

PROVIDING



REGISTRATION NO.: 200001021664 (524271-W)

INTEGRATED
ANNUAL REPORT
2024

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$24^{th} \, {}_{\text{annual general meeting}}$

Meeting Venue:

Grand Acmar Ballroom, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Jalan Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan, Malaysia

Date: Wednesday, 21 May 2025

Time: 9.00 a.m.



Integrated Annual Report & Corporate Governance Report 2024



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Duopharma Biotech Berhad	

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Proxy Form



Sustainability Report 2024



Cover Rationale



Duopharma Biotech Berhad ("Duopharma Biotech" or "the Company") has come a long way since our origins as a trading company in 1978. We are, today, the leading pharmaceutical company in the country in terms of value and volume of sales; the largest generics producer; and the only Malaysian-owned manufacturer of biosimilars. Pioneers in halal pharmaceuticals, we are the first pharmaceutical company in the world to receive halal certification for an oncology product; and, in February 2025, our biosimilar became the first to receive halal certification specifically from JAKIM, marking a unique milestone for halal compliance in Malaysia.

Yet, this is just the beginning. Duopharma Biotech has embarked on a path of accelerated growth locally and in the region to realise our vision of **Providing Smarter Solutions for a Healthier Life** among a larger population base. We are ensuring the right processes are in place while developing the capabilities of our people to support us in this new phase of our ongoing journey.

Our cover reflects the Company at this inflection point, with the hexagonal pattern – inspired by molecular structures – depicting our strong foundation in science, while the blind spot UV finishing introduces depth and dimension, mirroring Duopharma Biotech's continuous evolution and forward momentum. Together, these elements symbolise a company poised for progress, adaptability and long-term sustainability.

Basis of This Report

The Integrated Annual Report for the financial year ended 31 December 2024 ("IAR 2024") marks a further year of progress in integrated reporting for Duopharma Biotech in our journey toward enhanced transparency and integrated reporting. This report outlines the Group's progress in achieving its strategies while underscoring its commitment to sustainable value creation for stakeholders. Built on the foundation of six capitals, our value creation journey extends beyond financial performance, reflecting a holistic approach to long-term growth. Through integrated reporting, Duopharma Biotech fosters integrated thinking, offering a well-rounded perspective on its business operations, strategies and impact. Aligned with this approach, IAR 2024 provides insights into how the Group navigates risks, seizes emerging opportunities, and optimises value creation—driving innovation and sustainability to shape a healthier, more resilient future for all.

This report covers the key activities, operations, and initiatives undertaken by Duopharma Biotech throughout the financial year from 1 January 2024 to 31 December 2024, unless otherwise stated. It encompasses all companies within the Group where we hold a majority shareholding and exert significant influence.

This report has been prepared in accordance with the principles and requirements of the International Integrated Reporting Framework under the aegis of the International Financial Reporting Standards ("IFRS") Foundation. We have also been guided by:



Our disclosure has been guided by matters that are material to our capacity to create value, and to delivering our core purpose.

These matters are reviewed during our Materiality

Assessment process every year, and validated by the Management and Board of Directors.

Contents of the entire report have been read and approved by the Management and Board of Directors. The financial information contained in this report, which has been extracted from the consolidated Audited Financial Statements for the financial year ended 31 December 2024, was audited by KPMG PLT.

Integrated Annual Reporting

- Bursa Malaysia's Main Market Listing Requirements ("MMLR") and Corporate Governance Guide (4th Edition)
- Malaysian Code on Corporate Governance ("MCCG") 2021 issued by the Securities Commission Malaysia
- Companies Act 2016
- Malaysian Financial Reporting Standards ("MFRS")

Sustainability Statement

- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- MMLR and Bursa Malaysia's Sustainability Reporting Guide
- FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance ("ESG") indicators
- United Nations Sustainable Development Goals ("UN SDGs")
- Sustainability Accounting Standards Board ("SASB") standards

Basis of This Report

Navigation Icons

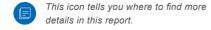
Our Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Social & Relationship Capital
- H Human Capital
- Natural Capital

Our Stakeholders

- Government/Regulatory
 Authorities
- S2 Employees
- Shareholders & Financial Community
- S4 Customers
- S5 Suppliers
- S6 Business Partners
- S7 Local Communities
- S8 Healthcare Professionals
- S9 Media

Icons In This Report



This icon allows you to find more details on our website.

Forward-Looking Statements

This report includes forward-looking statements regarding Duopharma Biotech's future strategy, performance, operations and outlook, based on information and insights available during the reporting period. Given the dynamic operating environment and uncertainties within the pharmaceutical industry—along with external factors beyond Duopharma Biotech's control—actual results or developments may deviate materially from the forward-looking statements made at the time of this report's release. These statements should be viewed as indicative rather than definitive, providing perspectives on potential operational and financial outcomes without guaranteeing specific results or future scenarios. Readers are encouraged to conduct their own due diligence and exercise discretion before drawing conclusions, making assumptions or decisions based on the disclosures in IAR 2024.

Directors' Responsibility Statement

The Board of Directors acknowledges its responsibility for ensuring the integrity of this report and is of the opinion that this report addresses all material issues and matters and fairly presents the Group's performance for the year 2024. This report was approved by the Board on 13 March 2025.

DATIN PADUKA KARTINI BINTI HJ ABDUL MANAF

Non-Independent, Non-Executive Chairman

.

LEONARD ARIFF BIN ABDUL SHATAR

Group Managing Director



Basis of This Report

Quick Reference to Understanding Duopharma Biotech

Our Business

ESB	Ethical Specialty	Business

ECB	Ethical Classic Business

CHC	Consumer Healthcare

IB International Business

Our Board Committees

/ \	\	
AC	Audit	Committee

Nomination and Remuneration Committee

RMC Risk Management Committee

ныс НаІаІ and Sustainability Committee

MRC Medical and Research Committee

Our Plants

K Klang

K2 | K3 | K5 (plants mentioned in the report)

B Bangi

HAPI Glenmarie

Other Key Abbreviations

ABAC	Anti-Bribery and Anti-Corruption
ABMS	Anti-Bribery Management System
APPL	Approved Products Purchase List
ED	Executive Director
EEP	Energy Efficiency Plan
ESG	Environmental, Social and Governance
GMC	Group Management Committee
GMD	Group Managing Director
GMP	Good Manufacturing Practice
HAPI	Highly Potent Active Pharmaceutical Ingredient
HPRA	Health Products Regulatory Authority, Ireland
IAR	Integrated Annual Report
IFRS	International Financial Reporting Standards
INED	Independent Non-Executive Director
IR	Integrated Reporting
JAKIM	Department of Islamic Development, Malaysia
MACC	Malaysian Anti-Corruption Commission
MCCG	Malaysian Code on Corporate Governance
MDL	MyDuopharma Learning
MMLR	Main Market Listing Requirements
NINED	Non-Independent Non-Executive Director
NPRA	National Pharmaceutical Regulatory Agency
NZTP	Net Zero Transition Plan
ProGrad	Graduate Training Programme
PROTÉGÉ	Professional Training and Education for Growing Entrepreneurs
R&D	Research and Development
SR	Sustainability Report
TCFD	Task Force on Climate-related Financial Disclosures
UNGC	United Nations Global Compact
UNGCMYB	United Nations Global Compact Malaysia & Brunei
YoY	Year on Year

We Are Duopharma Biotech

Expanding Footprint in the Healthcare Sector

As we grow, so does our commitment to delivering high-quality and affordable healthcare solutions. By expanding our reach, we aim to improve patient outcomes and contribute to a healthier society.

Who We Are and What We Do

Our Investment Case

- Five-Year Group Financial
 Highlights
- Our Approach to Sustainability
- Our Group Corporate Structure
- Corporate Information



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Who We Are and What We Do

Duopharma Biotech is a Malaysia-based pharmaceutical company engaged in the manufacture and distribution of pharmaceutical products, primarily in Malaysia and the region, with a reach extending to 31 countries globally. Duopharma Biotech was listed on the Main Market of Bursa Malaysia in 2002.



Vision



Mission

Providing Smarter Solutions for a Healthier Life

Leading Healthcare Group Providing Quality and Innovative Solutions

Our Core Values of PETIRR form the basis of how team operates













Passion Excellence Teamwork Integrity Responsible Respect

Corporate Culture

Our Corporate Culture guides all personnel in executing our business strategy and its goals



Performance-Driven



Innovation



ESG Compliance



Global Mindset

In addition to manufacturing a range of pharmaceutical and consumer healthcare products at our three plants in Malaysia, we also distribute the products of international partners. For over 45 years, we have solidified our position as Malaysia's leading generics manufacturer, driven to make quality medicines affordable and accessible to everyone

Our Business Value Chain



Research & Development



Logistics & Distribution



Manufacturing



Sales & Marketing

Manufacturing Sites and R&D Facility in Klang, Bangi and Glenmarie (Selangor)

> East Coast Branch Kota Bharu. Kelantan



Southern Branch Johor Bahru, Johor

PT Duopharma Healthcare Indonesia Established in 2023

Our Business Sectors

Classic Pharmaceutical Business

Comprises more than 300 generic drugs manufactured by the Group to treat a wide range of diseases including cardiovascular (heart related), dermatological (skin), hormonal, respiratory, sensory, nervous and musculoskeletal system diseases.

Specialty Pharmaceutical Business

Focuses on Duopharma Biotech's specialty therapy areas — Diabetes Care Franchise, Cancer Care Franchise and Renal Care Franchise.

Consumer Healthcare Business

Markets and distributes vitamins, minerals and supplements as well as over-thecounter pharmaceutical products and cosmeceuticals in Malaysia and across the region.

Workforce in 2024

Total no. of employees

(as at 31 December 2024)

Northern Branch

Bukit Mertajam.

Penang

Who We Are and What We Do

We have pioneered a number of firsts in Malaysia, becoming the first local pharmaceutical company to produce cancer drugs and the first to fill and finish biosimilars. Our manufacturing plants produce 100% halal products.

We employ close to 2,000 people in our corporate and manufacturing plants in Malaysia, as well as our regional offices in Singapore, the Philippines and Indonesia.

At Duopharma Biotech, we continue to push the boundaries of pharmaceutical innovation to better serve the healthcare needs of communities, both locally and globally.

2024 Financial Highlights

(as at 31 December 2024)

Market Capitalisation

RM1.20

Revenue

RM813.70 million

Profit Before Tax

RM80.02

Our Commitment to the Ten Principles of the UN Global Compact

We have integrated the Ten Principles of the UN Global Compact into our strategies and operations, with a commitment to uphold human and labour rights, protect the environment, combat corruption and contribute to the achievement of the Sustainable Development Goals ("SDGs").

