-	-	(1,782)	(1,782)
Effect of lease modifications	-	-	-	-	-	-	-	(1,913)	(1,913)
Effect of exchange rate	-	-	-	96	9	4	-	68	177
At 31 December 2023	-	29,700	223,865	12,379	1,754	2,429	-	20,948	291,075
Carrying amounts									
At 1 January 2022	69,882	101,019	124,606	4,536	333	1,017	162,632	78,500	542,525
At 31 December 2022/1 January 2023	69,882	99,461	156,919	4,802	188	544	172,646	75,477	579,919
At 31 December 2023	65,682	236,160	190,204	6,664	312	648	8,475	74,220	582,365

Note 3.4

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	← Own use →				Total RM'000
	Office equipment, furniture and fittings RM'000	Renovation RM'000	Capital work-in- progress RM'000	Right-of- use asset RM'000	
Company					
Cost					
At 1 January 2022	1,494	1,155	-	3,850	6,499
Additions	469	108	3,311	-	3,888
Reclassification	155	(155)	-	-	-
At 31 December 2022/1 January 2023	2,118	1,108	3,311	3,850	10,387
Additions	387	-	-	-	387
Reclassification	(375)	-	(3,311)	-	(3,686)
At 31 December 2023	2,130	1,108	-	3,850	7,088
Depreciation					
At 1 January 2022	395	765	-	1,284	2,444
Depreciation for the year	281	306	-	454	1,041
At 31 December 2022/1 January 2023	676	1,071	-	1,738	3,485
Depreciation for the year	341	37	-	453	831
Reclassification	(12)	-	-	-	(12)
At 31 December 2023	1,005	1,108	-	2,191	4,304
Carrying amounts					
At 1 January 2022	1,099	390	-	2,566	4,055
At 31 December 2022/1 January 2023	1,442	37	3,311	2,112	6,902
At 31 December 2023	1,125	-	-	1,659	2,784

Note 3.4

3.1 Change in estimates

During the financial year ended 31 December 2023, the Group conducted an operational efficiency review at its plants, which resulted in changes in the expected usage of certain items of plant and machinery.

Certain plant and machinery, which management previously expected to utilise in production for 10 years, are now expected to remain in production for a period of 20 years from the date of purchase. As a result, the expected useful lives of these assets increased. The effect of these changes on depreciation expense have been recognised in cost of sales and are immaterial in current and for future periods.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.2 Reclassification from/(to) intangible assets

During the financial year, the Group has reclassified RM11,540,000 (2022: Nil) cost to building production plant from intangible assets (development costs) to reflect its nature.

The Group and the Company have reclassified two computer software amounting to cost RM3,686,000 (2022: Nil) to intangible assets to reflect its nature.

3.3 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

	2023	2022
• freehold buildings	50 years	50 years
• plant and machineries	5 - 20 years	5 - 10 years
• office equipment, furniture and fittings	5 - 20 years	5 - 20 years
• motor vehicles	4 -10 years	4 -10 years
• renovations	10 years	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.4 As a lessee

Right-of-use assets

	Land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 1 January 2022	18,103	78,019	96,122
Additions	-	461	461
Effect of exchange rate	-	33	33
At 31 December 2022/1 January 2023	18,103	78,513	96,616
Additions	-	701	701
Reclassification	4,200	-	4,200
Derecognition	(4,200)	-	(4,200)
Effect of lease modifications	-	(2,230)	(2,230)
Effect of exchange rate	-	81	81
At 31 December 2023	18,103	77,065	95,168
Depreciation			
At 1 January 2022	2,956	14,666	17,622
Depreciation for the year	616	2,916	3,532
Effect of exchange rate	-	(15)	(15)
At 31 December 2022/1 January 2023	3,572	17,567	21,139
Depreciation for the year	454	2,982	3,436
Derecognition	(1,782)	-	(1,782)
Effect of lease modifications	-	(1,913)	(1,913)
Effect of exchange rate	-	68	68
At 31 December 2023	2,244	18,704	20,948
Carrying amounts			
At 1 January 2022	15,147	63,353	78,500
At 31 December 2022/1 January 2023	14,531	60,946	75,477
At 31 December 2023	15,859	58,361	74,220

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.4 As a lessee (continued)

Right-of-use assets

	Buildings RM'000
Company	
Cost	
At 1 January 2022/31 December 2022/1 January 2023/ 31 December 2023	3,850
Depreciation	
At 1 January 2022	1,284
Depreciation for the year	454
31 December 2022/1 January 2023	1,738
Depreciation for the year	453
At 31 December 2023	2,191
Carrying amounts	
At 1 January 2022	2,566
At 31 December 2022/1 January 2023	2,112
At 31 December 2023	1,659

The Group and the Company lease buildings and land under operating lease. The lease typically run for a period of 3 years.

3.4.1 Judgements and assumptions in relation to leases

The Group assesses at lease commencement date by applying judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the lease. Group entities first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

3.4.2 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**3.4 As a lessee (continued)****3.4.2 Material accounting policy information (continued)****(b) Lease and non-lease components**

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(c) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

4. INVESTMENT PROPERTY

	Group	
	2023 RM'000	2022 RM'000
At 1 January	1,050	1,050
Change in fair value recognised in profit and loss	-	-
At 31 December	1,050	1,050
Included in the above is:		
At fair value		
Leasehold land with unexpired lease period of more than 50 years	1,050	1,050

4.1 Fair value information**Level 3 fair value**

Level 3 fair value is estimated using unobservable inputs for the investment property.

Notes to the Financial Statements

4. INVESTMENT PROPERTY (CONTINUED)

4.1 Fair value information (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Recent transactions of similar properties at or near reporting date with similar land usage, land size and location. The characteristics, merits and disadvantages of these properties are noted and diligent adjustments thereof are then made by valuer to reflect the differences and to arrive at the value of the property.	The estimated fair value would increase (decrease) if recent transactions of similar properties at or near reporting date with similar land usage, land size and location were higher (lower).

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment property is determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio every twelve months. Changes in Level 3 fair values are analysed by the management every twelve months after obtaining valuation report from the valuation company.

Highest and best use

The Group's investment property is a vacant land. The highest and best use of the property should be an industrial land located nearby the Group's investment property.

4.2 Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

Notes to the Financial Statements

5. INTANGIBLE ASSETS

	Marketing rights RM'000	Development costs RM'000	Computer software RM'000	Total RM'000
Group				
Cost				
At 1 January 2022	2,144	37,432	4,441	44,017
Additions	300	5,539	-	5,839
Borrowing costs capitalised at 3.92% per annum	-	1,854	-	1,854
Derecognition	(438)	-	-	(438)
At 31 December 2022/1 January 2023	2,006	44,825	4,441	51,272
Additions	67	4,335	2,212	6,614
Reclassification	(724)	(11,540)	3,686	(8,578)
Borrowing costs capitalised at 4.34% per annum	-	835	-	835
At 31 December 2023	1,349	38,455	10,339	50,143
Amortisation				
At 1 January 2022	405	2,856	1,232	4,493
Amortisation for the year	81	1,830	888	2,799
At 31 December 2022/1 January 2023	486	4,686	2,120	7,292
Amortisation for the year	81	2,956	1,335	4,372
Reclassification	-	(335)	T12	(323)
At 31 December 2023	567	7,307	3,467	11,341
Carrying amount				
At 1 January 2022	1,739	34,576	3,209	39,524
At 31 December 2022/1 January 2023	1,520	40,139	2,321	43,980
At 31 December 2023	782	31,148	6,872	38,802

	Computer software RM'000
Company	
Cost	
At 1 January 2022/31 December 2022/1 January 2023	4,441
Addition	2,212
Reclassification	3,686
31 December 2023	10,339

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONTINUED)

	Computer software RM'000
Company	
Amortisation	
1 January 2022	1,232
Amortisation for the year	888
At 31 December 2022/1 January 2023	2,120
Amortisation for the year	1,335
Reclassification	12
At 31 December 2023	3,467
Carrying amount	
At 1 January 2022	3,209
At 31 December 2022/ 1 January 2023	2,321
At 31 December 2023	6,872

5.1 Marketing rights

The carrying amount of marketing rights amounting to RM314,000 (2022: RM548,000) represents the sole and exclusive right to market and sell Insugen & Basalog One developed by Biocon SA, a company incorporated in India.

5.2 Development costs

The carrying amount of development costs represents costs incurred for the purpose of commercialisation of biosimilar products, oncology products as well as Bioequivalence study of various products. The Group will hold the exclusive commercialisation rights for product marketing and distribution in Malaysia, Singapore and Brunei, as well as the exclusive and perpetual royalty-free license to use the technical information for biosimilar products.

Some of the products have commenced commercial activity and is being amortised accordingly. However, there are products that have yet to be fully commercialised at year-end. The management made an assumption that the development costs will be recovered through present and/or future commercial activity.

5.3 Computer software

The carrying amount of computer software amounting to RM6,872,000 (2022: RM2,321,000) represents the enterprise resource planning software and business intelligence and analytic software that are used to support the operations of the business.

5.4 Material accounting policy information

(a) Recognition and measurement

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONTINUED)

5.4 Material accounting policy information (continued)

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- marketing rights 10 years
- development costs 10 years
- computer software 5-10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

5.5 Reclassification from/(to) property, plant and equipment

During the financial year, the Group has reclassified RM11,540,000 (2022: Nil) cost to building production plant to property, plant and equipment (plant and machineries) to reflect its nature.

The Group and the Company have reclassified two computer software amounting to cost RM3,686,000 (2022: Nil) from property, plant and equipment to reflect its nature.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	386,121	386,090

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Duopharma (M) Sendirian Berhad	Malaysia	Manufacturing, distribution, importing and exporting of pharmaceutical products and medicines	100	100
Duopharma Manufacturing (Bangi) Sdn. Bhd.	Malaysia	Manufacturing of pharmaceutical products and sales of medicines	100	100

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Duopharma Marketing Sdn. Bhd.	Malaysia	Marketing and sales of medicines and pharmaceutical products	100	100
Duopharma Consumer Healthcare Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	100	100
Duopharma HAPI Sdn. Bhd.	Malaysia	Trading and manufacturing of pharmaceutical products	100	100
Duopharma Innovation Sdn. Bhd.	Malaysia	Research and development of pharmaceutical products	100	100
Unique Pharmacy (Penang) Sdn. Bhd.	Malaysia	Distributor of pharmaceutical products	100	100
Sentosa Pharmacy Sdn. Bhd.	Malaysia	Distributor of pharmaceutical products	100	100
Duopharma Manufacturing (Glenmarie) Sdn. Bhd.	Malaysia	Property management and services	100	100
Negeri Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products (ceased operations since September 2002)	100	100
Duopharma (Singapore) Pte. Ltd.#	Singapore	Distribution, wholesaler of medicinal and pharmaceutical products	100	100
DB (Philippines), Inc.#	Philippines	Distribution, importing and exporting pharmaceutical and chemical products	100	100
PT Duopharma Healthcare Indonesia *#	Indonesia	Trading of traditional medicine, herbal medicine, health supplements and cosmetics for human	100	-

* Incorporated during the financial year.

Not audited by member firms of KPMG International.

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**6.1 Material accounting policy information**

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

During the financial year, there are impairment indicators arising from the operations of two subsidiaries. Accordingly, the Company has undertaken impairment assessment respectively.

The recoverable amount of the subsidiary that had incurred net loss and recorded a deficit in shareholders' fund was based on value in use amounting to RM50.20 million determined by reference to the projected 10-year cashflow of the subsidiary and applying a discount rate of 8% per annum. As a result, no impairment is required.

