



**DUOPHARMA BIOTECH BERHAD**

**Registration No: 200001021664 (524271-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2022 RM'000	CURRENT YEAR TO DATE 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2022 RM'000
Revenue	167,501	151,960	704,727	696,717
Cost of Sales	(112,057)	(89,248)	(436,401)	(416,899)
<b>Gross Profit</b>	<b>55,444</b>	<b>62,712</b>	<b>268,326</b>	<b>279,818</b>
Other operating income	234	77	317	112
Distribution costs	(24,173)	(25,664)	(103,855)	(106,910)
Administration expenses	(20,688)	(21,358)	(82,959)	(79,185)
Other operating expenses	206	760	(3,115)	(925)
<b>Profit from operations</b>	<b>11,023</b>	<b>16,527</b>	<b>78,714</b>	<b>92,910</b>
Finance income	1,422	606	2,750	1,521
Finance costs	(5,411)	(1,786)	(18,197)	(9,580)
<b>Profit before taxation</b>	<b>7,034</b>	<b>15,347</b>	<b>63,267</b>	<b>84,851</b>
Taxation	1,468	1,814	(10,622)	(14,739)
<b>Profit after tax for the period</b>	<b>8,502</b>	<b>17,161</b>	<b>52,645</b>	<b>70,112</b>
<b>Other comprehensive income</b>				
Fair value of available-for-sale financial assets	4,116	(5,865)	(11,665)	(31,385)
Foreign currency translation differences for foreign operations	(15)	(57)	(228)	694
<b>Total other comprehensive income for the period</b>	<b>12,603</b>	<b>11,239</b>	<b>40,752</b>	<b>39,421</b>
<b>Profit attributable to:</b>				
Shareholders of the Company	8,502	17,161	52,645	70,112
Minority interest	-	-	-	-
	<b>8,502</b>	<b>17,161</b>	<b>52,645</b>	<b>70,112</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	12,603	11,239	40,752	39,421
Minority interest	-	-	-	-
	<b>12,603</b>	<b>11,239</b>	<b>40,752</b>	<b>39,421</b>
Earnings per share (sen)				
Basic (based on weighted average)	<b>0.88</b>	<b>1.80</b>	<b>5.49</b>	<b>7.39</b>
Diluted (based on weighted average)	<b>0.88</b>	<b>1.80</b>	<b>5.49</b>	<b>7.39</b>

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)



**DUOPHARMA BIOTECH BERHAD**

Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	AS AT 31/12/2023 RM'000	AS AT 31/12/2022 RM'000
<b>ASSETS</b>		
Property, Plant and Equipment	579,979	579,919
Investment property	1,050	1,050
Intangible assets	38,802	43,980
Other investments	36,907	42,151
Deferred Tax Assets	8,946	13,332
<b>Total non-current assets</b>	<b>665,684</b>	<b>680,432</b>
Inventories	243,068	235,179
Current Tax Assets	16,320	3,206
Trade & Other Receivables	149,561	145,465
Cash & Cash Equivalents	270,502	157,637
<b>Total current assets</b>	<b>679,451</b>	<b>541,487</b>
<b>Total Assets</b>	<b>1,345,135</b>	<b>1,221,919</b>
<b>EQUITY</b>		
Share Capital	432,466	419,367
Reserves	(64,408)	(52,515)
Retained earnings	319,065	288,370
<b>Total Equity</b>	<b>687,123</b>	<b>655,222</b>
<b>LIABILITIES</b>		
Borrowings	480,902	294,601
Trade & Other Payables	1,899	1,921
Deferred Tax Liability	8,906	5,584
<b>Total non-current liabilities</b>	<b>491,707</b>	<b>302,106</b>
Borrowings	65,546	134,141
Trade & Other Payables	100,392	129,283
Current Tax Liabilities	367	1,167
<b>Total current liabilities</b>	<b>166,305</b>	<b>264,591</b>
<b>Total Liabilities</b>	<b>658,012</b>	<b>566,697</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,345,135</b>	<b>1,221,919</b>
	-	-
<b>Net assets per share (RM)</b>	<b>0.71</b>	<b>0.69</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)