We have identified and prioritised 14 of the 17 SDGs where we believe our efforts can drive meaningful change and make a substantial impact.

















Market reach extending to

Our Governance

countries globally

DB (Philippines) Inc. Established in 2007



- **Outsourced Warehouse** Kota Kinabalu, Sabah
- Outsourced Warehouse Kuching, Sarawak
- Duopharma (Singapore) Pte. Ltd. Acquired by Duopharma Biotech in 2015



7 1,114 (57%)

Pemale 9 843 (43%)















Who We Are and What We Do

2024 Hall of Achievements



- Putra Aria Brand Awards 2024
 - UPHAMOL Gold (Health Category)
 - · FLAVETTES® Silver (Health Category)

Sustainability & CSR Malaysia Awards 2024

- Company of the Year (Pharmaceutical Manufacturing)
 - Best in Community Development and Sustainability Reporting

MOPI Pharma Industry Awards 2024

- Highest Capital Investment (2009 to 2023)
 - Total Revenue Over RM100 million
 - Most Productive Company 2023 (Revenue per Employee)
 - 2nd Runner-Up (Pharmaceutical)

MSWG National Corporate Governance & Sustainability Awards (NACGSA) 2024

- Overall Excellence Award (Top 10) Ranked #4 out of 50 Companies
- Industry Excellence Award (Healthcare)

The Asset Triple A Islamic Finance Awards 2024

- · Best Sukuk Pharmaceutical
- The Edge Malaysia ESG Awards 2024
 - Healthcare (Gold)
- World Halal Excellence Award 2023
 - Technology and Innovation Excellence Award in LLC/MNC Category
- Guardian Awards 2024: Fan Favourites
 - Most Voted Kid's Supplement (CHAMPS® Vitamin C)

Parents' Choice Awards 2024

- Best Kids Vitamin C: CHAMPS® Vitamin C
- Best Post-Natal Hair Loss Treatment: Iroro Nutreatment Hair Growth Treatment





- Five Petal Business Ethics Institute of Malaysia (BEIM)
 Gold Ethics Award (2024 2026)
 - Maintained recognition for three consecutive terms (2020, 2022 & 2024)
- United Nations Global Compact Network Malaysia & Brunei Forward Faster Sustainability Awards 2024
 - Sustainability Awareness & Employee Engagement Recognition

National Annual Corporate Report Awards (NACRA) 2024

 Excellence Awards (Silver) in "Companies with less than RM2 Billion in Market Capitalisation" category

Talentbank Graduates' Choice Award 2024

 Graduates' Choice of Employer to Work For (Pharmaceutical – 1st Runner Up)

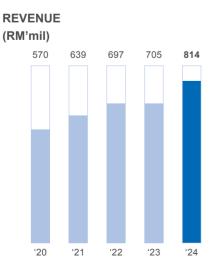


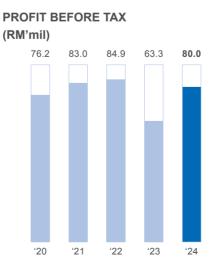
Five-Year Group Financial Highlights

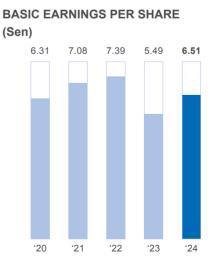
Our Governance

	2020	2021	2022	2023	2024
Consolidated Balance Sheets	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	598,739	669,335	680,432	668,070	651,433
Current assets	459,693	494,796	541,487	677,065	726,400
Total assets	1,058,432	1,164,131	1,221,919	1,345,135	1,377,833
Current liabilities	150,321	230,309	264,591	166,728	177,985
Financed by:					
Share capital	404,922	405,856	419,367	432,466	432,466
Treasury shares	-	-	-	-	
Non-distributable reserves	18,717	(21,824)	(52,515)	(64,408)	(78,090)
Retained earnings	220,182	239,972	288,370	319,065	354,776
Shareholders' funds	643,821	624,004	655,222	687,123	709,152
Deferred tax liabilities and non-current					
other payables	11,009	12,021	7,505	10,382	26,173
Loans and borrowings	302,074	400,722	428,742	546,448	512,518

	2020	2021	2022	2023	2024
Income Statements	RM'000	RM'000	RM'000	RM'000	RM'000
Turnavan	ECO 000	620.475	000 747	704 707	042.005
Turnover	569,902	639,175	696,717	704,727	813,695
Profit before taxation	76,157	82,983	84,851	63,267	80,024
Taxation	(17,547)	(17,300)	(14,739)	(10,622)	(17,379)
Profit after taxation	58,610	65,683	70,112	52,645	62,645
Profit attributable to shareholders	58,610	65,683	70,112	52,645	62,645
Dividends paid	(37,749)	(45,893)	(21,714)	(21,950)	(26,934)
Transfer upon the disposal of equity					
investment designated at FVOCI	16,375.00	-	-	-	-
Transfer to retained earnings	37,236	19,790	48,398	30,695	35,711







Our Approach to Sustainability

At Duopharma Biotech, we adopt a holistic approach to sustainability by integrating environmental, social and governance ("ESG") considerations into our operations and decision-making. ESG compliance is integral to our corporate culture and is embedded across all functions, ensuring our goals and values are aligned with environmental stewardship and social responsibility, and supported by good governance.

We have in place a Sustainability Management Framework, which integrates ESG principles into our core business processes and provides a structured pathway towards our sustainability objectives. We have also developed a 5-Year ESG Strategy encompassing five key focus areas that collectively address all

our key material sustainability matters on areas like climate risks, environmental management, supply chain management, product quality, access to medicines, ethical conduct and compliance. Supporting policies reinforce the management of these key focus areas.

From The Leadership

We ensure our ESG strategies are executed according to plan via robust sustainability governance which oversees all relevant initiatives, ensuring accountability and alignment with organisational priorities. By managing sustainability in this comprehensive manner, Duopharma Biotech drives long-term value creation for our stakeholders while contributing to the wellbeing of society and the environment.







Our Sustainability Journey

- Completed Greenhouse Gas ("GHG") Scope 3 emissions baseline for six categories
- Established 5-Year Energy Efficiency Plan ("EEP")
- Completed installation of solar panels at all manufacturing sites
- Established Nature and Biodiversity Policy
- First Malaysian company to sign UN Global Compact ("UNGC") Forward Faster for Water Resilience initiative and CEO Water Mandate
- Comprehensive review of climate-related risks and adoption of TCFD recommendations
- Performed ESG Assessment on top 12 key suppliers
- Adopted Labour Rights Policy in November 2024
- Continuous due diligence exercise on corruption and bribery on business associates



- Identified climate-related risks and incorporated TCFD recommendations
- Completed short-term 5-Year ESG Strategy

- Establishment of 5-Year ESG Strategy and climate pledges, which include:
 - 1. Carbon Neutrality by 2030
 - 2. Net Zero Carbon Emissions by 2050
 - 3. Replace 50% of single-use plastics with biodegradable plastics within our operations by 2026





Inclusion into FTSE4Good Bursa Malaysia Index



- Establishment of Sustainability Policy
- Embedded UN SDGs into our sustainability framework

Establishment of Materiality Matrix

FTSE4Good

Enhanced sustainability governance structure

- Continuous capacity building and monitoring
- Establishment of Sustainability Management Council

Publication of inaugural Sustainability Report in accordance with GRI and Bursa Malaysia



Increased sustainability awareness campaign and capacity building



5-Year ESG Strategy Progress

CLIMATE PERFORMANCE

Stakeholder Groups Impacted:











2024 Progress

- Clean energy (solar) was successfully installed at our Klang, Bangi and Glenmarie sites.
- 30% of Scope 2 emissions have been offset through the purchase of 15,000 Renewable Energy Certificates ("RECs").
- Completed the feasibility study for ISO 14001 certification.
- Successfully replaced 15% of single-use plastics with biodegradable alternatives.
- Optimised Asher utilisation with regards to waste management.
- Circular Economy ("CE")-related projects are being implemented such as e-labelling for product packaging.
- Scope 3 emissions baselines for six categories have been established.

Capitals:





SUSTAINABLE SUPPLY CHAIN

Stakeholder Groups Impacted:









2024 Progress

- Completed background study and review of PSCI membership participation.
- Post-implementation monitoring of Track & Trace system module is being executed.
- Performed ESG Assessment on top 12 suppliers.
- Conducted corruption and bribery due diligence on new business associates and existing vendors.
- Conducted ESG briefing for suppliers/vendors to increase ESG awareness.

Capitals:





ACCESS TO MEDICINE

Stakeholder Groups Impacted:











2024 Progress

- Successfully increased collaboration with technology partners for clinical trials, completed technology transfer for four products, and finalised product registration of key medicines.
- Successfully built CHC's functional food portfolio with the development of functional foods under the CHAMPS®, PROVITON® and NATURALLE product lines, with launch planned for 2025.
- Successfully sourced agency business that complements our core operations and completed tracking of new products in the pipeline.
- Ensured availability of commercial stocks through proper inventory forecasting.
- Launched generic Metformin XR, Sitagliptin, Palbociclib and Sevelamer. Ongoing execution of APPL tender business.

Capitals:







KEY ACHIEVEMENTS

#1 Malaysian company to sign UNGC Forward Faster for Water Resilience initiative & CEO Water Mandate

Duopharma HAPI Sdn. Bhd. ("DHAPI") - #1 facility to receive European Union ("EU") GMP certification by the Health Products Regulatory Authority ("HPRA"), Ireland, effective 6 February 2025

· Registered second manufacturing

· Extended distribution in lower trade

accurate

and maintained adequate safety stocks for Government Business'

main tender items to ensure stock

availability, consistent supply, and to

· Ongoing improvement in Lebreta

· Increased R&D efforts on innovative

from 5kg to 15kg capacity.

forecasting

including provision and convenience

with Sunlife Germany.

stores.

Ensured

avoid penalties.

medicines.

site for selected effervescent range

Our Investment Case

Integrated Annual

Report 2024

DIVERSITY & INCLUSION

Stakeholder Groups Impacted:

Financial Report







2024 Progress

- Launched 15 modules of Unconscious Bias training for all management employees via MyDuopharma Learning ("MDL") platform.
- Improved personal development and professional advancement through transformational learning and leadership opportunities.

GOVERNANCE

Stakeholder Groups Impacted:









2024 Progress

- Continuous adoption of IR and MCCG standards in the IAR and SR 2024.
- Performed feasibility study on potential ESG software platform.
- Completed climate risk assessment across Malaysia sites and regional offices.
- Rolled out TCFD initiatives and reporting updates in IAR and SR 2024.