Similarly, the recoverable amounts of the subsidiary which incurred net loss but recorded surplus in shareholders' fund was based on value in use amounting to RM49.80 million determined by reference to the projected 10-year cash flow of the subsidiary and applying a discount rate of 8% per annum. As a result, no impairment is required.

7. OTHER INVESTMENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Fair value through other comprehensive income	7.1	36,907	42,151	36,907	42,151

Notes to the Financial Statements

7. OTHER INVESTMENTS (CONTINUED)

7.1 Equity investments designated at fair value through other comprehensive income

The Group designated the investments shown below as equity securities at fair value through other comprehensive income because these equity securities represent investments that the Group intends to hold for long-term strategic purposes.

Group and Company	Fair value at 31 December RM'000
2023	
PanGen Biotech Inc.	19,591
SCM Lifescience Co., Ltd.	7,313
Alyrxo Biotherapeutics Inc. (f.k.a AZTherapies, Inc.)	679
Naluri Hidup Pte. Ltd.	4,645
The Live Green Group, Inc	4,679
	36,907
2022	
PanGen Biotech Inc.	18,289
SCM Lifescience Co., Ltd.	16,539
Alyrxo Biotherapeutics Inc. (f.k.a AZTherapies, Inc.)	679
Naluri Hidup Pte. Ltd.	6,644
	42,151

In the current financial year, the Company has participated in the rights issue of SCM Lifescience Inc. and completed a subscription of 128,471 common shares for a total subscription amount of KRW 491.4 million equivalent to RM1,742,000.

The Company had also acquired 105,065 shares of Series A Preferred Stock, in The Live Green Group, Inc for a total purchase consideration of USD 1.0 million equivalent to RM4,679,000 during the financial year.

7.2 Material accounting policy information

(a) Equity investments not held for trading

At initial recognition, the Group irrevocably elect to present subsequent changes in the fair value of the investments in other comprehensive income. This election is made on an investment-by-investment basis.

Notes to the Financial Statements

8. DEFERRED TAX ASSETS/(LIABILITIES)**8.1 Recognised deferred tax assets/(liabilities)**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Property, plant and equipment and intangible assets	-	-	(49,820)	(31,262)	(49,820)	(31,262)
Lease liabilities	152	687	-	-	152	687
Provisions	9,692	20,979	-	-	9,692	20,979
Unutilised capital allowance carry-forwards	17,630	10,773	-	-	17,630	10,773
Unutilised reinvestment allowance	17,341	2,151	-	-	17,341	2,151
Tax losses carry-forwards	7,406	6,697	-	-	7,406	6,697
Other items	-	913	(2,361)	(3,190)	(2,361)	(2,277)
Tax assets/(liabilities)	52,221	42,200	(52,181)	(34,452)	40	7,748
Set-off of tax	(43,275)	(28,868)	43,275	28,868	-	-
Net tax assets/ (liabilities)	8,946	13,332	(8,906)	(5,584)	40	7,748
Company						
Property, plant and equipment	-	-	(587)	(395)	(587)	(395)
Provisions	265	458	-	-	265	458
Unutilised capital allowance carry-forwards	1,155	123	-	1,155	123	
Right of use assets	-	-	(398)	(507)	(398)	(507)
Lease liabilities	415	522	-	-	415	522
Tax assets/(liabilities)	1,835	1,103	(985)	(902)	850	201
Set-off of tax	(985)	(902)	985	902	-	-
Net tax assets	850	201	-	-	850	201

During the financial year, there is reinvestment allowance of RM55,490,000 (2022: Nil) arising from another subsidiary and remain unutilised. The management has fully recognised the unutilised reinvestment allowance as the management considered it probable that future taxable profits will be available against which they can be utilised. The reinvestment allowance will expire in YA 2030.

Notes to the Financial Statements

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

8.2 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Reinvestment allowance	2,741	10,540	-	-
Unabsorbed tax losses	22,728	230	-	-
	25,469	10,770	-	-

Under the current tax legislation, the ability to carry forward unutilised reinvestment allowance is restricted to a maximum period of seven consecutive Year of Assessment ("YA") upon expiry of the qualifying period.

At the end of the previous financial year, the Group had unutilised reinvestment allowance of RM19,503,000 arising from a subsidiary that expires in YA 2025. Total recognised reinvestment allowance was RM8,963,000 with remaining RM10,540,000 remain unrecognised. During the financial year, the subsidiary has further recognised reinvestment allowance of RM7,799,000 as the management considered it probable that future taxable profits will be available against which they can be utilised.

During the financial year, one of the subsidiary has tax loss carry-forwards which can be carried forward up to ten years. The unabsorbed tax losses amounting to RM17,515,000 (2022: Nil) arising during the current Year of Assessment ("YA") will expire in YA 2033.

There are another two subsidiaries that have unabsorbed tax losses amounting to RM4,983,000 (2022: Nil) and RM230,000 (2022: RM230,000) which will expire in YA 2029 and YA 2028 respectively.

Notes to the Financial Statements

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

8.3 Movement in temporary differences during the year

	At 1.1.2022 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2022/ 1.1.2023 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2023 RM'000
Group					
Property, plant and equipment and intangible assets	(25,011)	(6,413)	(31,424)	(18,396)	(49,820)
Lease liabilities	20	679	699	(547)	152
Provisions	15,622	5,357	20,979	(11,287)	9,692
Unutilised capital allowance carry-forwards	7,381	3,392	10,773	6,857	17,630
Unutilised reinvestment allowance	2,151	-	2,151	15,190	17,341
Tax losses carry-forwards	4,753	1,944	6,697	709	7,406
Other items	(1,759)	(368)	(2,127)	(234)	(2,361)
Total	3,157	4,591	7,748	(7,708)	40
Company					
Property, plant and equipment	-	(395)	(395)	(192)	(587)
Provisions	-	458	458	(193)	265
Unutilised capital allowance carry-forwards	-	123	123	1,032	1,155
Right of use assets	-	(507)	(507)	109	(398)
Lease liabilities	-	522	522	(107)	415
Total	-	201	201	649	850

8.4 Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

8.5 Global minimum top-up tax

As at 31 December 2023, the government of the Malaysia have enacted new legislation to implement the global minimum top-up tax. However, this legislation is not applicable to the Group because it does not meet the requirement. In addition, the newly enacted tax legislation will only come into effect in year 2025, there is no current tax impact for the year ended 31 December 2023.

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Non-trade					
Amount due from subsidiaries	9.1	-	-	58,102	54,942
Current					
Trade					
Trade receivables		135,038	131,313	-	-
Non-trade					
Amount due from subsidiaries	9.1	-	-	231,952	223,635
Other receivables and deposits		10,061	7,633	164	191
Prepayments		2,076	6,519	512	8
		12,137	14,152	232,628	223,834
		147,175	145,465	232,628	223,834
		147,175	145,465	290,730	278,776

9.1 Amount due from subsidiaries

The non-trade amount due from subsidiaries are unsecured, subject to interest at 4.00% – 6.29% per annum (2022: 4.00% – 6.30% per annum) and repayable on demand.

Notes to the Financial Statements

10. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
Raw materials and consumables	57,930	57,164
Work-in-progress	6,810	13,562
Packing materials	21,181	24,526
Finished goods	157,147	139,927
	243,068	235,179
Recognised in profit or loss:		
Inventories recognised as cost of sales	211,345	214,033
Net inventories written back	(3,369)	(1,712)
Net inventories written off	8,596	42,086

10.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

11. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits placed with licensed banks		9,861	11,860	-	-
Cash and bank balances		98,846	67,237	49,655	28,456
Highly liquid investments with financial institutions	11.1	161,795	78,540	161,795	78,540
		270,502	157,637	211,450	106,996

11.1 Highly liquid investments with financial institutions

The Directors regard the highly liquid investments as cash and cash equivalents in view of its liquidity and insignificant risk of changes in value.

Notes to the Financial Statements

12. CAPITAL AND RESERVES

12.1 Share capital

	Note	Group and Company			
		Number of shares 2023	Amount 2023	Number of shares 2022	Amount 2022
		'000	RM'000	'000	RM'000
Issued and fully paid:					
Ordinary shares At 1 January		952,239	419,367	941,765	405,856
Issuance pursuant to dividend reinvestment plan	12.1.2	9,703	13,099	10,474	13,511
At 31 December		961,942	432,466	952,239	419,367

12.1.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

12.1.2 Dividend Reinvestment Plan

The Company had implemented the Dividend Reinvestment Plan for its 2022 Second Interim Dividend at a conversion price of RM1.35 per ordinary share and had issued and allotted 9,702,761 new shares on 9 May 2023.

12.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currency other than RM.

12.3 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity designated at fair value through other comprehensive income until the assets are derecognised or impaired.

Notes to the Financial Statements

13. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's and the Company's interest-bearing loans and borrowings. For more information about the Group's and the Company's exposure to interest rate and foreign currency risk, see Note 24.

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Islamic medium term notes (Sukuk Wakalah) - unsecured	13.1	391,771	-	391,771	-
Term loan - unsecured	13.2	89,131	294,601	89,131	294,601
		480,902	294,601	480,902	294,601
Current					
Term loan - unsecured	13.2	14,952	32,341	14,952	32,341
Revolving credit - unsecured	13.3	26,704	87,561	11,705	67,560
Banker's acceptance	13.4	23,890	14,239	-	-
		65,546	134,141	26,657	99,901
		546,448	428,742	507,559	394,502

13.1 Islamic medium term notes (Sukuk Wakalah) – unsecured

- (a) On 24 August 2023, Duopharma Biotech had established an Islamic medium term notes programme for the issuance of Islamic medium term notes (“Sukuk Wakalah”) of up to RM2.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”) for a 30-year programme tenure.

The Sukuk Wakalah is unrated and is held by a licensed Islamic financial institution.

The proceeds from the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme shall be utilised towards the following purposes which shall be Shariah-compliant:

- (i) to repay/refinance the Issuer's or its subsidiaries' (“Issuer Group”) existing borrowings/ Islamic financing and future Islamic financing, existing shareholder loans and existing inter-company loans and future Shariah-compliant inter-company advances; and/or
- (ii) to finance future and present Shariah-compliant investments; and/or
- (iii) to finance the Issuer Group's Shariah-compliant working capital and capital expenditure requirements; and/or
- (iv) to defray fees, expenses, costs and all other amounts payable in relation to the Sukuk Wakalah Programme.

Notes to the Financial Statements

13. LOANS AND BORROWINGS (CONTINUED)

13.1 Islamic medium term notes (Sukuk Wakalah) – unsecured (continued)

(b) On 29 September 2023 and 15 December 2023, the Company issued Sukuk Wakalah of RM364.0 million and RM29.0 million respectively, which comprises five (5) series of issuance and the details are as follows:

- (i) Series 1 comprises RM101 million with 3 years tenure and the first profit rate of 4.85% per annum;
- (ii) Series 2 comprises RM110 million with 5 years tenure and the first profit rates of 4.95% per annum;
- (iii) Series 3 comprises RM153 million with 10 years tenure and the first profit rates of 5.38% per annum.
- (iv) Series 4 comprises RM17.0 million with 7 years tenure and the first profit rates of 5.35% per annum.
- (v) Series 5 comprises RM12.0 million with 10 years tenure and the first profit rates of 5.58% per annum.

The profit rate is on floating basis and is repriced on a quarterly basis.

The Sukuk Wakalah Programme is unsecured.