# DUOPHARMA BIOTECH BERHAD

Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Group	<----- Non-distributable ----->			Distributable	
	Share Capital RM '000	Translation Reserve RM '000	Fair value Reserve RM '000	Retained Profit RM '000	Total RM '000
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)
Profit for the period	-	-	-	52,645	52,645
Profit and total comprehensive income for the year	-	(228)	(11,665)	52,645	40,752
Issuance of 9,702,761 new shares pursuant to Dividend Reinvestment Plan	13,099	-	-	-	13,099
2022 Second Interim Dividend ( 1.8 sen )	-	-	-	(17,140)	(17,140)
2023 First Interim Dividend ( 0.5 sen)	-	-	-	(4,810)	(4,810)
At 31 December 2023	432,466	583	(64,991)	319,065	687,123



# DUOPHARMA BIOTECH BERHAD

Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Group	<----- Non-distributable ----->			Distributable	
	Share Capital RM '000	Translation Reserve RM '000	Fair value Reserve RM '000	Retained Profit RM '000	Total RM '000
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)
Profit for the year		-	-	70,112	70,112
Profit and total comprehensive income for the year	-	694	(31,385)	70,112	39,421
Issuance of 10,474,002 new shares pursuant to Dividend Reinvestment Plan	13,511	-	-	-	13,511
2021 Second Interim Dividend ( 1.8 sen )	-	-	-	(16,952)	(16,952)
2022 First Interim Dividend ( 0.5 sen)	-	-	-	(4,762)	(4,762)
At 31 December 2022	419,367	811	(53,326)	288,370	655,222

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)



# DUOPHARMA BIOTECH BERHAD

Registration No: 200001021664 (524271-W)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	31 DECEMBER 2023 RM '000	31 DECEMBER 2022 RM '000
<b>Cash flows from operating activities</b>		
Profit before taxation	63,267	84,851
Adjustments for:		
Depreciation of property, plant and equipment	39,014	33,398
Amortisation of intangible asset	4,037	2,799
Finance income from		
- Cash and cash equivalents	(2,750)	(1,521)
Impairment of inventories	5,227	40,374
Finance costs	18,197	9,580
Net impairment loss on trade receivables	4,099	(490)
Net unrealised foreign exchange loss	215	604
Loss on PPE written off	2,425	-
<i>Operating profit before changes in working capital</i>	<u>133,731</u>	<u>169,595</u>
Change in inventories	(13,117)	(53,361)
Change in receivables, deposits and prepayments	(8,193)	(13,275)
Change in payables and accruals	<u>(28,179)</u>	<u>8,346</u>
<i>Cash generated from operations</i>	<u>84,242</u>	<u>111,305</u>
Finance costs paid	(21,664)	(16,535)
Net income tax paid	<u>(16,829)</u>	<u>(24,505)</u>
Net cash from operating activities	<u>45,749</u>	<u>70,265</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(30,558)	(65,182)
Acquisition of other investments	(6,421)	-
Acquisition of intangible assets	(5,889)	(5,839)
Interest received from		
- Cash and cash equivalents	2,750	1,521
Net cash used in investing activities	<u>(40,118)</u>	<u>(69,500)</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	486,346	85,670
Repayment of borrowings	(369,176)	(58,550)
Dividends paid to shareholders of the Company	(8,851)	(8,203)
Payment of lease liabilities	<u>(857)</u>	<u>(719)</u>
Net cash from financing activities	<u>107,462</u>	<u>18,198</u>
Net increase in cash and cash equivalents	113,093	18,963
Exchange differences on translation of financial statement of foreign operations	(228)	694
Cash and cash equivalents at 1 January	157,637	137,980
Cash and cash equivalents as at 31 December	<u>270,502</u>	<u>157,637</u>

(I) Cash and cash equivalents comprise:

	RM '000	RM '000
Deposits placed with licensed banks	9,861	11,860
Cash and bank balances	98,846	67,237
Highly liquid investment with financial institutions	161,795	78,540
	<u>270,502</u>	<u>157,637</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)



## **DUOPHARMA BIOTECH BERHAD**

**Registration No: 200001021664 (524271-W)**

(Incorporated in Malaysia)

**Quarterly Report On Results For The Year Ended 31 December 2023**

### **NOTES TO INTERIM FINANCIAL REPORT**

#### **A1 Accounting Policies and Method of Computation**

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, MFRS 134: *Interim Financial Reporting* and with IAS 34, *Interim Financial Reporting*.