Capitals:





Capitals:





ERYSAA®, an erythropoiesis-stimulating agent ("ESA") product, received Malaysia Halal Certification from JAKIM in February 2025

#1 local pharmaceutical company to produce cancer drugs and the first to fill and finish biosimilars

Sustainability Performance Highlights

CLIMATE PERFORMANCE

Established **5-Year EEP** to further support our NZTP

Completed GHG Scope 3 emissions baseline for six categories

Achieved **0.6% reduction** in total Scopes 1 and 2 carbon emissions from 2023

1,839 tCO₂**e** of carbon emissions avoided through solar power generation

6.9 tonnes of biodegradable plastics used to replace single-use plastics

Diverted 17% of non-scheduled waste from landfills

279 m³ rainwater harvested

5,308 m³ of water recycled within operations

SUSTAINABLE SUPPLY CHAIN

Conducted corruption and bribery due diligence on 293 new business associates and 857 existing vendors

Conducted ESG knowledge-sharing sessions and rolled out ESG Assessments on 12 top vendors

On-Time In-Full ("OTIF") performance:

Company: **95.5%** (2023: 94.8%)

Warehouse: **100%** (2023: 99.4%)

Implemented
48 Continuous
Improvement ("CI")
projects, leading
to RM6.77 million
savings, exceeding
RM4 million target

Reduction in Total Recordable Case Frequency ("TRCF"): 0.22 (2023: 1.09)

Lost Time Incident ("LTI"): 1 (2023: 5)

ACCESS TO MEDICINE

Achieved penetration rate of **90%** in the private sector business

Erythropoietin (ERYSAA®) grew at **24**% vs 2023

Launched Metformin XR 750mg (GLUCOXIT XR), Sevelamer (CAESEVA), Sitagliptin (FORTESIA), Palbociclib (IBRELYN), Apixaban 5mg & 2.5mg (VAREXA) and Ezetimibe/Simvastatin 10mg/20mg (VYTOCOR 10/20)

Recombinant Human Insulin ("RHI") volume distributed by the Group **grew 30**% vs 2023

Commenced 4-year awareness initiative for **iBreastExam** in the government sector

Successful technology transfer for in-house production of four products launched in 2024

DIVERSITY & INCLUSION

Established Labour Rights
Policy in November 2024
addressing child and forced
labour, anti-discrimination
and anti-harassment, and
freedom of association

Employee Engagement Index ("EEI"):

81%

(2023: 88%)

Invested

RM1.44 million

in Learning & Development in 2024

Total contribution to community development programmes:

RM2.97 million

Average training hours per employee:

21.0

Launched
Unconscious
Bias training for
all management
employees via
online learning
platform, MDL

GOVERNANCE

36% women Directors on the Board of Duopharma Biotech

Zero incidents of corruption

100% of operations assessed for corruption risk

ISO37001:2016 Anti-Bribery Management System ("ABMS") Surveillance certification audit completed without any Non-Conformity Report ("NCR")

Adoption of the Conflict of Interest ("COI") Framework

Report 2024

Integrated Annual

Our Group Corporate Structure



Financial Report

DUOPHARMA BIOTECH BERHAD

REGISTRATION NO.: 200001021664 (524271-W)



Corporate Information

(AS AT 28 MARCH 2025)

BOARD OF DIRECTORS

Datin Paduka Kartini Binti Hj Abdul Manaf Non-Independent, Non-Executive Chairman

Leonard Ariff Bin Abdul Shatar

Group Managing Director, **Executive Director**

Dato' Eisah Binti A. Rahman

Senior Independent, Non-Executive Director

Razalee Bin Amin

Independent

Non-Executive Director

Zaiton Binti Jamaluddin

Independent.

Non-Executive Director

Datuk Nik Moustpha Bin Haji Nik Hassan

Independent.

Non-Executive Director

Datuk Mohd Radzif Bin Mohd Yunus

Non-Independent. Non-Executive Director

Dato' Dr. Zaki Morad Bin Mohamad Zaher

Independent,

Non-Executive Director

Mohd Haris Bin Mohd Arshad

Non-Independent. Non-Executive Director

Nik Fazila Binti Nik Mohamed Shihabuddin

Independent, Non-Executive Director (Appointed with effect from 7 June 2024)

Muhammad Shukri Bin Ismail

Non-Independent, Non-Executive Alternate Director to Mohd Haris Bin Mohd Arshad

SENIOR INDEPENDENT

NON-EXECUTIVE DIRECTOR

Dato' Eisah Binti A. Rahman Tel : +603-2162 0218

E-mail: eisah@duopharmabiotech.com

COMPANY SECRETARY

Ibrahim Hussin Salleh License No.: LS0009121 SSM Practising Certificate No.: 201908001032

REGISTERED OFFICE

Suite 18.06, Level 18

CIMB HUB

No. 26, Jalan Sultan Ismail 50250 Kuala Lumpur,

Malaysia.

Tel No. : +603-2162 0218 Fax No.: +603-2161 0507

Website: www.duopharmabiotech.com E-mail: cs@duopharmabiotech.com

BUSINESS ADDRESS

Lot 2599, Jalan Seruling 59 Kawasan 3, Taman Klang Jaya 41200 Klang, Selangor Darul Ehsan,

Tel No. : +603-3323 2759 Fax No.: +603-3323 3923

INVESTOR RELATIONS

Contact Person: Vinc Choong Jia Liang Address: Lot 2599, Jalan Seruling 59

Kawasan 3, Taman Klang Jaya 41200 Klang, Selangor Darul Ehsan,

Malaysia.

Tel : +603-3323 2759 Fax : +603-3323 3923

: vinc-choong@duopharmabiotech.com

AUDITORS

Messrs. KPMG PLT (LLP0010081-LCA & AF 0758)

Chartered Accountants Level 10, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan,

Malaysia.

PRINCIPAL BANKERS

AmBank Islamic Berhad Level 45, Menara AmBank No. 8, Jalan Yap Kwan Seng 50450 Kuala Lumpur,

Malaysia.

AmBank (M) Berhad

No.1, Ground Floor Lorong Sanggul 1F Bandar Puteri Klang 41200 Klang Selangor Darul Ehsan, Malaysia.

Bank Islam Malaysia Berhad

No 1, Jalan Mohagani 5 Bandar Botanic 41200 Klang Selangor Darul Ehsan, Malaysia.

Hong Leong Bank Berhad

No 68, Lorong Batu Nilam 3A Bandar Bukit Tinggi 41200 Klang

Selangor Darul Ehsan,

Malaysia.

From The Leadership

Malavan Banking Berhad

No 7 & 9, Jalan 9/9C Seksven 9 Bandar Baru Bangi 43650 Bangi Selangor Darul Ehsan,

Malaysia.

OCBC Bank (Malaysia) Berhad

No.19, Jalan Stesen 41000 Klang Selangor Darul Ehsan,

Malaysia.

Overseas - Chinese Banking Corporation Limited Labuan Branch

Level 8 (C), Main Office Tower Financial Park Labuan Jalan Merdeka 87000 Labuan, Malaysia.

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.

Tel No. : +603-2783 9299 Fax No.: +603-2783 9222

E-mail: is.enquiry@my.tricorglobal.com

Web : www.tricorglobal.com

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia

Securities Berhad on 18 July 2002

Stock Name : DPHARMA Stock Code : 7148 Stock Sector : Health Care

From The Leadership

Pioneering Progress in Driving Meaningful Change

Strong leadership fuels our commitment to innovation and sustainability, turning challenges into opportunities. Through strategic vision and decisive action, we drive progress that creates meaningful change and shapes a healthier future.

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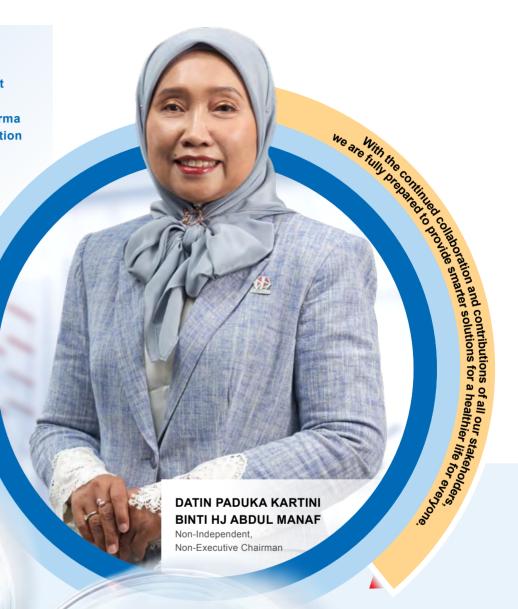
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Chairman's Statement

Dear Shareholders,

It is with pleasure to present my first statement as the Non-Independent, Non-Executive Chairman of Duopharma Biotech. I was appointed to the position as of 7 June 2024 having served a year as an Independent Non-**Executive Director on the Board.** Since joining the Group I have been pleasantly taken by the calibre of our leadership as well as the energy and dynamism of the entire team, which have been instrumental in the many milestones achieved.

Steering
Progress
Towards Greater
Opportunities



Leading
Healthcare Group
providing quality
and innovative
solutions



Learn more about Duopharma Biotech at https://duopharmabiotech.com/

Chairman's Statement

Integrated Annual

Report 2024

FY2024 **Highlights**



REVENUE

RM813.70 million

15.5%



PROFIT BEFORE TAX

RM80.02 million

26.5%



Total Dividend

3.0 sen per share

for the financial year ended 31 December 2024

Duopharma Biotech has distinguished itself with an increasingly diverse portfolio of products that includes both cutting-edge and niche therapies as well as some of the world's first halal certified medicines. Driven to provide smarter solutions for a healthier life, the Group has continuously invested in innovative technologies to become the leading generics and biologicals player in Malaysia and one of the leaders in ASEAN. This, in turn, has allowed us to fulfil our underlying purpose, namely to serve patient needs effectively, affordably and inclusively.

While having achieved a great deal, today the Group has set its sights on further deepening and broadening its presence under a new Beyond 2025 Corporate Strategy. I feel truly excited to take over at such a pivotal time, and am committed to maintaining the spirit of collaboration on the Board while leveraging the expertise of each Director as well as Group Management Committee members to navigate our onward journey sustainably and with integrity.