The significant covenants for the unsecured Sukuk Wakalah are as follows:

- (i) The Company shall maintain Duopharma (M) Sendirian Berhad, Duopharma Manufacturing (Bangi) Sdn. Bhd., Duopharma Marketing Sdn. Bhd. and Duopharma HAPI Sdn. Bhd. as its wholly-owned subsidiaries throughout the tenure of the Sukuk Wakalah Programme;
- (ii) Permodalan Nasional Berhad (“PNB”) shall remain as a major shareholder of the Company throughout the tenure of the Sukuk Wakalah Programme;
- (iii) Consolidated finance to equity ratio not exceeding 1.50 times on group basis throughout the tenure of the Sukuk Wakalah Programme; and
- (iv) Finance service cover ratio of at least 1.2 times throughout the tenure of the Sukuk Wakalah Programme.

Notes to the Financial Statements

13. LOANS AND BORROWINGS (CONTINUED)

13.2 Term loan – unsecured

- (a) On 16 June 2017, the Company obtained a RM250 million term loan facility, payable over 10 years (including a grace period of 3 years) from the date of the first disbursement of the facility.

On 29 July 2019, the Company has renewed the term loan facility. The existing tenure of the term loan facility of up to a period of 10 years (including a grace period of 3 years) from the date of the first disbursement of the facility has been revised to be up to a period of 12 years (including a grace period of 5 years) from the date of the first disbursement of the facility.

On 17 February 2022, the Company has accepted a further revision to the terms and conditions of the term loan facility. The tenure of the term loan facility of up to a period of 12 years (including a grace period of 6 years) from the date of the first disbursement of the facility has been revised to be up to a period of 13 years (including a grace period of 6 years) from the date of the first disbursement of the facility.

On 29 September 2023, the Company has made a full redemption of the outstanding balance pursuant to the aforesaid term loan facility via the proceeds from the issuance of Sukuk Wakalah under the Sukuk Wakalah Programme established during the financial year.

- (b) On 8 July 2020, the Company obtained a RM150.0 million term loan facility, divided into two tranches, as follows:
- (i) Term loan facility for Business Financing-i 1 of RM67.0 million.
 - (ii) Term loan facility for Business Financing-i 2 of RM83.0 million.

The facility is payable quarterly over 9 years from the date of the first disbursement of the facility and the outstanding balance as at the 31 December 2023 is subject to interest at the average rate of 4.35% (2022: 4.19%).

The significant covenant for the term loan facility is Permodalan Nasional Berhad (“PNB”) is to remain as the Company’s major shareholders during the subsistence of the facility.

13.3 Revolving credit – unsecured

The Group’s and the Company’s revolving credit as at 31 December 2023 amounting to RM26,704,000 and RM11,705,000 (2022: RM87,561,000 and RM67,560,000), respectively, are revolving credits maturing between one to twelve months.

13.4 Banker’s acceptance

The Group’s banker’s acceptance as at 31 December 2023 amounting to RM23,890,000 (2022: RM14,239,000) are banker’s acceptance maturing between one to three months.

Notes to the Financial Statements

14. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Lease liabilities		1,476	1,921	1,269	1,730
Current					
Trade					
Trade payables		40,452	44,602	-	-
Refund liabilities	14.1	4,074	7,327	-	-
		44,526	51,929	-	-
Non-trade					
Amount due to subsidiaries	14.2	-	-	2,895	3,124
Other payables		21,579	35,951	1,342	2,431
Accrued expenses		33,786	40,463	4,194	3,948
Lease liabilities		924	940	461	444
		56,289	77,354	8,892	9,947
		100,815	129,283	8,892	9,947
		102,291	131,204	10,161	11,677

14.1 Refund liabilities

As at the end of the financial year, the Group recorded refund liabilities amounting to RM4,074,000 (2022: RM7,327,000). The Group allows sales return for sales made during the year in exchange with new goods and cash refunds.

14.2 Amount due to subsidiaries

The non-trade amount due to subsidiaries are unsecured, interest free and repayable on demand.

Notes to the Financial Statements

15. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
External	704,727	696,717	-	-
Related companies	-	-	33,018	28,866
Other revenue				
Dividend income	-	-	25,984	34,490
Total revenue	704,727	696,717	59,002	63,356

15.1 Disaggregation of revenue from contracts with customers

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Primary geographical market				
Malaysia	650,548	654,891	31,714	28,866
Other countries	54,179	41,826	1,304	-
	704,727	696,717	33,018	28,866
Type of market				
Public sector	311,828	297,507	-	-
Private sector	392,899	399,210	-	-
Others	-	-	33,018	28,866
	704,727	696,717	33,018	28,866
Timing and recognition				
At a point in time	704,727	696,717	33,018	28,866
	704,727	696,717	33,018	28,866

Notes to the Financial Statements

15. REVENUE (CONTINUED)

15.2 Nature of goods and services

The following information reflects the typical transactions of the Group and the Company:

Type of market	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds
Public sector	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 to 90 days from invoice date.	Sales rebates are given to external customers based on the total invoice value.	The Group allows returns for exchange with new goods.
Private sector	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 to 90 days from invoice date.	Sales rebates are given to external customers based on the total invoice value.	The Group allows returns for exchange with new goods and cash refunds.
Others	Revenue is recognised when the services are delivered and accepted by the customers when the services are rendered.	Credit period of 60 to 90 days from invoice date.	Not applicable.	Not applicable.

There was no warranty in the provision of the goods and services by the Group and the Company.

15.3 Significant judgements and assumptions arising from revenue recognition

The Group and the Company applied judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers. For public and private sectors contracts that permit the customer to return an item, revenue is adjusted for expected returns to the extent that it is highly probable that a significant reversal in revenue recognised will not occur. The Group and the Company estimated the returns based on the historical data.

Notes to the Financial Statements

16. RESULTS FROM OPERATING ACTIVITIES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit is arrived at after charging/(crediting):					
Auditors' remuneration:					
Audit fees					
- KPMG PLT		294	294	62	62
- Other auditors		74	62	-	-
Non-audit fees					
- KPMG PLT		40	27	15	15
- Local affiliates of KPMG PLT		49	14	40	14
Material expenses/(income)					
Depreciation of property, plant and equipment	3	38,678	33,398	831	1,041
Write off on property, plant and equipment	3	8	-	-	-
Loss on derecognition of right-of-use asset	3	2,418	-	-	-
Amortisation of intangible assets	5	4,372	2,799	1,335	888
Loss on/(Reversal of) impairment on trade receivables	24	4,099	(490)	-	-
Net inventories written back	10	(3,369)	(1,712)	-	-
Net inventories written off	10	8,596	42,086	-	-
Net realised foreign exchange (gain)/loss		(772)	159	460	17
Net unrealised foreign exchange loss		130	604	455	820
Personnel expenses (including key management personnel):					
- Contributions to state plans		16,106	15,307	1,664	1,106
- Wages, salaries and others		119,829	118,151	11,760	12,491
Dividend income from:					
- A subsidiary in Malaysia (unquoted)		-	-	(24,960)	(33,540)
- A subsidiary in Singapore (unquoted)		-	-	(1,024)	(950)
Other expenses arising from leases					
Expenses relating to leases of low-value assets	a	172	183	-	-
Expenses relating to short-term leases	a	2,872	1,039	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	b	2,100	1,009	-	-

Notes to the Financial Statements

16. RESULTS FROM OPERATING ACTIVITIES (CONTINUED)

Note a

The Group leases office building, warehouses and office equipment with contract terms of one to three years. These leases are short term leases and/or leases low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Note b

The Group leases warehouses with contract terms of 2 years. These leases are leases with variable lease payments linked to the use of warehouse space.

17. FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- at amortised cost	704	480	15,790	11,621
- at fair value through profit or loss	2,046	1,041	2,046	1,041
	2,750	1,521	17,836	12,662

18. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	17,603	9,005	19,602	14,718
Interest expense on lease liabilities	77	94	71	86
Other finance costs	517	481	5	11
	18,197	9,580	19,678	14,815
Recognised in profit or loss	18,197	9,580	19,678	14,815
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
- property, plant and equipment	2,678	5,101	-	-
- intangible assets	835	1,854	-	-
	21,710	16,535	19,678	14,815

Notes to the Financial Statements

19. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors				
- Fees	925	925	925	925
- Remuneration	2,965	2,532	2,961	2,532
- Other short-term employee benefits	88	22	88	22
	3,978	3,479	3,978	3,479
Other key management personnel				
- Remuneration	11,639	10,321	5,683	4,596
Total short-term employee benefits	15,617	13,800	9,661	8,075

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

20. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Recognised in profit or loss				
Current tax expense				
Current year	5,804	26,125	434	862
Over provision in prior year	(2,890)	(6,795)	(335)	(142)
Total current tax recognised in profit or loss	2,914	19,330	99	720
Deferred tax expense				
Origination and reversal of temporary differences	(95)	(6,190)	(209)	(201)
Under/(over) provision in prior year	7,803	1,599	(440)	-
Total deferred tax recognised in profit or loss	7,708	(4,591)	(649)	(201)
Total tax expense	10,622	14,739	(550)	519

Notes to the Financial Statements

20. TAX EXPENSE (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<i>Reconciliation of tax expense</i>				
Profit for the year	52,645	70,112	22,339	28,782
Total tax expense	10,622	14,739	(550)	519
Profit excluding tax	63,267	84,851	21,789	29,301
Income tax calculated using Malaysian tax rate of 24%	15,184	20,364	5,229	7,032
Non-deductible expenses, net of non-taxable income	4,259	3,809	1,543	2,232
Tax exempt income	(65)	(57)	(6,236)	(8,278)
Tax incentives	(17,130)	(4,035)	(311)	(253)
Effect of deferred tax assets not recognised	3,528	(72)	-	(72)
Under/(over) provision in prior years	4,913	(5,196)	(775)	(142)
Effect of tax rates in foreign jurisdictions	(67)	(74)	-	-
	10,622	14,739	(550)	519

21. EARNINGS PER ORDINARY SHARE

21.1 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit attributable to ordinary shareholders	52,645	70,112
	Group	
	2023 '000	2022 '000
Weighted average number of ordinary shares		
As at 1 January	952,239	941,765
Effect of dividend reinvestment plan	6,274	6,543
As at 31 December	958,513	948,308

Notes to the Financial Statements

21. EARNINGS PER ORDINARY SHARE (CONTINUED)**21.1 Basic earnings per ordinary share (continued)**

	Group	
	2023 Sen	2022 Sen
Basic earnings per ordinary share	5.49	7.39

21.2 Diluted earnings per ordinary share

Diluted earnings per ordinary share is not presented as the Group has no shares or other instruments with potential dilutive effects as at 31 December 2023.

22. DIVIDENDS

Dividends recognised by the Company:

	Note	Sen per share	Total amount RM'000	Date of payment
2023				
Second interim dividend 2022 ordinary	22.1	1.8	17,140	9 May 2023
Interim 2023 ordinary		0.5	4,810	22 September 2023
Total amount		21,950		
2022				
Second interim dividend 2021 ordinary	22.1	1.8	16,952	13 May 2022
Interim 2022 ordinary		0.5	4,762	15 September 2022
Total amount		21,714		

22.1 Out of the total distribution of RM17,140,314 (2022: RM16,951,782), a total of RM13,098,727 (2022: RM13,511,463) was converted into 9,702,761 (2022: 10,474,002) new ordinary shares of the Company at the conversion price of RM1.35 (2022: RM1.29) per ordinary share under the Dividend Reinvestment Plan.

22.2 After the end of the reporting period, the following dividends were declared by the Directors on 22 February 2024. These dividends will be recognised in subsequent financial period.