These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the explanatory notes attached to the interim financial statements.

The following MFRSs and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2023 :

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023**

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts* – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, *Presentation of Financial Statements* – Disclosures of Accounting Policies
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of Accounting Estimates
- Amendments to MFRS 112, *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules

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

#### **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

#### **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 initial application of the above pronouncements did not have any material impact to the consolidated financial statements of the Group.

**A2 Audit Report**

The audited report of the Company's preceding annual financial statements was not qualified.

**A3 Seasonal or Cyclical Factors**

The Group's sales typically peak in the first three quarters of the calendar year with higher demand in the public health sector and will gradually taper off in the final quarter of the calendar year.

**A4 Exceptional/Extraordinary Items**

There were no exceptional/extraordinary items for the financial year under review.

**A5 Changes in Estimates**

There was no change in estimates that have a material effect in the current quarter results.

**A6 Debts and Equity Securities**

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.

On 29 September 2023, Duopharma Biotech ("Issuer") 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 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.

**A7 Dividend Paid**

No dividend was paid during the current quarter. (2022: Nil)

**A8 Segment Information**

	Quarter Ended		Year To Date	
	31/12/2023		31/12/2023	
	RM ' 000		RM ' 000	
Sales by operating sector :-	Sales	Gross Profit	Sales	Gross Profit
Local	151,954	50,367	650,548	251,457
Export	15,547	5,077	54,179	16,869
	167,501	55,444	704,727	268,326

**A9 Post Balance Sheet Events**

There are no material events after the year ended up to 15 February 2024 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report) that have not been reflected in the financial statements for the financial year ended 31 December 2023.

**A10 Changes in the Composition of the Group**

On 10 April 2023, Duopharma Biotech Berhad ("Duopharma Biotech" or "the Company") has established PT Duopharma Healthcare Indonesia ("PT DHI") as a wholly-owned subsidiary of the Company in the Republic of Indonesia. Confirmation of the approval of the establishment of PT DHI by the Ministry of Law and Human Rights of the Republic of Indonesia was received by the Company on 11 April 2023.

PT DHI is a limited liability company, with a current authorised and issued capital of Rp 10,001,000,000 comprising 10,001 shares. Duopharma Consumer Healthcare Sdn Bhd (a wholly-owned subsidiary of Duopharma Biotech) holds 99% of shares while the remaining 1% is held directly by Duopharma Biotech.

Save as disclosed above, there were no other material changes in the composition of the Group for the year under review.

## ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

### B1 Review of Performance

	Year To Date (31/12/23) RM'000	Year To Date (31/12/22) RM'000	Variance	
			RM'000	%
Revenue	704,727	696,717	8,010	1.15
Profit before tax (PBT)	63,267	84,851	(21,584)	(25.44)
Profit after tax (PAT)	52,645	70,112	(17,467)	(24.91)

For the current financial year ended 31 December 2023, the Group achieved revenue of RM704.73 million, a marginal increase compared to RM696.72 million for the preceding financial year. The Group witnessed notably sales growth in the prescription pharmaceutical market, ethical specialty sector and the export segment as compared to the previous year. However, this positive trend was tempered by significant downturn in demand from the consumer healthcare sector, which saw a contraction in the sectoral sales by approximately 25% year on year. Consequently, the Group's overall revenue reported only a marginal increase in comparison to the preceding year.