A Rewarding Year

Financial Report

The year 2024 was very rewarding for Duopharma Biotech, as we further entrenched our leadership in Malaysia while growing our international business. We made good progress in expanding our generics portfolio while widening our network of partnerships to strengthen our pipeline of new medicines in different modalities. In terms of inclusivity, after years of determined efforts, in February 2025 Duopharma Biotech became the first Malaysian pharmaceutical company to obtain Malaysia Halal Certification by JAKIM for our erythropoietin, ERYSAA®.

Strong financial performance led to a 19% increase in profit after tax, allowing us to pay a second interim dividend of 2.0 sen per share. Added to our first interim dividend of 1.0 sen per share, the total of 3.0 sen per share for FY2024 amounts to RM28.86 million, 30.4% more than our FY2023 payout. We remain one of the higher dividend-paying counters on Bursa Malaysia, balancing our growth commitments with shareholder value creation.

Creating Stakeholder Value

A driving force within the Group is a desire to nurture a healthier nation. Towards this end, Duopharma Biotech regularly contributes our CHC products to various segments of society. For the second year running, we partnered Sin Chew Media Corporation and the National Union of School Heads Malaysia in a nationwide campaign to promote healthy breakfasts among primary schoolchildren. More than 200,000 CHAMPS® vitamins were handed out with the objective of curbing the prevalence of stunting and malnutrition among Malaysian children.

Promoting preventive care, we are making available our hand-held breast cancer screening device to women in under-served communities.

Chairman's Statement

Widely acknowledged as a halal pharma thought leader, Duopharma Biotech continues to advance the global industry by raising awareness of the additional quality standards applied that make halal products a better choice for everyone. We have a longstanding relationship with Universiti Kebangsaan Malaysia ("UKM") through which we support academic research. This year, we co-organised the Halal Pharmaceutical Symposium 2024 with the university focusing on the theme *Bridging Halal to Health: Fostering Inclusivity, Innovation and Healthcare Excellence*.

Within the Group, we seek to foster a culture of innovation and a global mindset through various platforms including our online MDL portal. This is over and above caring for our employees' social and mental well-being.

A Deepening ESG Ethos

The Board demonstrates Duopharma Biotech's commitment to creating long-term ESG value for the Group and our stakeholders by leading from the top. All key sustainability matters are discussed and deliberated thoroughly by the Board before being approved.

This year, the Board played a key role in revising the Group's Sustainability Policy and introducing a new Labour Rights Policy. Related to labour rights, we were pleased to see the rollout of unconscious bias training, which enhances awareness of how biases we are not conscious of could negatively impact diversity and inclusion in the workplace.

With regard to environmental governance, we oversaw the development of a new Nature & Biodiversity Policy. We are also progressing in our efforts to adopt the International Financial Reporting Standards ("IFRS") S2, which is based on and integrates TCFD recommendations. During



With regard to environmental governance, we oversaw the development of a new

Nature & Biodiversity Policy

the year, climate risk was identified as one of our top risks, hence risk assessment updates including related control measures and mitigation strategies were tabled and presented to the Risk Management Committee ("RMC") every quarter. Moving forward, we will further enhance our disclosures and transition towards adopting the IFRS S2 in line with the expectations set in the National Sustainability Reporting Framework ("NSRF").

The Group also renewed our ISO 37001:2016 Anti-Bribery Management System certification without any Non-Compliance with Non-Conformance findings, demonstrating our zero tolerance for corruption. Having established a robust sustainability platform, Duopharma Biotech welcomes opportunities to share our knowledge and experience with others, both within the pharmaceutical industry and more broadly. In 2024, our Sustainability team participated in various panel discussions including the ESG in Pharma event organised by the Malaysian Pharmacist Society; Klang Sustainable Convention 2024 organised by the Majlis Bandaraya Diraja Klang; and UNGCMYB SME ESG Start Symposium 2024, among others.

Our dedication to sustainability and responsible business continues to be recognised. During the year, we were humbled to receive ESG-related awards including the Best in Community Development and Sustainability Reporting among Pharmaceutical Manufacturing companies at the Sustainability & CSR Malaysia Awards 2024; Best Performer in the Healthcare Sector (Gold) at The Edge ESG Awards 2024; Sustainability Awareness and Employee Engagement Recognition at the UN Global Compact Network Malaysia & Brunei ("UNGCMYB") Forward Faster Sustainability Awards 2024; and the MSWG National Corporate Governance & Sustainability Awards ("NACGSA") 2024.

Continually Enhanced Governance

The Board places the utmost priority on continuously strengthening our governance framework in line with best practices while ensuring compliance with any changes in the regulatory environment.

Our Governance

Chairman's Statement

Discussions on Board composition occupied a significant amount of our meeting time as we looked at long-term planning to ensure adequate diversity in terms of breadth and depth of skills and experience. We also reviewed the composition of our Board Committees, and some of their Terms of Reference, clarifying roles and responsibilities while maintaining compliance and improving the Committees' effectiveness. At the same time, we reviewed the Succession Plan Frameworks for both the Board of Directors and Senior Management to facilitate smooth leadership transitions as well as to ensure continuous alignment with our short and longterm strategies.

Along with a focus on growing our subsidiary companies in the region, the Board reviewed our Management and Monitoring Framework to ensure regulatory compliance and to provide clarity on relevant updates to laws and regulations. In line with the requirements on data privacy in the Philippines, our subsidiary in the Philippines implemented its own Data Privacy Policy.

Key regulatory changes in Malaysia included the Companies (Amendment) Act 2024, which required us to revise our Policy on Beneficial Ownership Reporting. We also adopted a Conflict of Interest ("COI") Framework following amendments to Bursa Malaysia's Main Market Listing Requirements, assigning the need to report any actual or perceived COI that arises to our Audit Committee. In addition, we amended our Intellectual Property ("IP") Policy and Manual to enhance our IP capabilities.

Finally, in line with the Securities Commission Malaysia and Bursa Malaysia's requirement that all public listed companies hold either hybrid or physical general meetings from 1 March 2025, the Board has resolved that the mode of conducting the 24th Annual General Meeting of the Company will be by way of a physical meeting.

Although we are driven to maintaining good governance for its own sake, it is gratifying to be recognised for our efforts. For several years now, Duopharma Biotech has been achieving the maximum score of 5 for Governance pillar in the annual FTSE4Good assessment.

Acknowledgements

Duopharma Biotech's cumulative achievements are due to the support of our large and varied group of external and internal stakeholders. I would like to take this opportunity to thank our shareholders, the governments and regulatory bodies of the countries where we operate, our suppliers and business partners as well as our customers for their different yet equally important contributions to the Group.

I would also like to note my gratitude to the Board for their vote of confidence in appointing me as Chairman. It is an honour to take over from YBhg. Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir who was Chairman for six years and prior to that served as a Director of the Board for two years. She is responsible for steering the Group through numerous mileposts following its demerger from Chemical Company of Malaysia Berhad to become the leading Malaysian pharmaceutical manufacturer it is today. On behalf of the Board, I would like to express our deep appreciation of her invaluable guidance and dedication to the Group.

We also welcome our new Board member, Puan Nik Fazila Binti Nik Mohamed Shihabuddin, who was appointed as an Independent, Non-Executive Director as of 7 June 2024. Puan Nik Fazila strengthens our oversight capabilities as she brings with her diverse expertise in areas such as accounting, leading domestic and international operations, corporate restructuring and corporate governance.

Finally, a heartfelt note of gratitude goes to the Senior Management for their capable leadership, and all employees of the Group for their commitment to Duopharma Biotech and for internalising our values in everything they do. With the continued collaboration and contributions of all our stakeholders, we are fully prepared to provide smarter solutions for a healthier life for everyone.

Dear Stakeholders,

and society.

The year 2024 was both challenging and rewarding as we faced various cost pressures yet managed to overcome them to record positive growth in both our top and bottom lines. At the same time, we remained focused on business expansion, further entrenching our position as a leading pharmaceutical company in ASEAN. Even more encouraging, **Duopharma Biotech** continues to deepen our sustainability commitments, becoming progressively greener and more effective in terms of creating value for our stakeholders



Driving Lasting Value For a Healthier Future



Learn more about

Duopharma Biotech at

https://duopharmabiotech.com/

Smarter Solutions, **Healthier** Life

Key **Highlights**



Double-Digit Revenue Growth

15.5%

driven by

robust sales

across the public health, ethical specialty and export segments



Delivering Sustainable Growth

~RM682 million

worth of government tenders, providing us with ~RM227 million in revenue a year up to end 2026.

Group Managing Director's Management Discussion & Analysis

Facing Up to Headwinds

We started the year knowing we would have to contend with the full-year effects of the employee overtime and electricity tariff increases implemented in 2023, compounded by the start-up costs of our newly completed and operationalised K3 plant. Added to this, we had lost a major principal in 2023; the CHC business remained soft; and our Highly Potent Active Pharmaceutical Ingredients ("HAPI") plant was not being utilised at full capacity.

In response, we fully leveraged the decrease in raw material prices and an expected strengthening of the ringgit to participate aggressively in government tenders issued towards end 2023. The tenders were to renew the previous Approved Products Purchase List ("APPL") which expired in December 2023. Our efforts led to the award of a total of ~RM682 million in three-year contracts, giving us a clear line of sight for revenue until end 2026. Operationally, the increase in volume of drugs to be delivered to the government sector served to double our utilisation rates at HAPI.

We also undertook a thorough review to identify effective cost reduction measures while increasing revenue through other channels. Among others, we discovered the potential to eliminate various steps in our product development that were no longer necessary. To make up for the loss of the principal, in February 2024 we signed an exclusive agreement with Owen Mumford Sdn Bhd for the distribution of medical devices in Malaysia, Singapore and Brunei. As for K3, its start-up costs were within expectations. Similarly, we have accepted that the increase in electricity and overtime costs are now part of the new norm.

We are more upbeat about our CHC business as we believe the post-pandemic demand slump has finally bottomed out. Nevertheless, we recognise the risk of over-reliance on vitamins and dietary supplements hence are actively looking to rebalance and diversify this business. We have started investing a fair bit to grow UPHAMOL® sales. Currently commanding less than 10% of the analgesics market, there is much upside potential here. We are also building our functional foods segment in collaboration with various partners.

The CHC segment is undergoing structural changes, with greater consolidation of smaller players via mergers and acquisitions. We will monitor the market dynamics as these evolve and shape our response accordingly.

Building Our Portfolio

We seek to build not just our CHC portfolio but the totality of the Group's offerings as it is critical to our long-term growth. In the ethical business, where our focus is on specialty and niche therapies, we are deepening our pipeline of both generics and biologicals. In 2024, we began the process of registering our third HAPI oncology product, Gefitinib, for lung cancer treatment with the National Pharmaceutical Regulatory Agency ("NPRA"). This is expected to be launched by Q1 2026, providing affordable treatment for lung cancer to a larger number of patients.