	Note	Sen per share	Total amount RM'000
Second interim 2023 ordinary	22.2	1.8	17,315

The Company has resolved that the Dividend Reinvestment Plan ("DRP") shall not apply to the aforesaid interim dividend.

Notes to the Financial Statements

23. OPERATING SEGMENTS

The Group operates principally in Malaysia and its sole business segment being manufacturing and distribution of pharmaceutical products categorised by geographical area as disclosed in geographical segments below. The Group Managing Director (“GMD”), who is the chief operating decision maker reviews internal management reports regularly.

Accordingly, no segment information is provided as the financial position and performance are as disclosed in the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income.

Geographical segments

Segment revenue is based on geographical location of customers, and are managed separately because they require different marketing strategies.

Segment assets are not used to measure the financial position of the respective segments and are not included in the internal management reports that are reviewed by the GMD, as all assets within the Group, other than trade receivables, are attributed to the business activities in Malaysia.

	Group	
	2023	2022
	RM'000	RM'000
Revenue from external customers:		
Local	650,548	654,891
Export	54,179	41,826
	704,727	696,717
Trade receivables from external customers:		
Local	123,970	123,343
Export	11,068	7,970
	135,038	131,313

Major customers

Revenue from a major customer with revenue equal or more than 10% of the Group’s total revenue amounts to approximately RM166,369,408 (2022: RM165,987,000), generated from local segment.

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost (“AC”);
- (b) Fair value through profit or loss (“FVTPL”); and
- (c) Fair value through other comprehensive income (“FVOCI”):
 - Equity instrument designated upon initial recognition (“EIDUIR”).

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI - EIDUIR RM'000
2023				
Financial assets				
Group				
Other investments	36,907	-	-	36,907
Trade and other receivables	145,099	145,099	-	-
Cash and bank balances	108,707	108,707	-	-
Highly liquid investments	161,795	-	161,795	-
	452,508	253,806	161,795	36,907
Company				
Other investments	36,907	-	-	36,907
Trade and other receivables	290,218	290,218	-	-
Cash and bank balances	49,655	49,655	-	-
Highly liquid investments	161,795	-	161,795	-
	538,575	339,873	161,795	36,907
Financial liabilities				
Group				
Loans and borrowings	(546,448)	(546,448)	-	-
Trade and other payables	(95,817)	(95,817)	-	-
	(642,265)	(642,265)	-	-
Company				
Loans and borrowings	(507,559)	(507,559)	-	-
Trade and other payables	(8,431)	(8,431)	-	-
	(515,990)	(515,990)	-	-

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOC I- EIDUIR RM'000
2022				
Financial assets				
Group				
Other investments	42,151	-	-	42,151
Trade and other receivables	138,946	138,946	-	-
Cash and bank balances	79,097	79,097	-	-
Highly liquid investments	78,540	-	78,540	-
	338,734	218,043	78,540	42,151
Company				
Other investments	42,151	-	-	42,151
Trade and other receivables	278,768	278,768	-	-
Cash and bank balances	28,456	28,456	-	-
Highly liquid investments	78,540	-	78,540	-
	427,915	307,224	78,540	42,151
Financial liabilities				
Group				
Loans and borrowings	(428,742)	(428,742)	-	-
Trade and other payables	(121,016)	(121,016)	-	-
	(549,758)	(549,758)	-	-
Company				
Loans and borrowings	(394,502)	(394,502)	-	-
Trade and other payables	(9,503)	(9,503)	-	-
	(404,005)	(404,005)	-	-

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)**24.2 Net gains and losses arising from financial instruments**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on:				
Equity instruments designated at fair value through other comprehensive income	(11,665)	(31,385)	(11,665)	(31,385)
Financial assets at amortised cost	(3,395)	338	15,790	11,621
Financial assets at fair value through profit or loss	2,046	1,041	2,046	1,041
Financial liabilities at amortised cost	(17,555)	(10,201)	(20,592)	(15,652)
	(30,569)	(40,207)	(14,421)	(34,375)

24.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on new customers who require credit facility during the financial year. Depending on the nature of the transactions and the customer's risk profile, the Group may require upfront deposits as collateral.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Trade receivables (continued)

Risk management objectives, policies and processes for managing the risk (continued)

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as *compared to previous year*.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by sector was:

	Group	
	2023	2022
	RM'000	RM'000
Public sector	42,481	39,884
Private sector	92,557	91,429
	135,038	131,313

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days.

The Group uses an allowance matrix to measure ECLs of trade receivables. Invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Not past due	88,494	(149)	88,345
1-30 days past due	23,062	(130)	22,932
31-60 days past due	19,573	(180)	19,393
61-90 days past due	4,032	(37)	3,995
	135,161	(496)	134,665
Credit impaired			
More than 90 days past due	6,185	(5,812)	373
Individually impaired	204	(204)	-
	141,550	(6,512)	135,038

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Not past due	125,863	(359)	125,504
1-30 days past due	1,048	(12)	1,036
31-60 days past due	3,739	(14)	3,725
61-90 days past due	665	(9)	656
	131,315	(394)	130,921
Credit impaired			
More than 90 days past due	2,384	(1,992)	392
Individually impaired	204	(204)	-
	133,903	(2,590)	131,313

The movements in the allowance for impairment in respect of trade receivables during the year as shown below.

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 January 2022	1,854	1,352	3,206
Amounts written off	-	(126)	(126)
Net remeasurement of loss allowance	(1,460)	970	(490)
Balance at 31 December 2022/1 January 2023	394	2,196	2,590
Amounts written off	-	(177)	(177)
Net remeasurement of loss allowance	102	3,997	4,099
Balance at 31 December 2023	496	6,016	6,512

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position.

Loans and advances are only provided to subsidiaries which are wholly owned by the Company.

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Inter-company loans and advances (continued)

Recognition and measurement of impairment losses

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries.

24.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2023							
Group							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	95,817	-	95,817	95,817	-	-	-
Lease liabilities	2,400	5.00	2,516	992	1,224	300	-
Islamic Medium Term Notes	391,771	4.85 – 5.58	520,039	20,240	139,925	143,542	216,332
Term loan – unsecured	104,083	4.35	119,315	19,245	38,490	58,235	3,345
Revolving credit – unsecured	26,704	4.67 – 6.18	28,151	28,151	-	-	-
Banker's acceptance	23,890	3.89 – 4.84	24,961	24,961	-	-	-
	644,665		790,799	189,406	179,639	202,077	219,677
Company							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	8,431	-	8,431	8,431	-	-	-
Lease liabilities	1,730	5.00	1,845	515	1,030	300	-
Islamic Medium Term Notes	391,771	4.85 – 5.58	520,039	20,240	139,925	143,542	216,332
Term loan – unsecured	104,083	4.35	119,315	19,245	38,490	58,235	3,345
Revolving credit - unsecured	11,705	6.18	12,438	12,438	-	-	-
	517,720		662,068	60,869	179,445	202,077	219,677

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2022							
Group							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	121,016	-	121,016	121,016	-	-	-
Lease liabilities	2,861	5.00	3,048	1,014	1,219	815	-
Term loan – unsecured	326,942	4.19 - 4.55	380,138	46,460	124,387	174,363	34,928
Revolving credit – unsecured	87,561	3.35 - 6.30	90,408	90,408	-	-	-
Banker's acceptance	14,239	3.97 - 4.58	14,707	14,707	-	-	-
	<u>552,619</u>		<u>609,317</u>	<u>273,605</u>	<u>125,606</u>	<u>175,178</u>	<u>34,928</u>
Company							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	9,503	-	9,503	9,503	-	-	-
Lease liabilities	2,174	5.00	2,360	515	1,030	815	-
Term loan – unsecured	326,942	4.19 - 4.55	379,877	46,460	124,387	174,363	34,667
Revolving credit - unsecured	67,560	3.35 - 6.30	69,727	69,727	-	-	-
	<u>406,179</u>		<u>461,467</u>	<u>126,205</u>	<u>125,417</u>	<u>175,178</u>	<u>34,667</u>

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

24.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and bank balance that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Korean Won ("KRW"), Philippines Peso ("PESO"), British Pound Sterling ("GBP"), Brunei Dollar ("BND") and Indonesian Rupiah ("IDR").

Risk management objectives, policies and processes for managing the risk

The Group ensures that the net exposure on foreign currency risk arising from commercial transactions is kept to an acceptable level by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

Group	Denominated in USD	
	2023 RM'000	2022 RM'000
Trade and other receivables	4,304	3,347
Trade and other payables	(10,783)	(11,695)
Bank balances	1,659	2,821
Bank borrowings	(11,705)	(16,433)
Net exposure in the statement of financial position	(16,525)	(21,960)

Group	Denominated in EUR	
	2023 RM'000	2022 RM'000
Trade and other receivables	1,717	9,611
Trade and other payables	(42)	(70)
Net exposure in the statement of financial position	1,675	9,541

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk (continued)

24.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

Group (continued)	Denominated in SGD	
	2023 RM'000	2022 RM'000
Trade and other receivables	2,988	2,317
Trade and other payables	(2,753)	(1,014)
Bank balances	2,277	1,605
Net exposure in the statement of financial position	2,512	2,908

	Denominated in KRW	
	2023 RM'000	2022 RM'000
Trade and other payable	(27)	(62)

	Denominated in PESO	
	2023 RM'000	2022 RM'000
Trade and other receivables	4,591	2,040
Trade and other payables	(2,107)	(2,669)
Bank balances	2,274	2,670
Net exposure in the statement of financial position	4,758	2,041

	Denominated in GBP	
	2023 RM'000	2022 RM'000
Trade and other receivables	-	1
Trade and other payables	-	(48)
Net exposure in the statement of financial position	-	(47)

	Denominated in BND	
	2023 RM'000	2022 RM'000
Trade and other receivables	174	498

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk (continued)

24.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

Group (continued)	Denominated in IDR	
	2023 RM'000	2022 RM'000
Trade and other receivables	11	-
Trade and other payables	(223)	-
Bank balances	734	333
Net exposure in the statement of financial position	522	333

Currency risk sensitivity analysis

A 10% (2022: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	Profit or loss	
	2023 RM'000	2022 RM'000
USD	1,256	1,669
EUR	(127)	(725)
SGD	(191)	(221)
KRW	2	5
PESO	(362)	(155)
GBP	-	4
BND	(13)	(38)
IDR	(40)	(25)

A 10% (2022: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk (continued)

24.6.2 Interest rate risk

The Group's and the Company's investments in debt securities and borrowings are exposed to a risk of change in their fair value due to changes in market rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's exposure to the risk of changes in market rates relates primarily to the highly liquid investments with floating net asset value and its floating interest rate unsecured term loans. Changes in the net asset value and interest rate may expose the Group to a risk of change in cash flows.