During the current financial year, the Group encountered increased operational costs attributed to various factors. These included the upward adjustment in electricity tariff, higher finance costs due to the rising Overnight Policy Rate (OPR), incremental costs associated with the commencement of production in the new K3 facility, unfavorable trend in exchange rates, a one-off costs incurred due to temporary shutdown of small volume injectable plant for upgrading and maintenance, elevated labor cost pursuant to the amendments to the Employment Act 1955, and a one-off loss stemming from the mutual termination of an agreement to sub-lease in respect of a vacant parcel of land. These escalated operational costs, coupled with the impacts resulting from the downturn in demand from consumer healthcare sector, have consequently led to a lower Group PBT as compared to the preceding year.

### B2 Comparison with the Preceding Quarter's Results

	Qtr 4 2023 (31/12/23) RM'000	Qtr 3 2023 (30/9/23) RM'000	Variance	
			RM'000	%
Revenue	167,501	169,235	(1,734)	(1.02)
Profit before tax (PBT)	7,034	11,427	(4,393)	(38.44)
Profit after tax (PAT)	8,502	8,970	(468)	(5.22)

For the current quarter ended 31 December 2023, the Group has seen slight uptick in sales to the private prescription pharmaceutical market, private ethical specialty sector and the export segment from the preceding quarter. However, despite the positive trend, the Group reported a marginal lower revenue as compared to the preceding quarter, primarily driven by expected lower demand from public health sector in the final quarter of the calendar year.

Lower revenue in the current quarter combined with the prolonged impact of increased operational costs resulting from the upward adjustment in electricity tariff, incremental costs associated to commencement of production in the new K3 facility, and the unfavorable trends in exchange rates has led to lower Group PBT.

### B3 Prospects for the next Financial Year

According to the International Monetary Fund (IMF), the Malaysian economy has navigated external challenges effectively and is forecasted to achieve a growth rate circa 4 percent in 2023. The primary driver of this growth has been private consumption, buoyed by a robust labor market. However, exports to key trading partners experienced a notable decline due to weakened external demand and the economic slowdown in China. Looking ahead to 2024, the Malaysian economy is expected to see a slight uptick to 4.3 percent. This growth is anticipated to be supported by resilient private consumption and investment, coupled with a rebound in public spending.

Similarly, the Ministry of Finance Malaysia forecasted the Malaysian economy is poised for improvement, with a projected growth rate ranging from 4% to 5% in 2024. All economic sectors are expected to benefit from the effective implementation of policy initiatives outlined in the Economy MADANI framework. Key initiatives, such as the Mid-Term Review of the 12th Malaysia Plan, New Industrial Master Plan 2030, National Energy Transition Roadmap, and associated national strategic plans, are expected to play a pivotal role in fostering positive economic development.

Moreover, in the Malaysia's 2024 Budget tabled in October 2023, a total allocation of the RM41.2 billion has been allocated to healthcare sector. This marks a significant increase of 13.5% compared to the RM36.3 billion allocated in 2023. This record-high allocation signifies a significant step in the right direction for essential reforms in the healthcare system which is expected to catalyze a heightened demand for medicine supplies, thereby benefiting pharmaceutical players in the market. The following developments also augur well for the overall business of Duopharma Group:

a) The Government of Malaysia had accepted the tender offer from Duopharma Marketing Sdn. Bhd. ("DMktg") (a wholly-owned subsidiary of Duopharma Biotech Berhad) and Biocon Sdn. Bhd. ("Biocon") to supply Insugen-Insulin Recombinant Human Formulations (hereinafter referred to as the "Products") under the Ministry of Health's ("MOH") procurement for a period of three (3) years commencing on 29 April 2022 until 28 April 2025 with a total contract value of RM375 million (hereinafter referred to as the "Revised Letter of Award"). DMktg and Biocon have acknowledged receipt and acceptance of the Revised Letter of Award on 25 April 2022 and submitted the same to the Ministry of Health on 25 April 2022. The supply of the Products to the Government of Malaysia has already commenced. Pursuant to the Revised Letter of Award, the formal agreement for the procurement via direct negotiation for the supply of insulin medicine as a package ('Perjanjian Perolehan Secara Rundingan Terus Pembekalan Ubat Insulin Secara Pakej') between the Government of Malaysia, DMktg as the Supplier/Distributor and Biocon as the manufacturer has been executed on 30 September 2022.