It is also with pride to share that ERYSAA®, our erythropoietin product, proudly received the prestigious Malaysia Halal Certification by JAKIM in February 2025. This is something we had been working on for a while, and it is immensely gratifying to become the first company in Malaysia to be granted the Malaysia Halal Certification for a biosimilar. To date, there are 328 halal-certified active products manufactured at our facilities in Bangi, Klang and Glenmarie, which accounts for 99% of our production. Meanwhile, we have been laying the groundwork for greater halal exports via discussions with the relevant parties in Qatar and Timor Leste, among others.

Under our agreement with Owen Mumford, we have expanded the range of medical devices offered to include diabetes care and eyecare products including insulin pen needles, lancets as well as eye drop guides. Meanwhile, to support the development of a broader range of drugs, we continue to enhance our manufacturing capabilities and capacity, while maintaining the highest Good Manufacturing Practice ("GMP") standards to ensure ongoing compliance with evolving regulatory requirements. In November, the Board approved the expansion of our Small Volume Injectables ("SVI") line in K2, making use of the 20,000 square foot space on the fourth floor that has been vacated by office employees moving into the newly completed K3 building.

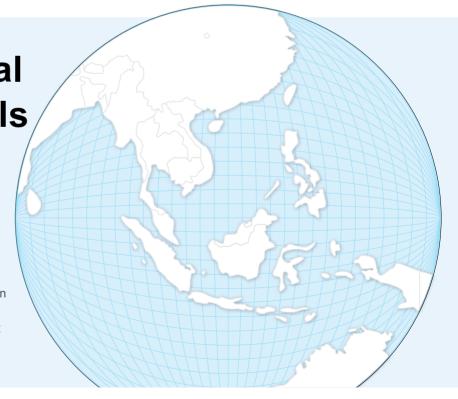
We are also in the process of fitting out our new K5 Biologicals Plant for larger-scale production of the erythropoietin biosimilar, ERYSAA®, while looking to introduce more biologicals. Six potential suppliers are being evaluated for the detailed design, and we are in discussions with laboratories to develop the working cell banks, which are integral to the manufacturing process.

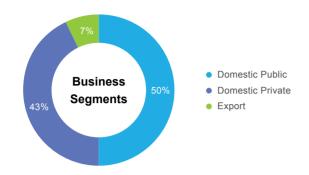
Advancing Halal Pharmaceuticals with Global Aspirations

Malaysia's First Halal-Certified Biosimilar

– A Milestone in Innovation

February 2025 — ERYSAA®, our erythropoietin product, proudly received the prestigious Malaysia Halal Certification, becoming the first biosimilar to be certified halal by JAKIM.











A Fine Balancing Act

Our long-term objective has always been to achieve an equal balance of our three main business segments, namely domestic public, domestic private and export. Subsequent to our tender wins, this balance has become more skewed towards the government segment, which now represents about 50% of our total business, with the private and export segments contributing approximately 43% and 7% respectively. Encouragingly, our private sector did not shrink; it just did not grow as much as the government business. This is something we will focus on in the coming years, just as we will focus on our exports, or international business.

We are keen to develop our international business because, to date, we have not tapped fully into the sector. Moreover, it would provide a natural hedge against any negative movement of the ringgit against foreign currencies. As a result of the team's efforts, we have made headway into Africa. Meanwhile, sales in the Philippines did very well as a result of our focus on Renal Care products. In Singapore, there has been a slight destocking due to the introduction by the government of a predictive AI Procurement system; however, we expect sales to normalise once the adjustment period is over. Our new subsidiary in Indonesia is also performing as expected, and we are confident of profitability in due course.

Supporting our exports, we continue to pursue more international certifications for our manufacturing facilities. During the year, we were extremely pleased when HAPI was audited by the Health Products Regulatory Authority, Ireland ("HPRA") and subsequently certified as meeting its standards. This marks the first European Union Good Manufacturing Practice ("EU GMP") for Duopharma Biotech and lends us confidence in following through with all our facilities. Upgrading the quality of our manufacturing assets will be a work in progress over the next five to 10 years.



#1 EU GMP certification for DHAPI by the HPRA, Ireland, effective 6 February 2025



1st runner-up in the Talentbank Graduate's Choice Awards (Pharmaceuticals) for sixth consecutive year



maintained the highest rating of 5 in FTSE4Good assessment for our Labour Standards and Human Rights & Community



#1 company in Malaysia to sign up to UNGC Forward Faster for Water Resilience

People

Following the rollout of our Labour Rights Policy, we have reviewed and enhanced various aspects of our Human Resources ("HR") practices. We are revising our employee benefits and replacing the previous contractual-based bonus for Green Book staff with bonuses based on performance. At the leadership level, we continue to restructure the team for better alignment with our current and future needs. All these efforts are elevating employee satisfaction and their productivity.

Meanwhile, we are creating greater efficiencies via the adoption of an HR Management System which will consolidate the various systems currently being used for different HR functions onto one platform. We are also standardising our HR practices across the Group through the rollout of full HR services to our regional offices.

It is gratifying to see that our focus on creating a conducive and rewarding workplace is recognised. During the year, we won 1st runner-up in the Talentbank Graduate's Choice Awards (Pharmaceuticals), making it the sixth consecutive year of winning in this category. We have also maintained the highest rating of 5 for our Labour Standards and Human Rights & Community under the Social pillar of the FTSE4Good assessment.

Meanwhile, we continue to restructure our leadership team in preparation for a new phase of growth. Encik Wan Amir-Jeffery Bin Wan Abdul Majid has seen his portfolio increase, from overseeing our Commercial operations to taking on the role of Chief Executive Officer, Group Operations with effect from 21 October 2024. In addition, we have appointed Puan Priya Darshini A/P Asokan as our new Chief Innovation Officer, effective 6 October 2024. She has served in Business Development at Duopharma Biotech since 2010, her last position being General Manager of this department.

Sustainability

Climate change remains the most pressing sustainability issue for manufacturers, and I am pleased to share that we continue to make significant progress on this front. During the year, we introduced a 5-Year Energy Efficiency Plan ("EEP") to better manage our Scopes 1 and 2 emissions. However, these make up only about 20% of our total carbon footprint. Hence, it is imperative that we

also improve our Scope 3 performance, which means engaging more intensely with our supply chain.

For a start, we are assessing the ESG readiness and maturity of our top 12 suppliers, and will follow through with the provision of support when necessary, especially in carbon related areas. We remain committed to our net zero goal by 2050 and will keep reviewing our related plan to keep it current and feasible.

We recognise that water management is crucial for Duopharma Biotech's operations which presents significant opportunities for improvement. This year, therefore, we focused more on this and made significant progress by becoming the first company in Malaysia to sign up to the UN Global Compact ("UNGC") Forward Faster for Water Resilience. Through this commitment, we aim to enhance water efficiency and contribute to global efforts in securing long-term water sustainability.





Outlook

Based on current indicators, the year 2025 looks set to be more conducive for businesses than 2024, with the economy maintaining its strong growth momentum and inflation continuing to stabilise. Added to this, the ringgit is expected to be less volatile against the US dollar.

The pharmaceutical industry specifically stands to benefit from another increase in the government's Budget 2025 for healthcare, hitting RM45.3 billion, up from RM41.2 billion. We started implementing the new minimum wage as of January, a month ahead of the government's stipulated starting date, and are ready to cushion the extra cost through the various cost containment exercises as well as increased efficiencies.

Adding to the government tenders won in 2023 and 2024, the positive economic outlook bodes well for both our private and public sector businesses in Malaysia. On the international front, we expect to see further growth in all our regional bases as well as in exports, resulting from more concerted efforts by the team. In terms of rebalancing our portfolio, our immediate focus is to complete and operationalise the K5 Biologicals Plant and to realise various smaller projects we have targeted for HAPI which would further increase its utilisation rate.

Guiding us forward, we have been working on a new roadmap to steer us towards our short and mid-term goals. Called Beyond 2025 Corporate Strategy, this comprehensive roadmap will ensure we capitalise on all opportunities that come our way to chart a more sustainable future for Duopharma Biotech while providing smarter solutions for the many lives we touch.

To our internal team, thank you for your hard work and commitment which are evident in our results. A special note of appreciation goes to Dato' Dr Anas Bin Alam Faizli, who served as our CEO – Corporate from October 2022 until October 2024. At the same time, I would like to acknowledge the contributions of all our external stakeholders, specifically the Ministry of Health and regulators, our business partners and suppliers. With your support, we will continue to create value for many years Beyond 2025.

Chief Financial Officer's Statement

Dear Shareholders,

products under CHC.

Market dynamics in FY2024 continued along the same vein as it has over the last couple of years, gradually reverting to conditions as existed pre-pandemic - with both positive and negative repercussions. Positively, we have discerned a marked decrease in the price of APIs industry-wide, with some even falling to levels lower than they were before COVID-19. Conversely, as pandemicinduced focus on immunity gradually fades, so has demand for vitamins and supplements, severely impacting performance of our over-the-counter



Thriving Through
Challenges
Towards
Achieving New
Heights

With resilience and innovation, we continue to push boundaries, discover untapped potential and drive sustainable growth Learn more about
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Financial Report

Chief Financial Officer's Statement

Integrated Annual

Report 2024

FY2024 **Highlights**



Received a total of 16 LOOs in FY2024 - with an estimated combined value of

~RM666.0 million



PROFIT AFTER TAX (PAT)

RM62.65 million

19.0%

Nevertheless, we were able to maintain healthy sales overall driven by our Ethical products. Performance of our Ethical portfolios in the government sector was especially strong along with a shift in patient visits from private clinics to the public sector amid concerns over a high cost of living. Overall, Duopharma Biotech's sales increased by 15.5% YoY, aided significantly by the cumulative ~RM666.0 million win in government tenders in 2024.

In the run up to the expiry of its Approved Products Purchase List ("APPL") in December 2023, the Ministry of Health ("MOH") issued several tenders for which Duopharma Biotech strategically made aggressive bids. This resulted in the Group receiving a total of 16 Letters of Offer ("LOOs") to date - 11 in Q2 FY2024 with an estimated combined value of RM578.09 million followed by five in Q3 FY2024 with an estimated combined value of RM87.66 million. Subsequently, we received another Letter of Offer worth RM16.58 million in April 2025.

While our revenue increased in tandem with sales, profitability was affected by challenges including the hike in electricity tariffs and broadening of the salary band for employee overtime eligibility in 2023; as well as incremental increases in the Overnight Policy Rate ("OPR") beginning in 2022. These were exacerbated by start-up costs of our new plant, K3. We experienced the full effect of these cost increases in FY2024.