The excess fund placed with licensed banks and other financial institutions and corporations are for certain periods during which the interest rates are fixed. The management reviews the interest rates at regular intervals.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
Financial assets	9,861	11,860	71,439	73,757
Financial liabilities	(52,994)	(70,421)	(13,435)	(69,734)
	(43,133)	(58,561)	58,004	4,023
Floating rate instruments				
Financial assets	161,795	78,540	369,695	283,360
Financial liabilities	(495,854)	(361,182)	(495,854)	(326,942)
	(334,059)	(282,642)	(126,159)	(43,582)

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk (continued)

24.6.2 Interest rate risk or net asset value risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2023 Profit or (loss)		2022 Profit or (loss)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Group				
Floating rate instruments	(2,539)	2,539	(2,148)	2,148
Company				
Floating rate instruments	(959)	959	(331)	331

24.7 Fair value information

The carrying amounts of cash and bank balances, deposits with licensed banks, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position, is as follows:

Group and Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2023										
Financial assets										
Other investments	26,904	-	10,003	36,907	-	-	-	-	36,907	36,907
Highly liquid investments	161,795	-	-	161,795	-	-	-	-	161,795	161,795
	188,699	-	10,003	198,702	-	-	-	-	198,702	198,702
Financial liabilities										
Islamic Medium Term Notes	-	-	-	-	-	-	(391,771)	(391,771)	(391,771)	(391,771)
Term loan	-	-	-	-	-	-	(104,083)	(104,083)	(104,083)	(104,083)
	-	-	-	-	-	-	(495,854)	(495,854)	(495,854)	(495,854)
2022										
Financial assets										
Other investments	34,828	-	7,323	42,151	-	-	-	-	42,151	42,151
Highly liquid investments	78,540	-	-	78,540	-	-	-	-	78,540	78,540
	113,368	-	7,323	120,691	-	-	-	-	120,691	120,691
Financial liabilities										
Term loan	-	-	-	-	-	-	(326,942)	(326,942)	(326,942)	(326,942)

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS (CONTINUED)**24.7 Fair value information (continued)****Level 2 fair value**

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2022: no transfer in either direction).

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	Group	
	2023	2022
	RM'000	RM'000
Unquoted shares		
At 1 January	7,323	24,800
Purchases	4,679	-
Loss recognised in other comprehensive income	(1,999)	(17,477)
At 31 December	10,003	7,323

Financial instruments carried at fair value

Level 3 items principally comprise minority shareholdings in unlisted businesses. Unlisted equity investments, initially measured at cost, are revalued where sufficient indicators are identified that a change in the fair value has occurred.

The inputs to any subsequent valuations are based on a combination of observable evidence from external transactions in the investee's equity and adjusted net asset method.

There would be no material effect on the amounts stated from any reasonably possible change in such inputs at 31 December 2023.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
(i) Islamic Medium Term Notes	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.
(ii) Term Loan	

Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes management that has overall responsibility for overseeing all significant fair value measurements.

Notes to the Financial Statements

25. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to safeguard shareholders' interest within the Group and to sustain future development of the business.

The debt-to-equity ratio at 31 December 2023 and at 31 December 2022 were as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Loans and borrowings	13	546,448	428,742
Lease liabilities	14	2,400	2,861
Total debts		548,848	431,603
Total equity		687,123	655,222
Debt-to-equity ratios		0.80:1	0.66:1

The Group is required to maintain a maximum debt-to-equity ratio of 1.5 and a minimum debt service cover ratio of 1.2 to comply with debt covenants, failing which, the bank may call an event of default. The Group has complied with the covenants.

26. CAPITAL AND OTHER COMMITMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital expenditure commitments				
Plant and equipment				
Contracted but not provided for	16,208	8,113	40	93

27. RELATED PARTY TRANSACTIONS

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below, except for key management personnel compensation which is shown in Note 19. The balances related to the below transactions are shown in Note 9 and 14.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries				
Management services fees and other services fees received	-	-	33,018	28,866
Dividend income received from subsidiaries	-	-	25,984	34,490
Interest income received from subsidiaries	-	-	15,436	11,571

There is no impairment loss recognised in respect of these outstanding balances at year end.

All the outstanding balances are unsecured and expected to be settled with cash.

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 174 to 236 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir
Director

.....
Leonard Ariff Bin Abdul Shatar
Director

Kuala Lumpur

Date: 19 March 2024

Statutory declaration

pursuant to Section 251(2) of the Companies Act 2016

I, **Chek Wu Kong**, the officer primarily responsible for the financial management of Duopharma Biotech Berhad, do solemnly and sincerely declare that the financial statements set out on pages 174 to 236 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Chek Wu Kong, NRIC: 660124-08-6517, MIA CA 7644, at Kuala Lumpur in the Federal Territory on 19 March 2024.

.....
Chek Wu Kong

Before me:

Independent Auditors' Report

To the Members of Duopharma Biotech Berhad

(Registration No. 200001021664 (524271-W)) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Duopharma Biotech Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 174 to 236.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence) Standards ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Independent Auditors' Report

To the Members of Duopharma Biotech Berhad (Registration No. 200001021664 (524271-W)) (Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory provisions

Refer to Note 10 – Inventories.

The key audit matter	How the matter was addressed in our audit
<p>The Group manufactures and sells pharmaceutical products which carry shelf life, increasing the level of judgement involved in estimating inventory provisions. Judgement is required to assess the appropriate level of provisioning for short-dated pharmaceutical products. Such judgements include Directors' expectations for future sales and inventory liquidation plans.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • Attended inventory counts to identify whether any inventory was obsolete; • Assessed the basis for the inventory provisions, the consistency of provisioning in line with policy and the rationale for the recording of specific provisions; • Tested the accuracy of the ageing of inventories based on system generated reports; • Tested the provision calculations and determined that they appropriately took into account the ageing profile of inventories; and • Assessed the appropriateness of management's inventory measurement under MFRS 102.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Director's Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors report thereon), which we obtained prior to the date of this auditor's report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Independent Auditors' Report

To the Members of Duopharma Biotech Berhad

(Registration No. 200001021664 (524271-W)) (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report
To the Members of Duopharma Biotech Berhad
(Registration No. 200001021664 (524271-W)) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya, Selangor

Date: 19 March 2024

Ameenuddin Bin Khali Kasman

Approval Number: 03470/11/2025 J

Chartered Accountant

SECTION 7

OTHER INFORMATION

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* Proxy Form





**Providing
Smarter
Solutions for a
Healthier Life**

Analysis of Shareholdings

As at 29 March 2024

Total Number of Issued Shares	: 961,942,451
Class of Shares	: Ordinary Shares
No. of Shareholders	: 20,526
Voting Rights	: One Vote per Ordinary Share

The increase in the number of issued shares of Duopharma Biotech Berhad from 952,239,690 Ordinary Shares as at 31 March 2023 to 961,942,451 Ordinary Shares as at 29 March 2024 is as set out in the table below:

Date of Allotment	No. of Shares Allotted	Consideration	Total Number of Issued Shares
9 May 2023	9,702,761	Implementation of Dividend Reinvestment Plan for 2022 Second Interim Dividend	961,942,451

ANALYSIS BY SIZE OF HOLDINGS

as at 29 March 2024

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	2,611	12.720	104,836	0.010
100 - 1,000	3,084	15.024	1,403,536	0.145
1,001 - 10,000	10,804	52.635	40,794,771	4.240
10,001 - 100,000	3,604	17.558	94,398,353	9.813
100,001 to less than 5% of issued ordinary shares	422	2.055	400,959,841	41.682
5% and above of issued ordinary shares	1	0.004	424,281,114	44.106
Total	20,526	100.000	961,942,451	100.000

DIRECTORS SHAREHOLDINGS AS PER REGISTER OF DIRECTORS

as at 29 March 2024

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir	-	-	-	-
Leonard Ariff Bin Abdul Shatar	-	-	-	-
Dato' Mohamad Kamarudin Bin Hassan ¹	-	-	-	-
Dato' Eisah Binti A. Rahman	-	-	-	-
Razalee Bin Amin	-	-	-	-
Zaiton Binti Jamaluddin	-	-	-	-
Datuk Nik Moustpha Bin Haji Nik Hassan	-	-	-	-
Datuk Mohd Radzif Bin Mohd Yunus	25,293	0.002	-	-
Dato' Dr Zaki Morad Bin Mohamad Zaher	-	-	-	-
Amizar Binti Mizuar ²	-	-	-	-
Datin Paduka Kartini Binti Hj Abdul Manaf ³	-	-	-	-
Mohd Haris Bin Mohd Arshad ⁴	-	-	-	-

Analysis of Shareholdings

As at 29 March 2024

DIRECTORS SHAREHOLDINGS AS PER REGISTER OF DIRECTORS (CONTINUED)

as at 29 March 2024

Name	No. of Shares Held			
	Direct	%	Indirect	%
Muhammad Shukri Bin Ismail ⁵	-	-	-	-
<i>Notes:</i>				
1. Dato' Mohamad Kamarudin Bin Hassan retired on 31 May 2023				
2. Puan Amizar Binti Mizuar resigned with effect from 20 March 2024				
3. Datin Paduka Kartini Binti Hj Abdul Manaf appointed with effect from 1 June 2023				
4. Encik Mohd Haris Bin Mohd Arshad appointed with effect from 20 March 2024				
5. Encik Muhammad Shukri Bin Ismail ceased as the Alternate Director to Puan Amizar Binti Mizuar and thereafter, appointed as Alternate Director to Encik Mohd Haris Bin Mohd Arshad				
Total	25,293	0.002	-	-

DIRECTORS OF SUBSIDIARY COMPANIES' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS

as at 29 March 2024

Name	No. of Shares Held			
	Direct	%	Indirect	%
Leonard Ariff Bin Abdul Shatar	-	-	-	-
Wan Amir-Jeffery Bin Wan Abdul Majid	-	-	-	-
Dato' Dr Anas Bin Alam Faizli	-	-	-	-
Chek Wu Kong	124	0.000	-	-
Krisnakumara-Reddi A/L Kesava-Reddi	2,878	0.000	-	-
Shamsul Idham Bin A.Iahad	-	-	-	-
Ng Su Yee ¹	65,920	0.006	-	-
Sabrina Binti Haron	-	-	-	-
Feizril Nor Bin Nurbi	-	-	-	-
Mohd Fairuz Khan Bin Pret Khan ²	-	-	533	0.000
Mohd Idzwan Bin Mohd Malik	-	-	-	-
Mohamed Shazman Merican ³	-	-	-	-
Noor Aida Binti Jaafar	-	-	-	-
Roziyah Hanim Binti Abd Karim ⁴	-	-	-	-
Suhaizar Bin Mansor ⁵	-	-	-	-
Zaini Bin Said ⁶	4,000	0.000	-	-
Priya Darshini A/P Asokan	-	-	-	-
Susan M. Chu	-	-	-	-
Teo Cheng Peow ⁷	-	-	-	-
Owe Kok Liang	-	-	-	-
<i>Notes:</i>				
1. Ms. Ng Su Yee resigned with effect from 30 June 2023				
2. held via Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd				
3. Encik Mohamed Shazman Merican resigned with effect from 20 July 2023				
4. Puan Roziyah Hanim Binti Abd Karim resigned with effect from 20 June 2023				
5. Encik Suhaizar Bin Mansor resigned with effect from 20 June 2023				
6. Encik Zaini Bin Said resigned with effect from 20 July 2023				
7. Mr. Teo Cheng Peow resigned with effect from 30 June 2023				
Total	72,922	0.006	533	0.000

Analysis of Shareholdings

As at 29 March 2024

SENIOR MANAGEMENT'S SHAREHOLDINGS

as at 29 March 2024

Name	No. of Shares Held			
	Direct	%	Indirect	%
Leonard Ariff Bin Abdul Shatar	-	-	-	-
Wan Amir-Jeffery Bin Wan Abdul Majid	-	-	-	-
Dato' Dr Anas Bin Alam Faizli	-	-	-	-
Chek Wu Kong	124	0.000	-	-
Krisnakumara-Reddi A/L Kesava-Reddi	2,878	0.000	-	-
Ibrahim Hussin Salleh	-	-	-	-
Shamsul Idham Bin A.lahad	-	-	-	-
Sabrina Binti Haron	-	-	-	-
Total	3,002	0.000	-	-

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

as at 29 March 2024

Name	No. of Shares Held			
	Direct	%	Indirect	%
Permodalan Nasional Berhad	424,281,114	44.106	-	-
Yayasan Pelaburan Bumiputra	-	-	424,281,114	44.106
Employees Provident Fund Board*	-	-	82,539,407	8.577