b) The Contract Period for the supply of pharmaceutical and/or non-pharmaceutical products to hospitals, clinics and others under the Government of Malaysia for APPL 2017-2019 vide the Supply Agreements between Pharmaniaga Logistics Sdn Bhd and Duopharma (M) Sendirian Berhad ("DMSB") (a wholly-owned subsidiary of Duopharma Biotech Berhad) that was previously extended to 31 December 2023 has expired. Subsequent to the expiry of the Supply Agreements, the supply and delivery of the pharmaceutical and/or non-pharmaceutical products are based on purchase orders issued, which may not be as robust as during the period when the Supply Agreement was ongoing. However, the level of supply is expected to normalize upon finalisation of new supply agreement with Pharmaniaga Logistics Sdn Bhd, which is currently in progress.



c) Based on the Finance Act 2021 gazetted on 31 December 2021, the special reinvestment allowance incentive that is under the PENJANA stimulus package has been extended until the year of assessment 2024. Accordingly, the Group may enjoy potential savings of around RM10 million upon completion of the qualifying assets including K3 by 2024.

In 2023, Duopharma Biotech encountered a myriad of challenges. Alongside the unfavorable change in structural demand in the consumer healthcare sector, the Group also grappled with the global fluctuations in the United States Dollar (USD), increased electricity tariffs, heightened finance costs due to the rising Overnight Policy Rate (OPR), incremental costs associated with the commencement of production in our new K3 facility elevated labor cost following amendments in the Employment Act 1955, temporary shutdown of the small volume injectable plant for maintenance and upgrades, and a one-off accounting loss associated with the mutual termination of an agreement to sub-lease in respect of a vacant parcel of land. These collective challenges exerted pressure on our manufacturing margins, influencing our overall profitability in 2023.

Looking ahead, with the positive advancements and the anticipated growth in the economy and industry coupled with ongoing progress in finalising new supply agreement with Pharmaniaga Logistic Sdn. Bhd., the Group aims to deliver a satisfactory performance in 2024, barring unforeseen market changes and developments.

#### B4 Profit Forecast

No commentary is made on any variance between actual profit from forecast profit as it does not apply to the Group.

#### B5 Taxation

Details of taxation are as follows :-

	Current Year Quarter 31/12/23 RM'000	Current Year To Date 31/12/23 RM'000
Based on results for the quarter/year	1,816	(2,914)
Transfer (from)/to deferred tax	(348)	(7,708)
	<u>1,468</u>	<u>(10,622)</u>

The Group's effective tax rate is lower than the statutory tax rate mainly due to tax allowances and incentives claimed during the year and also overprovision of tax expenses in prior year.

#### B6 Unquoted Investments and Properties

a) On 30 June 2023, Duopharma Biotech had entered into a Series A Preferred Stock Purchase Agreement and a supplemental letter of agreement with The Live Green Group, Inc., a Delaware, USA company ("TLGG") and The Live Green Company SpA, incorporated under the laws of the Republic of Chile and subsidiary of TLGG (the "Chilean Subsidiary"), and the other investors listed in Exhibit A attached to the Series A Preferred Stock Purchase Agreement, for the purchase by Duopharma Biotech of 105,065 shares of Series A Preferred Stock, \$0.00001 par value per share representing approximately 0.65% holding in the TLGG for a total purchase price of USD1,000,000.00 ("the Acquisition") upon the terms and conditions set out in the Stock Purchase Agreement.

The Acquisition was completed on 11 July 2023.

There was no other acquisition, disposal of unquoted investment and/or properties during the current financial quarter.

#### B7 Status of Corporate Proposals

a) On 23 February 2023, the Board of Directors had resolved that the Dividend Reinvestment Plan ("DRP") approved by the shareholders at the Company's Extraordinary General Meeting held on 31 May 2018 would apply to the Second Interim Dividend of 1.8 sen per share amounting to approximately RM17.14 million. The issue price of the new ordinary shares in the Company issued pursuant to the DRP was fixed at RM 1.35 per new Duopharma Biotech Berhad share. The issue price was at a discount of approximately 9.87% to the 5-day ex-dividend volume weighted average market price (VWAMP) of RM 1.4978.