Cushioning the impact of these cost increases, we were able to enhance operational efficiencies to bring about savings in other spheres. Together with Duopharma Biotech's increase in revenue, it meant we were still able to record a 19.0% increase in PAT for the year.

Based on our robust performance, the Group is rewarding our shareholders with a higher dividend than we did for FY2023. In August, we declared a first interim dividend of 1.0 sen per share amounting to RM9.62 million, as compared to 0.5 sen per share amounting to RM4.81 million in FY2023. This was followed by a second interim dividend of 2.0 sen per share, amounting to RM19.24 million which was paid on 19 March 2025. In total, we are paying out 3.0 sen per share (equivalent to RM28.86 million), which is approximately 30.4% higher than the total of 2.3 sen per share (equivalent to RM22.13 million) in FY2023, demonstrating our commitment to maintaining robust shareholder returns.

Chief Financial Officer's Statement



In August 2023, we issued our very first sukuk under a medium-term Wakalah programme of up to RM2.0 billion from which we have drawn down RM393.0 million



Our total inventory balance for the year increased marginally from

RM243.1 million to RM248.5 million

to support business growth

Financial Strategy

To achieve our aspiration of becoming a RM1 billion company, it is imperative that we grow our business. Not only would this increase our revenue, it would also help to spread our costs, thereby reducing its impact on our margins. From crossing the RM500 million mark in 2019, our revenue dipped slightly in 2020 with the pandemic but has been rising steadily since to reach ~RM814 million in FY2024. Though we are approaching our target, organic growth alone will not close the gap in a short timeframe; hence the need to look at suitable mergers or acquisitions ("M&As").

Although there are plenty of acquisition opportunities in the market, it is imperative that the prospect company we select truly fits our requirements to minimise as far as possible any risk of failure. The Strategy and Business Development teams have been looking into the matter and will continue to monitor both the local and regional markets closely. On a positive note, we still have approximately RM1.6 billion remaining in the sukuk programme launched in FY2023, which would be sufficient to fund an acquisition once the right company is identified.

Financial Review

For the financial year ended 31 December 2024, the Group achieved record-breaking revenue of RM813.7 million, representing an impressive 15.5% growth compared to RM704.7 million in FY2023. This double-digit increase was driven by robust sales across the public health, ethical specialty and our international business, which offset CHC's weakened performance.

Despite the increase in operational costs as mentioned above, the Group's revenue growth, coupled with the initial crystallisation of normalised API prices across the industry, enabled Duopharma Biotech to achieve a notable improvement in PBT for the year.

Report 2024

Chief Financial Officer's Statement

Cash Management

In August 2023, we issued our very first sukuk under a mediumterm Wakalah programme of up to RM2.0 billion from which we have drawn down RM393.0 million. RM292.0 million of this has been used to repay our debts and associated fees, while the remaining RM101.0 million is being carried forward to satisfy future needs, at a net borrowing cost of just slightly below 4% - a commendable achievement by the Finance team.

Part of the working capital was used in 2023 to finance the purchase of raw materials required in order to be prepared as we were bidding for numerous tenders. Although this resulted in a significant increase in our stockholding, our actions were validated when we eventually won a total of RM682.6 million worth of tenders from the government to supply close to 100 products to public sector hospitals and clinics.

Capital Management

Our total inventory balance for the year increased marginally from from RM243.1 million to RM248.5 million to support business growth, with a significant portion comprising raw materials needed to fulfil the government tenders. Nevertheless, our stock of finished goods dropped YoY as a result of increased sales. On average, our stockholding period reduced from 203 days to 178 days, i.e. by close to a month.

In terms of capital expenditure, completion and operationalisation of K3 marks the end of our Manufacturing Optimisation Strategy ("MOS") launched in 2017. K3 will take over the production of oral solids from K1 and support the development of pipeline products. We are now looking at further developing our Small Volume Injectables ("SVI") line in the K2 plant and installing a biosimilars line in the newly completed K5. Both projects will require significant capex which we will manage either through the sukuk and/or internally generated funds.

Risk Management

Our main financial risks in recent years have to do with foreign exchange ("forex") and interest rates. As we purchase all of our APIs from foreign suppliers, and mainly in US dollars, the strength of the ringgit against the dollar has an impact on us. At the same time, interest rates determine the cost of borrowing. To mitigate our forex risk, in 2024 we hedged about 30% of our dollar requirements.

Gearing

We maintained both our net and gross gearing at lower levels compared to FY2023, driven by improved profitability and stronger operational cash flows. Our gearing remains healthy, well within the limits of our loan covenants.

Outlook

Various factors lend reason to be optimistic about FY2025, including fulfilment of the government tenders and the 10% increase in the government's Budget allocation for the healthcare sector. While the increase in minimum wage from RM1,500 per month to RM1,700 per month effective 1 February 2025 will add to Duopharma Biotech's employee costs, we should be able to absorb it with additional revenue from increased sales - not just in Malaysia but also from our international operations.

At the same time, the Group remains focused on enhancing operational efficiencies, optimising cost management strategies, and adapting to evolving market conditions to effectively navigate rising costs.



Smarter Solutions. Healthier Life.

Our Strategic Review

Advancing Innovation, Elevating Healthcare

Innovation is at the heart of what we do. Through continuous investment in research and development, we bring forward groundbreaking pharmaceutical solutions that address evolving healthcare needs.

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Our Operating Landscape

We continue to monitor macroeconomic factors and market trends that can impact the pharmaceutical industry to ensure alignment of our strategies with the operating environment, while meeting the needs and expectations of our stakeholders. This is critical to maintaining our relevance and growing the company to attain our corporate goals.

PHARMACEUTICAL MARKET REVIEW

The pharmaceutical industry is relatively immune to economic fluctuations as it is part of essential healthcare service, supported by increasing government budgets. According to IQVIA, Malaysia's pharmaceutical market was valued at about RM12.8 billion in Q4 2024 and is expected to reach RM16.4 billion by 2028. Statista anticipates the market to grow at a compound annual growth rate ("CAGR") of 4.87% from 2025 to 2029, reaching USD2.10 billion by the end of this period. Currently the largest segment within this market is oncology drugs, which is projected to have a market value of USD287.49 million in 2025.

As a developing country, affordability and access to medicines remain key issues in Malaysia. In this regard, the government has adopted a generics-first approach which was formalised in the Malaysian National Medicines Policy ("MNMP") in 2006. The policy comprises four five-year terms, with the country currently in the term 2022-2026. From promoting generics, the government's policy has been extended to the use of biosimilars, which are the equivalent of generics for biological drugs (or biologics). Biologicals represent the cutting-edge of biomedical research leading to the design of complex compounds containing sugars, proteins and/or nucleic acids, sometimes entire cells and tissues to treat a variety of medical conditions for which no other treatments are available.

In the most recent development in Malaysia concerning generics/biosimilars, the MOH in November 2024 announced that the National Heart Institute will switch from the use of innovator drugs to these more affordable yet equally efficacious alternatives.





Our Operating Landscape

MARKET TRENDS

Global Shift Towards Biologics/Biosimilars

Our Governance

Along with increased prevalence of chronic diseases like cancer and autoimmune diseases, there has been a marked increase in demand for biologics, including monoclonal antibodies, protein therapies and gene therapies. The global biologics market was valued at USD461.74 billion in 2022 and is expected to grow at a CAGR of 10.3% from 2023 to 2030.1 This demand is further supported by technological advancements in biomanufacturing processes which have improved the efficiency and scalability of production. Biologics are also increasingly being used in personalised medicine approaches, where treatments are tailored to an individual's genetic profile. In Malaysia, biologics and biosimilars are being incorporated into treatment regimens in both private and public healthcare sectors.

Grand View Research: Biologics Market Size & Trends

Our Response

- As part of Malaysia's push to strengthen its biopharmaceutical capabilities, Duopharma Biotech is expanding into high-valueadded medicines such as biosimilars, including protein therapeutics such as monoclonal antibodies.
- We are strategically positioned to develop biosimilars, leveraging partnerships and collaborations with international players to bring affordable biologics to the market.
- With the recent completion of our K5 plant, we are strengthening our in-house production capability to produce biosimilars locally, reducing reliance on imports, in line with Malaysia's New Industrial Master Plan 2030 ("NIMP2030").
- The plant will initially be used for the mass production of our erythropoietin, ERYSAA®, with plans for portfolio expansion into vaccines and other biosimilars.

Digitalisation of Healthcare

There are two main ways in which digitalisation is changing the face of healthcare: 1) it is creating greater efficiencies in the running of healthcare centres, including patient management/care; and 2) it is shifting consumers' purchasing behaviour and their expectations on quality of service at clinics/hospitals. In terms of healthcare management, artificial intelligence ("AI") and machine learning ("ML") are enhancing diagnosis, treatment and patient care. Healthcare centres are able to communicate with patients and provide consultations online through telemedicine. They are also better able to manage patient records, as well as manage staff. Meanwhile, as consumers become more digital savvy, they are more likely to purchase pharmaceutical products online, benefitting from the convenience and sometimes lower prices offered through digital platforms.

Our Response

- · Partnered with UE LifeSciences to distribute iBreastExam across the country, offering a quick, painless, non-invasive and radiation-free approach to detecting breast lumps.
- Partnered with RenalWorks Malaysia to offer dialysis centres a proprietary software for more efficient management of patient data as well as their healthcare facilities.
- Leveraging e-commerce platforms, such as Shopee and Lazada as well as our own online https://dbhealth2go.com/ and IRORO's https://iroro.com.my/, we are facilitating the distribution of our products, particularly in the over-the-counter ("OTC") segment.
- Leveraging social media such as TikTok to market certain OTC products such as FLAVETTES®, PROVITON® and CHAMPS®, especially in Malaysia and Indonesia where the platform is used widely.
- Internally, we are creating greater efficiencies through the use of digital systems such as MyHalalGig, which facilitates the preparation and submission of required documents for halal certification and renewals.
- We are also optimising the use of digital systems such as Tableau, Hybris and SAP to benefit from better efficiencies across sales, management of stocks and other functions.

Our Operating Landscape

Stricter Regulatory Requirements

Regulatory requirements related to the pharmaceutical industry are continuously reviewed and updated both internationally and locally. The US Food and Drug Administration ("FDA"), for example, regularly imposes stricter standards on drug development, manufacturing and post-market surveillance to enhance patient safety. To meet these standards, pharmaceutical companies need to conduct more rigorous testing, secure the integrity of their data and put in place robust systems for identifying and addressing safety concerns throughout the lifecycle of drugs they manufacture. In Malaysia, the NPRA reflects international standards to ensure drugs sold in Malaysia meet the highest international standards. A parallel system of audits and approvals exists for halal medicines to ensure they fulfill the requirements of MS 2424:2019, the halal standard for pharmaceuticals, with regulated GMP standards serving as indispensable references to its implementation.