* held via multiple securities accounts with Citigroup Nominees (Tempatan) Sdn Bhd

TOP 30 SECURITIES ACCOUNT HOLDERS AS PER REGISTER OF DEPOSITORS

as at 29 March 2024

No.	Name	Holdings	%
1.	PERMODALAN NASIONAL BERHAD	424,281,114	44.106
2.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Bumiputera	42,712,457	4.440
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board	42,528,229	4.421
4.	LEMBAGA TABUNG HAJI	35,053,600	3.644
5.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Malaysia	22,293,333	2.317
6.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (Islamic)	17,855,368	1.856
7.	PUBLIC NOMINEES (ASING) SDN BHD Pledged Securities Account For Billion Victory Sdn Bhd (KLC)	15,068,798	1.566

Analysis of Shareholdings

As at 29 March 2024

TOP 30 SECURITIES ACCOUNT HOLDERS AS PER REGISTER OF DEPOSITORS (CONTINUED)

as at 29 March 2024

No.	Name	Holdings	%
8.	AMANAHRAYA TRUSTEES BERHAD Public Islamic Treasures Growth Fund	10,226,597	1.063
9.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY For Norges Bank (FI 17)	9,556,800	0.993
10.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB For Prulink Equity Fund	7,705,375	0.801
11.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD Deutsche Trustees Malaysia Berhad For Eastspring Investments Small-Cap Fund	7,390,454	0.768
12.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB For Participating Fund	5,884,342	0.611
13.	HONG LEONG ASSURANCE BERHAD As Beneficial Owner (LIFE PAR)	5,865,300	0.609
14.	CARTABAN NOMINEES (TEMPATAN) SDN BHD Prudential Assurance Malaysia Berhad For Prulink Strategic Fund	5,786,664	0.601
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD National Trust Fund (IFM EASTSPRING) (410140)	5,287,100	0.549
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (F TEMPLETON)	5,022,100	0.522
17.	AMANAHA RAYA BERHAD Kumpulan Wang Bersama	4,958,000	0.515
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (PHEIM)	4,151,000	0.431
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Syarikat Takaful Malaysia Keluarga Berhad (ORDPA)	3,860,900	0.401
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (AM INV)	3,504,000	0.364
21.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD Lembaga Tabung Haji (AL-WARA')	3,445,954	0.358
22.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) Trustee Bhd For Manulife Investment Al-Fauzan (5170)	3,432,089	0.356
23.	OOI KENG TAN	2,900,909	0.301
24.	HONG LEONG MSIG TAKAFUL BERHAD As Beneficial Owner (Family Fund)	2,827,038	0.293
25.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) Trustee Bhd For Manulife Investment Progress Fund (4082)	2,670,211	0.277
26.	HONG LEONG ASSURANCE BERHAD As Beneficial Owner (UNITLINKED OP)	2,638,662	0.274
27.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB Commerce Trustee Berhad For Kenanga Shariah Growth Opportunities Fund (50156 TR01)	2,436,000	0.253
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (CGS CIMB)	2,404,000	0.249
29.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (ARIM)	1,976,877	0.205
30.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (NIAM EQ)	1,975,233	0.205
	Total	705,698,504	73.361

List of Properties of the Duopharma Biotech Berhad Group

As at 31 December 2023

No.	Location	Tenure	Lease Period	Area (sq- meter)	Description	Existing Use	Approximate Age of Building	Net Book Value (RM million)	Date of Last Revaluation
1	Duopharma (M) Sendirian Berhad Lot 2599, Jalan Seruling 59, Kawasan 3, Taman Klang Jaya, 41200 Klang, Selangor Darul Ehsan, Malaysia.	Freehold	-	24,261	a. Industrial land built upon with a 2-storey factory building, a 1-storey pump house cum boiler house and a guard house; b. 4-storey factory and office building; c. 2-storey warehouse building with two (2) mezzanine office levels of high specifications for specific pharmaceutical use and water tank; d. 7-storey office and 5-storey manufacturing block; and e. 5-storey manufacturing block.	Factory, warehouse and office	a. 31 years b. 21 years c. 12 years d. 1 year e. 1 year	195.09	January 2016
2	Duopharma (M) Sendirian Berhad Lot No. 2707, Jalan Seruling 59, Kawasan 3, Taman Klang Jaya, 41200 Klang, Selangor Darul Ehsan, Malaysia.	Freehold	-	4.38 acres	Industrial land built upon with a warehouse block with lift service, a rooftop car park, a mezzanine floor office and a technical block with motorcycle parking.	Warehouse with rooftop car park and office.	4 years	63.85	January 2016
3	Duopharma Manufacturing (Bangli) Sdn. Bhd. Lot No. 2, 4, 6, 8 & 10, Jalan P/7, Seksyen 13, Kawasan Perusahaan Bandar Baru Bangli, 43650 Bandar Baru Bangli, Selangor Darul Ehsan, Malaysia.	Leasehold	99 years (1987 - 2086)	21,359	Industrial land built upon with 3-storey office cum factory building with lift service, a 3-storey store, canteen and laboratory building, a 2-storey warehouse block, a new 2½-storey office, factory cum warehouse building with lift services, a pump block and two (2) guardhouse buildings.	Industrial land, factory and office	36 years	46.34	November 2014
4	Duopharma Marketing Sdn. Bhd. Lot No. 2, 4, 6, 8 & 10, Jalan P/7, Seksyen 13, Kawasan Perusahaan Bandar Baru Bangli, 43650 Bandar Baru Bangli, Selangor Darul Ehsan, Malaysia.	Leasehold	99 years (1987 - 2086)	12,140	Leasehold land built upon with 2-storey office cum warehouse building	Warehouse and office	36 years	28.24	November 2014

List of Properties of the Duopharma Biotech Berhad Group

As at 31 December 2023

No	Location	Tenure	Lease Period	Area (sq- meter)	Description	Existing Use	Approximate Age of Building	Net Book Value (RM million)	Date of Last Revaluation
5	Duopharma Manufacturing (Glenmarie) Sdn. Bhd. No. 2, Jalan Saudagar U1/16, Zon Perindustrian Hicom Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.	Freehold	-	5,904	Industrial land, factory and offices	Factory and offices	26 years	27.0	December 2023
6	Duopharma Marketing Sdn. Bhd. No. 1, Jalan 4/3, Seksyen 4, Bandar Baru Bangi, 43650 Bangi, Selangor Darul Ehsan, Malaysia.	Leasehold	99 years (1987 - 2086)	1,565	A plot of vacant residential detached building land	Vacant	-	1.05	December 2023
7	Duopharma Marketing Sdn. Bhd No. 64, Jalan Pernas 9/13, Bandar Baru Pernas Jaya, Masai, 81750 Johor Bahru, Johor Darul Takzim, Malaysia.	Freehold	-	362	An intermediate 1½-storey terraced factory building.	Warehouse	32 years	0.85	December 2023
8	Duopharma (M) Sendirian Berhad No. 51 & 53, Jalan Rebana 3, Off Jalan Seruling 59, Kawasan 3, Taman Klang Jaya, 41200 Klang, Selangor Darul Ehsan, Malaysia.	Freehold	-	835	Two (2) units of 2-storey terrace light industrial building	Warehouse	27 years	0.68	January 2016
9	Duopharma Marketing Sdn. Bhd. No. 309, 310, 411 and 412, Block 4, Jalan 1/9, Seksyen 1, Bandar Baru Bangi, 43650 Bangi, Selangor Darul Ehsan, Malaysia.	Leasehold	99 years (1996 – 2095)	228	Four (4) units of 2-bedroom walk-up low-cost flat unit	Hostel	27 years	0.11	November 2014

Notice of the 23rd Annual General Meeting of Duopharma Biotech Berhad

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)



NOTICE IS HEREBY GIVEN that the Twenty-Third (23rd) Annual General Meeting (“AGM”) of Duopharma Biotech Berhad (“Duopharma Biotech” or the “Company”) will be held entirely through live streaming from the broadcast venue at the **Meeting Rooms 408 & 409, Level 4, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia** (the “Broadcast Venue”) and **via the TIH Online website at <https://tjh.online> on Thursday, 6 June 2024 at 9.00 a.m.** for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire in accordance with Article 100 of the Company’s Constitution and who, being eligible, offer themselves for re-election:-
 - i. Dato’ Eisah Binti A. Rahman
 - ii. Datuk Nik Moustpha Bin Haji Nik Hassan
 - iii. Datuk Mohd Radzif Bin Mohd Yunus
3. To re-elect the following Directors who were appointed as Directors after the 22nd AGM and retire in accordance with Article 106 of the Company’s Constitution and who, being eligible, offer themselves for re-election:-
 - i. Datin Paduka Kartini Binti Hj Abdul Manaf
 - ii. Encik Mohd Haris Bin Mohd Arshad
4. To approve the payment of Directors’ fees and Board Committee fees to each of the Non-Executive Directors for the period commencing 7 June 2024 until the conclusion of the next Annual General Meeting of the Company, as follows:-

Ordinary Resolution 1
Ordinary Resolution 2
Ordinary Resolution 3

Ordinary Resolution 4
Ordinary Resolution 5

Ordinary Resolution 6

DIRECTORS’ FEES

Chairman of the Board	RM125,000.00 per annum
Member of the Board (other than Foreign Director)	RM100,000.00 per annum
Foreign Director	the amount in United States Dollars equivalent to RM100,000.00 per annum

BOARD COMMITTEE FEES

Chairman of the Board Committee	RM10,000.00 per annum
Member of the Board Committee (including where member is a Foreign Director)	RM8,000.00 per annum

And further, to authorise the Directors to pay the said fees among them in such proportions and manner as the Directors may determine.

Notice of the 23rd Annual General Meeting of Duopharma Biotech Berhad

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)

- | | | |
|----|--|------------------------------|
| 5. | To approve the payment of benefits to the Non-Executive Directors up to an amount of RM768,000.00 for the period from 7 June 2024 until the conclusion of the next AGM of the Company. | Ordinary Resolution 7 |
| 6. | To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 8 |

AS SPECIAL BUSINESS

- | | | |
|----|--|------------------------------|
| 7. | To consider and, if thought fit, to pass the following Ordinary Resolution:- | Ordinary Resolution 9 |
|----|--|------------------------------|

ISSUANCE OF NEW DUOPHARMA BIOTECH SHARES PURSUANT TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY WITH THE OPTION TO ELECT TO REINVEST THEIR DIVIDEND IN NEW DUOPHARMA BIOTECH SHARES (“DIVIDEND REINVESTMENT PLAN”)

“**THAT** pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Extraordinary General Meeting of the Company held on 31 May 2018, and subject to the approvals of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given to the Board of Directors of Duopharma Biotech (“Board”) to allot and issue such number of new Duopharma Biotech Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestment Plan 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;

THAT the issue price of the said new Duopharma Biotech 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 Duopharma Biotech Shares immediately preceding the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price at the material time;

AND 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 Duopharma Biotech Shares pursuant to the Dividend Reinvestment Plan, with full power to assent to any conditions, variations, modifications and/or amendments in any manner, including amendments, modifications, suspension and termination of the Dividend Reinvestment Plan, 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.”