A total of 9,702,761 new shares have been issued and allocated pursuant to the Dividend Reinvestment Plan. The aforesaid new Duopharma Biotech Shares were listed and quoted on the Main Market of Bursa Malaysia Securities with effect from 10 May 2023.

b) 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") and lodged the Sukuk Wakalah Programme with the Securities Commission Malaysia ("SC"). The Sukuk Wakalah Programme has a 30-year programme tenure.

c) On 5 September 2023, Duopharma Biotech has participated in the rights issue of SCM Lifescience Inc. ("SCM") and completed a subscription of 128,471 common shares for a total subscription amount of KRW 491.4 million (equivalent to RM1.74 million).

Following the subscription of the aforesaid shares, Duopharma Biotech maintains 456,503 shares in SCM which represents an effective equity interest of 2.68% in SCM.

#### B8 Borrowings and Debt Securities

Details of Group's borrowings are as follows :-

	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Current - unsecured	65,546	134,141
Non-current - unsecured	480,902	294,601
Total	<u>546,448</u>	<u>428,742</u>

#### B9 Material litigation

There was no material litigation up to 15 February 2024 (latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

**B10 Dividend**

- a) For the financial year ended 31 December 2023, the Board of Directors declared a second interim dividend of 1.8 sen ( 2022: a second interim dividend of 1.8 sen per share) equivalent to RM 17.32 million ( 2022: RM 17.14 million). The entitlement date and the payment date of the second interim dividend will be on 8 March 2024 and 21 March 2024 respectively.

The Board has resolved that the Dividend Reinvestment Plan ("DRP") shall not apply to the aforesaid interim dividend.

- b) The total dividend for the financial year ended 31 December 2023 is 2.3 sen per share consists of a second interim dividend as stated in (a) above and an interim dividend of 0.5 sen per share equivalent to RM 4.81 million paid on 22 September 2023 as compared to 2022 dividend as follows:-

i) An interim dividend of 0.5 sen per share equivalent to RM 4.76 million paid on 15 September 2022.

ii) A second interim dividend of 1.8 sen per share equivalent to RM 17.14 million in respect of financial year ended 31 December 2022 was paid on 9 May 2023.

Out of the total cash distribution, a total of RM 13.10 million was converted into 9,702,761 new ordinary shares of the Company at the conversion price of RM 1.35 per ordinary share under the Dividend Reinvestment Plan.

**B11 Earnings per Share**

	Current year quarter 31/12/23	Current year to date 31/12/23
<b>a) Basic EPS</b>		
Net profit (RM'000)	8,502	52,645
Weighted average number of ordinary shares in issue ('000)		
-Balance b/f	952,239	952,239
-Weighted average number of shares arising from Effect of Dividend Reinvestment Plan	9,703	6,274
	961,942	958,513
Basic EPS (sen)	0.88	5.49
<b>b) Dilutive EPS</b>		
Adjusted weighted average number of ordinary shares in issue ('000)		
-In issue during the period	961,942	958,513
	961,942	958,513
Dilutive EPS (sen)	0.88	5.49

**B12 Profit Before Tax**

	Current year quarter 31/12/23 RM '000	Current year to date 31/12/23 RM '000
<b>Operating profit is arrived at after charging / (crediting):</b>		
Depreciation of property, plant and equipment	12,135	39,014
Finance costs	5,411	18,197
Impairment of inventories	879	5,227
Net foreign exchange (gain)/loss	(403)	388
Interest income	1,422	2,750
Loss on PPE written off	-	2,425

Other than the above, there were no other material impairment of assets nor gain or loss on derivatives for the current quarter and current year ended 31 December 2023.

**B13 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 February 2024.

By Order of the Board

Ibrahim Hussin Salleh  
Secretary  
License No.: LS 0009121  
SSM Practising Certificate No.: 201908001032  
Kuala Lumpur  
22 February 2024