Our Response

- We focus on continuous investment in state-of-the-art manufacturing facilities to meet PIC/S GMP Standards and global regulatory standards while expanding regulatory affairs expertise to navigate complex approval processes for new products.
- In November 2024, our HAPI plant was audited by HPRA and was subsequently accredited to EU GMP standards on 6
 February 2025. Previously, in 1999, Duopharma Manufacturing (Bangi) Sdn Bhd was accredited by the Therapeutic Goods
 Administration (TGA) of Australia. These international GMP accreditations underscore Duopharma Biotech's commitment to
 adhering to global quality and regulatory standards.
- Our Pharmacovigilance Department monitors the safety of all our medicinal products and devices in compliance with the Malaysian Good Pharmacovigilance Practices for Product Registration Holders 2021 ("GVP").

Increasing Sustainability Standards

As the effects of global warming become more pronounced, governments and regulators are imposing more stringent guidelines on companies to ensure an effective transition towards their net zero carbon aspirations. To prevent greenwashing, they are also requiring corporate organisations to report on their climate change mitigation and adaptation initiatives. To facilitate the process and standardise various existing reporting frameworks, Bursa Malaysia has issued amendments to the MMLR in relation to sustainability reporting requirements, which are aligned with the National Sustainability Reporting Framework that was launched on 24 September 2024. Under its new requirements, companies with market capitalisation below RM2 billion (such as Duopharma Biotech) should fully comply with the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (collectively, the "IFRS Sustainability Disclosure Standards") starting from the financial year 2028. The IFRS S2 Climate-related Disclosures are largely based on TCFD, hence companies that have embarked on TCFD reporting will be able to transition seamlessly to Bursa Malaysia's new requirements.

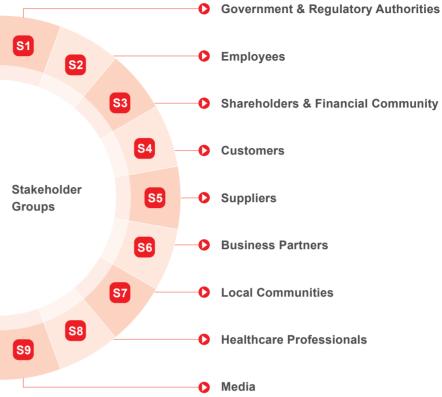
Our Response

- Duopharma Biotech embarked on our TCFD journey in 2023 with the adoption of several of its recommendations related to governance, strategy, risk management as well as metrics and targets.
- In 2024, we assessed our climate-related risks at all manufacturing sites in Malaysia, as well as our regional offices in Indonesia, the Philippines and Singapore. Physical and transition risks that may impact our operations and businesses are now monitored through our Enterprise Risk Management platform.
- We acknowledge that TCFD recommendations are now integrated into IFRS S2. Hence we will transition towards adopting and fulfilling IFRS S2 reporting requirements in 2025 onwards.
- To ensure proper understanding and guidance from the top, in 2024, Board members and senior management underwent training on sustainability and climate-related topics.
- We will conduct a climate scenario analysis in 2025 to assess climate resilience under different climate scenarios. This will
 include an evaluation of our climate strategies and identification of areas for improvement.

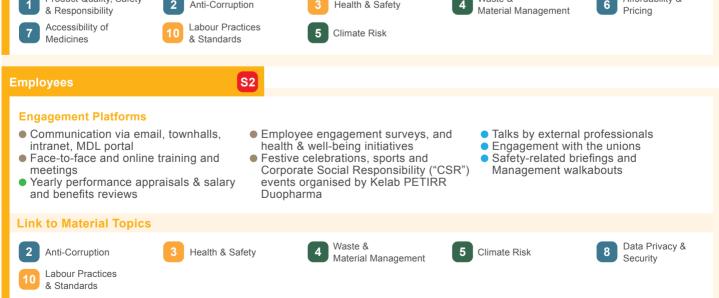
Stakeholder Engagement

Engaging with our stakeholders across various platforms allows us to understand their priorities and develop initiatives that address their evolving needs. As a company with a diverse range of stakeholders each influenced by our activities and, in turn, capable of impacting our business-**Duopharma Biotech is committed to fostering** strong, positive relationships. Through regular engagement via both formal and informal channels, we gain valuable insights into emerging opportunities and risks, proactively address concerns, and ensure that material issues are effectively managed. This ongoing dialogue strengthens trust and enables us to create meaningful, sustainable value for all stakeholders.

Our Governance



Engagement Platforms Meetings, seminars, conferences and Engagement via Industry Associations Joint working committees Communication via email, phone, On-site inspections webinars Participation in trade councils letters Stakeholder engagement sessions **Link to Material Topics** Affordability & Product Quality, Safety Waste & Anti-Corruption Health & Safety & Responsibility Material Management Pricing Accessibility of Labour Practices Climate Risk Medicines & Standards

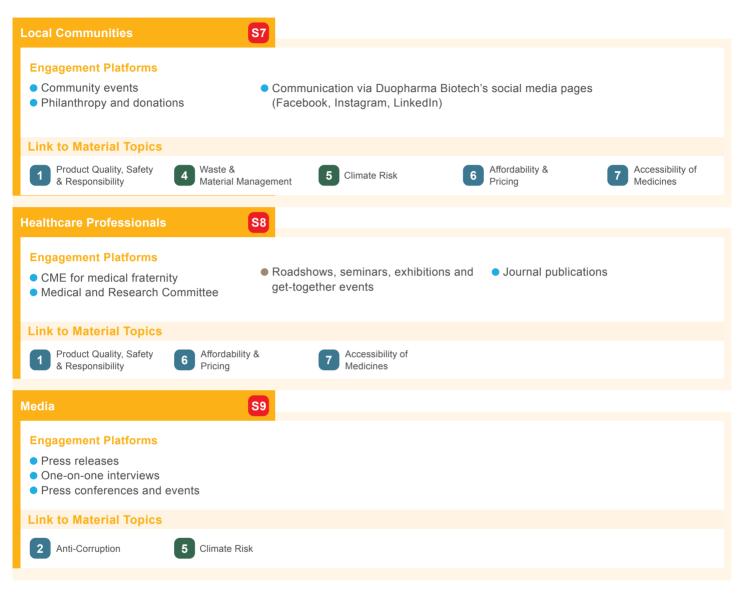


Stakeholder Engagement

DUOPHARMA BIOTECH BERHAD



Our Governance



Notes:

colour in each point refers to the frequency of engagement in the legend below

As needed
 Quarterly
 Annually
 Throughout the year

For more details on our Stakeholder Engagement, please refer to Sustainability Report 2024 pages 21 to 26.

Material Matters

Materiality assessment plays a crucial role in helping companies identify the most significant sustainability topics and issues, ensuring a strategic focus on key areas that drive long-term value creation. By aligning sustainability priorities with business objectives, this process strengthens a company's ability to mitigate risks, capitalise on emerging opportunities, and develop a forward-looking ESG strategy.

At Duopharma Biotech, our materiality assessment is guided by the Bursa Malaysia Sustainability Reporting Guide (3rd edition), GRI Standards, and the UN SDGs. In 2022, we conducted a comprehensive assessment that established the strategic direction for our 5-Year ESG Strategy, shaping our policies and initiatives. Since then, we have carried out annual internal reviews to ensure our material sustainability matters remain relevant and aligned with evolving business priorities, stakeholder expectations, and global ESG trends. This proactive approach allows us to adapt to emerging challenges and opportunities, ensuring our sustainability efforts remain effective and future-ready.

OUR MATERIALITY ASSESSMENT PROCESS

Identification

- We identified a list of material issues that can impact our business, including internal and external factors.
- We also mapped and aligned our existing material matters against Bursa Malaysia's 11 Common Sustainability Matters to ensure compliance with the requirements of Bursa Malaysia's MMLR.

Prioritisation

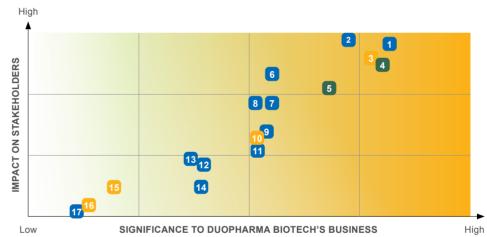
- During our comprehensive materiality assessment in 2022, we engaged key internal and external stakeholders via an online survey to prioritise and rank the identified 17 material matters.
- This year, we verified the prioritisation again and determined that the top 10 material matters identified in 2022 remained relevant in 2024.

Validation

During the full materiality assessment in 2022, results and findings were discussed and deliberated with our Group Management Committee ("GMC") and Group Managing Director ("GMD") and final results were presented to the Board for endorsement.

MATERIALITY ASSESSMENT MATRIX

We plan to conduct a refreshed and comprehensive materiality assessment again in 2025, to re-evaluate and refine our material sustainability matters in line with evolving business priorities, stakeholders' expectations, and global ESG trends. The process will take into account emerging regulatory requirements, particularly in preparation for the IFRS disclosures, ensuring our sustainability disclosures meet the business strategy direction, stakeholders' expectations and financial relevance.



Governance / Economic

- Product Quality,
 Safety & Responsibility
- 6 Affordability & Pricing
- 8 Data Privacy & Security
- Counterfeit Medicines & Adulteration
- 13 Halal Commitment
- 17 Digitalisation

- 2 Anti-Corruption
- 7 Accessibility of Medicines
- 9 Supply Chain Management
- 12 Research & Development
- Business Innovation & Model

Social

- 3 Health & Safety
- 15 Diversity & Inclusion
- Labour Practices & Standards
- 16 Community Outreach

Environment

- Waste &
- Material Management
- 5 Climate Risk

TOP 10 MATERIAL ISSUES

Data Privacy & Security

- Product Quality,
 Safety & Responsibility
- 2 Anti-Corruption

Supply Chain

Management

- 3 Health & Safety
- Waste & Material Management

- 5 Climate Risk
- 6 Affordability & Pricing
- Accessibility of Medicines
- Labour Practices & Standards



For more details on our Material Matters, please refer to Sustainability Report 2024 pages 27 to 37.