- | | |
|----|--|
| 8. | To transact any other business of which due notice shall have been received. |
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By Order of the Board

IBRAHIM HUSSIN SALLEH

License No.: LS 0009121

SSM Practising Certificate No.: 201908001032

Company Secretary

Kuala Lumpur

Date: 26 April 2024

Notice of the 23rd Annual General Meeting of Duopharma Biotech Berhad

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)

NOTES:

1. The Company's 23rd AGM will be conducted as a full virtual meeting with online remote voting via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tjih.online>. Please follow the procedures provided in the Administrative Guide for the 23rd AGM which is available on the Company's website at <https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/> in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue of the 23rd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No member or proxy from the public will be physically present at the Broadcast Venue.
3. All Resolutions in the Notice of AGM are to be conducted by poll voting as per Paragraph 8.29A(1) of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling/e-polling process and verify the results of the poll respectively.
4. A member who is entitled to attend, speak (including posing questions to the Company via real time submission of typed text) and vote (collectively, "participate") remotely at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him/her. A proxy may but need not be a member of the Company. In the case of a corporation, the corporation may appoint a duly authorised representative to participate in the Meeting on behalf of that corporation.
5. Where a member of the Company appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
8. A member who has appointed a proxy or authorised representative (as the case may be) to participate at this 23rd AGM of the Company via RPV must instruct his/her proxy or authorised representative (as the case may be) to register himself/herself for RPV via **TIIH Online** website at <https://tjih.online>. The proxy or authorised representative (as the case may be) must register at **TIIH Online** website in order to participate in the Meeting via RPV. **Please follow the Procedures for RPV in the Administrative Guide issued by the Company for the 23rd AGM of the Company.**
9. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal, or under the hand of two (2) authorised officers, one of whom shall be a director or of its attorney duly authorised in writing.
10. The instrument appointing a proxy(ies) may be made in a hardcopy form or by electronic means as follows:-
 - a. In Hardcopy Form
The Proxy Form or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - b. By Tricor Online System ("TIIH Online")
The Proxy Form can be electronically lodged with the Company's Share Registrar via TIIH Online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of Proxy Form via TIIH Online.
11. Only depositors whose names appear in the Record of Depositors as at 28 May 2024 shall be regarded as members and entitled to attend and vote at the meeting.

Notice of the 23rd Annual General Meeting of Duopharma Biotech Berhad

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)

Explanatory Notes on Ordinary Business

1. Audited Financial Statements for financial year ended 31 December 2023 and the Reports of the Directors and the Auditors thereon

The Audited Financial Statements for financial year ended 31 December 2023 and the Reports of the Directors and the Auditors thereon are set out on pages 168 to 241 of the Company's Integrated Annual Report 2023.

The Company's Integrated Annual Report 2023 is available at <https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/>. You may request for a copy of the printed Integrated Annual Report at <https://tjih.online> by selecting "Integrated Annual Report Requisition Form" under the "Investor Relations". Alternatively, you may also make your request by completing and submitting the online requisition form at the Company's Corporate Website at <https://dpharma.investors-centre.com/investor-relations/requisition-form/ar-requisition-form.php> under the 'Shareholders Meeting & Reports > Annual Reports/Integrated Annual Report > Integrated Annual Report Requisition Form tab.

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 and Article 57 of the Company's Constitution for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

2. Ordinary Resolutions 1, 2, 3, 4 and 5 – Approval for the re-election of the Directors who retire in accordance with Articles 100 and 106 of the Company's Constitution

Article 100 of the Company's Constitution provides that at each AGM of the Company, 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 the meeting and that each Director so retiring from office shall be eligible for re-election. Pursuant thereto, three (3) Directors will be retiring in accordance with Article 100 of the Constitution.

Subsequent to the 22nd AGM of the Company that was held on 31 May 2023, Datin Paduka Kartini Binti Hj Abdul Manaf ("Datin Paduka Kartini") was appointed as Independent Non-Executive Director of the Company on 1 June 2023 and Encik Mohd Haris Bin Mohd Arshad ("Encik Mohd Haris") was appointed as Non-Independent Non-Executive Director of

the Company on 20 March 2024. Both Datin Paduka Kartini and Encik Mohd Haris will retire pursuant to Article 106 of the Constitution. Article 106 of the Constitution provides that any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 23rd AGM, the Nomination and Remuneration Committee ("NRC") had assessed each of the retiring Directors, and considered, among others, the following:-

- (a) the assessment of fit and proper criteria pursuant to the Company's Fit and Proper Policy for the Board of Directors and Senior Management ("Fit & Proper Policy") performed via diligence or screening using established search databases or services as adopted by the Company as well as declarations from the concerned individuals;
- (b) the Director's performance and contribution based on the Self and Peer Assessment results of the Board Effectiveness Evaluation for financial year ended 31 December 2023 ("BEE 2023") (including the assessment of independence by the Independent Directors seeking re-election);
- (c) the Company's Diversity Policy for the Board of Directors and Senior Management; and
- (d) the policy on maximum tenure of Non-Executive Directors being limited to maximum of nine (9) years as set out in the Company's Board Charter.

Based on the said assessment, the NRC had recommended that the five (5) Directors who retire in accordance with Articles 100 and 106 of the Company's Constitution were eligible to stand for re-election. The Board had approved the NRC's assessment and recommendation that Dato' Eisah Binti A. Rahman ("Dato' Eisah"), Datuk Nik Moustpha Bin Haji Nik Hassan ("Datuk Nik Moustpha"), Datuk Mohd Radzif Bin Mohd Yunus, Datin Paduka Kartini and Encik Mohd Haris who retire in accordance with Articles 100 and 106 of the Company's Constitution, are eligible to stand for re-election. Among the reasons for the Board's recommendation for re-election of the aforesaid Directors are as follows:-

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- (a) the recommendation for re-election were based on objective criteria and merit, namely the said Directors have met the following fit and proper criteria under the Fit & Proper Policy:-
- (i) character and integrity (encompassing the qualities of probity, personal integrity, financial integrity and reputation);
 - (ii) experience and competence (encompassing qualifications, training and skills; and relevant past performance or track record); and
 - (iii) time and commitment (encompassing ability to discharge role having regard to other commitments, and participation and contribution in the Board);
- (b) the overall high score recorded in the Self and Peer Assessment under the BEE 2023 for each of the Directors seeking re-election (other than Datin Paduka Kartini who was excluded from the BEE 2023 as she had only been appointed about three (3) months prior to the BEE 2023, and Encik Mohd Haris who was appointed after the BEE 2023 had been completed) showed that they had performed well in terms of their respective contribution and performance as well as in terms of their calibre and personality;
- (c) Datin Paduka Kartini and Encik Mohd Haris were assessed by the NRC and the Board in accordance with the aforesaid fit and proper criteria under the Fit & Proper Policy;
- (d) the BEE 2023 highlighted strong recognition of diversity at the Board level and that the variety of skill set present amongst the current Directors allows them to tackle issues in a multifaceted manner;
- (e) based on the Independent Directors' self-assessment under the BEE 2023, Dato' Eisah, Datuk Nik Moustpha and Datin Paduka Kartini respectively had declared their independence; and
- (f) the tenure of service of each of them calculated until the date of the 23rd AGM does not exceed a cumulative term of nine (9) years in a consecutive service nor cumulative service of nine (9) years with interval as prescribed in the Company's Board Charter.

All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board meetings.

The details of the five (5) Directors seeking re-election are set out in their respective profiles which appear in the Directors' Profiles on pages 82 to 95 of the Company's Integrated Annual Report 2023. The details of their interest in the securities of the Company are set out in their respective profiles as well as the Analysis of Shareholdings on pages 244 to 245 of the Company's Integrated Annual Report 2023.

Any of the Directors that is seeking re-election and who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election.

Datuk Nik Moustpha [inclusive of his cumulative tenure as a director in Duopharma Biotech's former holding company (i.e. Chemical Company of Malaysia Berhad ("CCMB")) prior to the demerger of Duopharma Biotech from CCMB in 2017] and Dato' Eisah will complete nine (9) years of cumulative tenure of service in September and November 2025 respectively. If re-elected at this 23rd AGM, they will be required to retire in 2025 not later than the date of completion of their ninth year of cumulative tenure of service in accordance with the policy set out in the Company's Board Charter that limits the tenure of Non-Executive Directors to not more than nine (9) years.

3. **Ordinary Resolution 6 – Approval for the proposed payment of Directors' fees and Board Committee fees to each of the Non-Executive Directors for the period commencing from 7 June 2024 until the conclusion of the next AGM of the Company**

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors shall be approved at a general meeting. Pursuant to Paragraph 7.24 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the fees of directors shall be subject to annual shareholders' approval at a general meeting.

The Directors' fees to be paid to the Non-Executive Directors from 7 June 2024 until the conclusion of the next AGM of the Company in 2025 is based on the following fee structure which has not changed since the last revision of the Directors' fees that was approved at the 20th AGM held on 28 May 2021.

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The Board Committee fees to be paid to the Non-Executive Directors from 7 June 2024 until the conclusion of the next AGM of the Company in 2025 is based on the following fee structure which has not changed since it was approved at the 17th AGM held on 31 May 2018:

DIRECTORS' FEES		SHAREHOLDERS' APPROVAL
Chairman of the Board	RM125,000.00 per annum	Approved at the 20 th AGM held on 28 May 2021
Member of the Board (other than Foreign Director)	RM100,000.00 per annum	
Foreign Director	the amount in United States Dollars equivalent to RM100,000.00 per annum	

BOARD COMMITTEE FEES		SHAREHOLDERS' APPROVAL
Chairman of the Board Committee	RM10,000.00 per annum	Approved at the 17 th AGM held on 31 May 2018
Member of the Board Committee (including where member is a Foreign Director)	RM8,000.00 per annum	

The shareholders also resolved that the aforesaid amount of the Directors' Meeting Allowances shall continue to be in force until varied by resolution passed by the shareholders in a general meeting. The Board has approved the NRC's recommendation for the Directors' fees and the Board Committee fees for the period commencing from 7 June 2024 until the conclusion of the next AGM of the Company in 2025 to remain unchanged as they are still competitive.

The shareholders had at the 22nd AGM of the Company held on 31 May 2023 approved the payment of Directors' fees and Board Committee fees for the period commencing 1 June 2023 until the conclusion of the next AGM of the Company in 2024, based on the aforementioned fee structure.

This resolution, if passed, will facilitate the payment of Directors' fees and Board Committee fees on current financial year basis until the conclusion of the next AGM in 2025.

Any Non-Executive Director who is a shareholder of the Company will abstain from voting on Ordinary Resolution 6 in respect of the proposed payment of Directors' fees and Board Committee fees.

Notes:

- (a) *The Group Managing Director does not receive any Directors' fees nor Board Committee fees other than those specified in his service contract.*
- (b) *Encik Muhammad Shukri Bin Ismail, being an Alternate Director to Encik Mohd Haris Bin Mohd Arshad, does not receive any Directors' fees nor Board Committee fees. Under the Company's Constitution, if the Alternate Director receives any Directors' fees or benefits, the same shall be deducted from the remuneration of the Director that appointed the alternate director.*

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4. Ordinary Resolution 7 – Approval for the proposed payment of benefits to the Non-Executive Directors for the period commencing from 7 June 2024 until the conclusion of the next AGM of the Company

The Remuneration Policy and Procedures for Directors and Senior Management includes the payment of Meeting Allowances for meetings of the Board and Board Committees as well as other benefits comprising medical coverage, directors' and officers' liability insurance, and other claimable benefits. The Chairman of the Board of Directors also receives additional benefits-in-kind that includes the services of a driver and reimbursement of expenses for vehicle maintenance, Touch and Go, and fuel.

Notes:

- (a) *The Group Managing Director does not receive any Directors' benefits other than those specified in his service contract.*
- (b) *Encik Muhammad Shukri Bin Ismail, being an Alternate Director to Encik Mohd Haris Bin Mohd Arshad, does not receive any benefits. Under the Company's Constitution, if the Alternate Director receives any benefits, the same shall be deducted from the remuneration of the Director that appointed the alternate director.*

The Company had in 2018 obtained the shareholders' approval for payment of Directors' Meeting Allowances as follows:-

FOR MEETINGS OF THE BOARD OF DIRECTORS

Chairman of the Board	RM1,300.00 per meeting
Member of the Board (including where member is a Foreign Director)	RM1,000.00 per meeting

FOR MEETINGS OF THE BOARD COMMITTEES

Chairman of the Board Committee	RM1,200.00 per meeting
Member of the Board Committee (including where member is a Foreign Director)	RM1,000.00 per meeting

The shareholders also resolved that the aforesaid amount of the Directors' Meeting Allowance shall continue to be in force until varied by resolution passed by the shareholders in a general meeting. Although revision of Directors' Fees was proposed and approved by the shareholders at the 20th AGM of the Company held on 28 May 2021, there was no change to the Directors' Meeting Allowances.

The shareholders had at the 22nd AGM of the Company held on 31 May 2023 approved the payment of benefits to the Non-Executive Directors up to an amount of RM768,000 for the period commencing 1 June 2023 until the conclusion of the next AGM of the Company on 6 June 2024. The total Directors' benefits incurred were as follows:-

APPROVED AT LAST AGM (FROM 1 JUNE 2023 UNTIL CONCLUSION OF 23RD AGM)	ACTUAL (FROM 1 JUNE 2023 UNTIL 31 MARCH 2024)	FORECASTED (FROM 1 JUNE 2023 UNTIL CONCLUSION OF 23RD AGM)
RM768,000	RM260,000	RM450,000

In determining the estimated total amount of benefits for the Non-Executive Directors of the Company, the Board considered various factors including the potential increase in the number of directors on the Board, the number of scheduled meetings for the Board and Board Committees, potential additional unscheduled meetings, and the number of Directors involved in these meetings. The number of Board and Board Committee meetings are determined based on the strategy, plans and operational requirements of the Duopharma Biotech Group.

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With respect to the proposed benefits for the Non-Executive Directors for the period commencing from 7 June 2024 until the conclusion of the next AGM of the Company in 2025 (“**Relevant Period**”), the amount is estimated to be approximately RM768,000.00. In the event that the proposed benefits payable to the Non-Executive Directors is insufficient (e.g. due to more meetings or enlarged board size etc.), approval will be sought at the next AGM for the additional amount of benefits to meet the shortfall.

Ordinary Resolution 7, if passed, will be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the Non-Executive Directors to be paid the benefits on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

Any Non-Executive Director who is a shareholder of the Company will abstain from voting on Ordinary Resolution 7 in respect of the proposed payment of benefits to the Non-Executive Directors of the Company.

5. **Ordinary Resolution 8 – Approval for the re-appointment of Messrs. KPMG PLT as Auditors of the Company**

The Audit Committee (“AC”) has undertaken a formal and objective annual evaluation to determine the suitability of re-appointment of the external auditors, KPMG PLT, in accordance with the Policy on External Auditors. In its assessment, the AC considered several factors which include the following:-

- (a) quality of performance and level of engagement with the AC;
- (b) ability to provide effective recommendations in addressing weaknesses observed during audits, particularly on internal controls relevant to financial reporting process;
- (c) independence of the external auditors and the level of non-audit services rendered by the external auditors; and
- (d) the external auditors’ governance and leadership structure as well as measures taken by the external auditors to uphold audit quality and manage risks, as set out in KPMG PLT’s Audit Transparency Report.

Private sessions without the presence of the Management were also held in 2023 between the AC and KPMG PLT to allow the AC to ask questions on matters that might not have been specifically addressed in the formal part of the AC meeting and allows the lead audit engagement partner to provide his review to the AC.

The AC had at its meeting held on 7 March 2024 reviewed the outcome of the evaluation results and was satisfied with the suitability of KPMG PLT for the audit services provided to the Group.

The Board had at its meeting held on 19 March 2024 approved the AC’s recommendation for the shareholders’ approval to be sought at the 23rd AGM on the reappointment of KPMG PLT as the external auditors of the Company for the financial year ending 31 December 2024.

6. **Explanatory Notes on Special Business**

Ordinary Resolution 9 – Approval for the issuance of new Duopharma Biotech Shares pursuant to the Dividend Reinvestment Plan that provides the shareholders of the Company with the option to elect to reinvest their dividend in new Duopharma Biotech Shares (“Dividend Reinvestment Plan”)

The Dividend Reinvestment Plan had been approved by the shareholders at the Extraordinary General Meeting of the Company held on 31 May 2018. Details on the Dividend Reinvestment Plan, including the Dividend Reinvestment Plan Statement, were set out in the Circular to Shareholders in relation to the Proposed Bonus Issue and the Proposed Establishment of the Dividend Reinvestment Plan dated 30 April 2018.

This proposed Ordinary Resolution 9, if passed, will give authority to the Board to allot and issue Duopharma Biotech Shares pursuant to the Dividend Reinvestment Plan in respect of dividends declared by the Board from time to time, and such authority shall expire at the conclusion of the next annual general meeting of the Company.

Statement Accompanying Notice of the 23rd Annual General Meeting

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Other than Directors standing for re-election, and as at the date of issuance of the Notice of 23rd Annual General Meeting, there are no individuals who are standing for election at the 23rd Annual General Meeting. Under Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the requirement to disclose the prescribed details of individuals who are standing for election in the statement accompanying notices of annual general meetings is not applicable to those directors standing for re-election, and as such, such details of the directors standing for re-election have not been included in this statement accompanying the Notice of the 23rd Annual General Meeting. Nevertheless, the details of the aforesaid five (5) Directors seeking re-election are set out in their respective profiles which appear in the Directors' Profiles on pages 82 to 95 of the Company's Integrated Annual Report 2023.

Proxy Form

DUOPHARMA BIOTECH BERHAD

[Registration No.: 200001021664 (524271-W)]
(Incorporated in Malaysia)

I/We _____

(Full name as per NRIC/Passport/Certificate of Incorporation)

NRIC No./Passport No./Company No. _____ Tel. No. _____

of _____

being *a shareholder/shareholders of **DUOPHARMA BIOTECH BERHAD** (“the Company”) hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

and (if more than one (1) proxy)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

or failing him/her, the Chairman of the Meeting *my/our proxy to vote for *me/our behalf at the Twenty-Third (23rd) Annual General Meeting (“AGM”) of the Company to be held at the **Meeting Rooms 408 & 409, Level 4, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia** (the “Broadcast Venue”) and via the TIIH Online website at <https://tjih.online> on Thursday, 6 June 2024 at 9.00 a.m. and at any adjournment thereof.

My/Our Proxy is to vote as indicated below

(Please indicate with an “X” how you wish to cast your vote)

NO.	ORDINARY BUSINESS	RESOLUTION NO.	FOR	AGAINST
1.	To re-elect Dato' Eisah Binti A. Rahman who retires in accordance with Article 100 of the Company's Constitution.	Ordinary Resolution 1		
2.	To re-elect Datuk Nik Moustpha Bin Haji Nik Hassan who retires in accordance with Article 100 of the Company's Constitution.	Ordinary Resolution 2		
3.	To re-elect Datuk Mohd Radzif Bin Mohd Yunus who retires in accordance with Article 100 of the Company's Constitution.	Ordinary Resolution 3		
4.	To re-elect Datin Paduka Kartini Binti Hj Abdul Manaf who retires in accordance with Article 106 of the Company's Constitution.	Ordinary Resolution 4		
5.	To re-elect Encik Mohd Haris Bin Mohd Arshad who retires in accordance with Article 106 of the Company's Constitution.	Ordinary Resolution 5		
6.	To approve the payment of Directors' fees and Board Committee fees to each of the Non-Executive Directors for the period commencing 7 June 2024 until the conclusion of the next Annual General Meeting of the Company, as follows:- DIRECTORS' FEES Chairman of the Board RM125,000.00 per annum Member of the Board (other than Foreign Director) RM100,000.00 per annum Foreign Director the amount in United States Dollars equivalent to RM100,000.00 per annum BOARD COMMITTEE FEES Chairman of the Board Committee RM10,000.00 per annum Member of the Board Committee (including where member is a Foreign Director) RM8,000.00 per annum And further, to authorise the Directors to pay the said fees among them in such proportions and manner as the Directors may determine.	Ordinary Resolution 6		
7.	To approve the payment of benefits to the Non-Executive Directors up to an amount of RM768,000.00 for the period from 7 June 2024 until the conclusion of the next AGM of the Company.	Ordinary Resolution 7		
8.	To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 8		
SPECIAL BUSINESS				
9.	To approve the issuance of New Duopharma Biotech Shares pursuant to the Dividend Reinvestment Plan that provides the Shareholders of the Company with the Option to Elect to Reinvest their Dividend in New Duopharma Biotech Shares	Ordinary Resolution 9		

* delete if not applicable.

Signed this _____ day of _____ 2024.

CDS Account No.	
No. of ordinary shares	

Signature/Seal

- NOTES:
1. The Company's 23rd AGM will be conducted as a virtual meeting with online remote voting via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tjh.online>. **Please follow the procedures provided in the Administrative Guide for the 23rd AGM which is available on the Company's website at <https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/> in order to register, participate and vote remotely via the RPV.**
 2. The Broadcast Venue of the 23rd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No member or proxy from the public will be physically present at the Broadcast Venue on the day of the meeting.
 3. All Resolutions in the Notice of AGM are to be conducted by poll voting as per Paragraph 8.29A(1) of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling/ e-polling process and verify the results of the poll respectively.
 4. A member who is entitled to attend, speak (including posing questions to the Company via real time submission of typed text) and vote (collectively, "participate") remotely at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him/ her. A proxy may but need not be a member of the Company. In the case of a corporation, the corporation may appoint a duly authorised representative to participate in the Meeting on behalf of that corporation.
 5. Where a member of the Company appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
 6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
 7. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
 8. A member who has appointed a proxy or authorised representative or attorney (as the case may be) to participate at this 23rd AGM of the Company via RPV must instruct his/her proxy or authorised representative or attorney (as the case may be) to register himself/ herself for RPV at **TIH Online** website at <https://tjh.online>. The proxy or authorised representative (as the case may be) must register at **TIH Online** website in order to participate in the Meeting via RPV **Please follow the Procedures for RPV in the Administrative Guide issued by the Company for the 23rd AGM of the Company.**
 9. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal, or under the hand of two (2) authorised officers, one of whom shall be a director or of its attorney duly authorised in writing.
 10. The instrument appointing a proxy(ies) may be made in a hardcopy form or by electronic means as follows
 - a. In Hardcopy Form
The Proxy Form or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - b. By Tricor Online System ("TIH Online")
The Proxy Form can be electronically lodged with the Company's Share Registrar via TIH Online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIH Online.
 11. Only depositors whose names appear in the Record of Depositors as at 28 May 2024 shall be regarded as members and entitled to attend and vote at the meeting.

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THE REGISTRAR
DUOPHARMA BIOTECH BERHAD
 [Registration No.: 200001021664 (524271-W)]
 Unit 32-01, Level 32, Tower A,
 Vertical Business Suite, Avenue 3,
 Bangsar South,
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur
 Wilayah Persekutuan Kuala Lumpur
 Malaysia

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DUOPHARMA

Smarter Solutions. Healthier Life.

DUOPHARMA BIOTECH BERHAD [Registration No.: 200001021664 (524271-W)]

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