Our Strategy

Duopharma Biotech is driven by a four-pronged strategy to achieve our long-term success and expansion into a billionringgit company. The strategy focuses on enhancing our product offerings (through R&D and strategic partnerships), operational capacity and market reach, positioning the Group to advance healthcare, increase our market share, and deliver value to stakeholders for sustainable success in global and regional markets.

The strategy comprises:

Broaden our portfolio of ethical pharmaceuticals and consumer healthcare offerings to tap into growing demand for health and wellness products, catering to both medical professionals and consumers, ultimately enhancing our market position.

Expansion of Ethical and **CHC Products**

Our Governance

Upgrading Manufacturing **Facilities**

Modernise our production capabilities for greater efficiency, better product quality, compliance with global standards in order to support the expanded product lines and meet growing demand.

Expand into ASEAN for access to dynamic and underserved markets. This geographic focus is vital for tapping into a rapidly growing consumer base and establishing a stronger regional presence.

Enhancing Presence in **ASEAN**

Diversification into Biologicals and Niche **Products**

Expand into specialised areas like biologicals and niche products to enter emerging markets and address unmet medical needs, providing a competitive edge in high-growth sectors.





Our Strategy

Strategy Progress and Future Focus

Expanding Ethical and CHC Products

Key Achievements in 2024

ESB

- Achieved double-digit growth YoY
- ERYSAA® grew by 24% YoY
- · Launched:
 - 1. Metformin XR 750mg (Glucoxit XR) January
 - 2. Sevelamer (Caeseva) February
 - 3. Sitagliptin (Fortesia) July
 - 4. Palbociclib (Iberlyn) December

ECB

- Launched two cardiovascular products in December
 - Varexa (Apixaban 5mg and 2.5mg)
 - Vytocor (Ezetimibe/Simvastatin 10/20mg)
- Achieved RM1.18 million revenue from Owen Mumford partnership initiated in August 2023
- Partnered Remedi Innovations Sdn Bhd to pilot Remedi Clinic Management System

Priorities in 2025

- · Launch Heamosol C
- Obtain Malaysia Halal Certification by JAKIM for ERYSAA®
- Grow our portfolio of generics in the cardiovascular and other therapeutic classes

CHC

Developed functional foods to create new business segment

 Launch new products under CHAMPS®, FLAVETTES®, PROVITON® and NATURALLE lines

Material Matters:









Upgrading Manufacturing Facilities

Key Achievements in 2024

HAPI

- EU GMP inspection carried out successfully, and received certification on 6 February 2025
- · 30% increase in Lebreta production capacity

Priorities in 2025

- Deployment of electronic Quality Management System ("e-QMS") to digitise documentation control in HAPI
- Strengthen regulatory affairs team and enhance compliance monitoring

Klang

- Finalised the layout, obtained NPRA project approval, and issued Purchase Orders ("POs") to all vendors for K5
- Identified vendor for chiller replacement at K4 and implemented pilot project for replacement of the conventional motor
- Installed bilayer tablet manufacturing technology
- Remodel sterile powder filing ("SPF") plant HVAC system based on latest Annex 1 requirements
- Replace aging fluid bed dryer at Bangi site
- · Install new magnetic bearing chiller
- Replace conventional motors with eco motors
- Produce more complex formulations, offering improved therapeutic benefits

All Plants

 Successful installation of solar panels on roofs of all plants, resulting in 6% kilowatt savings monthly

- Implement 5-Year EEP focusing on energy efficiency and optimising processes
- Continue to focus on cost optimisation including sustainable packaging

Material Matters:

















Our Strategy

Diversifying Into Biologicals and Niche Products

Key Achievements in 2024

 Commercialised RenalGenie software in collaboration with RenalWorks

Our Governance

- Signed an agreement with an Indian company for oncology biosimilars
- Outsourced R&D project for HAPI and new delivery dosage form
- Signed an exclusive marketing and distribution agreement for a vaccine product to expand the vaccine portfolio
- Submitted over 50 new product registrations for local and overseas markets
- Increased collaboration with technology partners for clinical trials, completed technology transfer for four products, and finalised product registration of key medicines

Priorities in 2025

- Expand R&D into biosimilars and biologics for local and export markets
- Collaborate with National Vaccine Development Roadmap ("PPVN") and Ministry of Science, Technology and Innovation ("MOSTI") to identify top 10 vaccines for local development; and develop vaccines for trading and fill & finish opportunities
- Establish new partnerships with biotech players in Korea, Indonesia, China and India for biosimilars, biologics and vaccine products
- Explore trading opportunities for alternative dosage form products, such as metered dose inhalers and oral dispersible films
- Develop medical devices, e.g. dialysis medical cloud management platform

Material Matters:







Enhancing Presence in ASEAN

Key Achievements in 2024

- Launched Caeseva in Brunei; and FLAVETTES® Glow in Indonesia
- Obtained Indonesian regulatory approval to import DERMOPLEX® Ultra Sensitive and undergoing regulatory submission with Badan Pengawas Obat dan Makanan (BPOM or the Indonesian Food and Drug Supervisory Authority) for DERMOPLEX® Relief Cream
- Renal Care products driving robust sales and contributing to 73% of total revenue in Philippines
- CHC business in Singapore grew 37% YoY, mainly due to Simtec, DERMOPLEX® and NATURALLE

Priorities in 2025

- Launch Lebreta in the Philippines and ERYSAA® in Brunei
- Strengthen partnerships in ASEAN countries
- Collaborate with local distributors, manufacturers and companies for improved access and local insights
- Participate in more government tenders for large volumes over extended terms
- Explore in-licensing opportunities to introduce innovative or sought-after products
- · Explore contract manufacturing in low-cost regions

Material Matters:



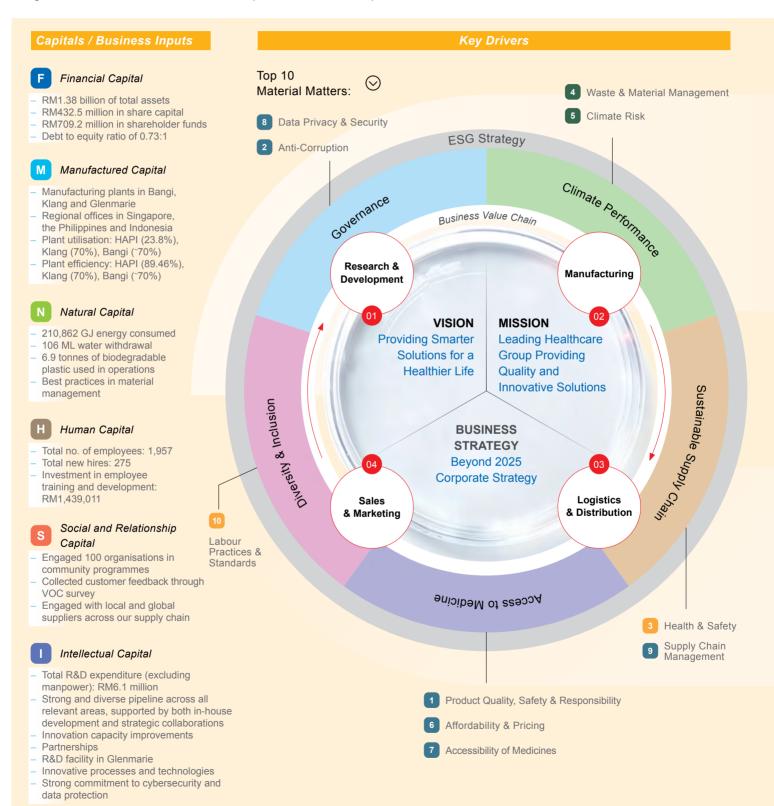






Our Value Creation Business Model

Duopharma Biotech remains committed to delivering long-term value through the strategic utilisation of our six capitals, effective resource allocation, and a focus on sustainable growth. By driving innovation and upholding strong corporate governance, we are better able to manage our risks proactively and strengthen our business model to ensure resilience, operational excellence and positive stakeholder outcomes.



Outnuts/ Outcomes

Our Governance

Stakeholders Impacted

Value Created



Profit Before Tax 2024: RM80.02 million

Profit After Tax 2024: RM62.65 million

- % Growth in Revenue: 15.5% (from 2023)



30% increase in Lebreta production capacity at HAPI

RM250,000 reduction in production costs in Klang

 17% increase in production capacity in Bangi with transfer of machinery from our Klang facility



40,089 tCO₂-e carbon emissions generated

1,839 tCO₂-e carbon avoided by using solar panel

0.6% reduction in total carbon emissions from 2023

14% reduction in total carbon emissions intensity from 2023

- 145 tonnes scheduled waste generated

5,308 m³ water recycled

17% of non-scheduled waste diverted from landfills



Employee Engagement Index: 81% score

Average training hours per employee: 21

92.6% completion of planned talent programmes

60 PROTÉGÉs recruited, 63 internship placements

Turnover rate: 11.28%

Burnout survey: 12% no sign of burnout; 44% little signs of burnout;

44% high risk of burnout

s \Diamond

Total investment in external community: RM2,974,127

 70.9% of our customers believe halal pharmaceuticals are important in healthcare, based on customer satisfaction survey

 Strengthen brand loyalty on the supply of halal-assured medicines and healthcare products

Support the growth of national halal economy

Performed ESG Maturity assessment on top 12 suppliers



IT operational uptime reliability: 99%

Reduced IT capital expenditure due to cost saving from digitalisation

Cybersecurity risk of near zero

Automation of manual pack process reduced dependency on manpower

S1 S3

S1 S3 S4

S5 S6

S1 S3 S7

S2 S7

S4 S5

S6 S7

optimising operational efficiency, mitigating negative environmental impacts, developing high-performance workforce, strengthening stakeholder relationships, and accelerating innovation.

The implementation of ESG

and

supports our business growth

and risk management by

and

our

Strategy

enhancing resilience

across the

initiatives

financial

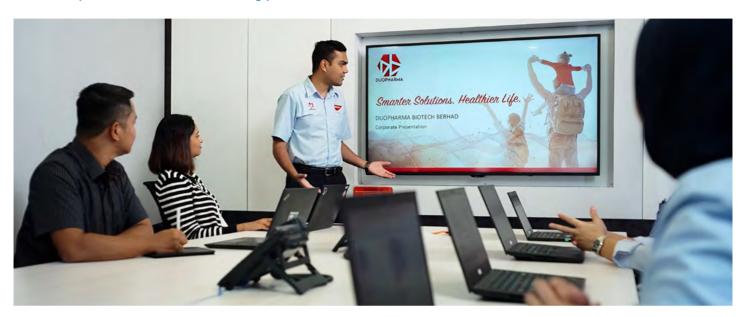
profitability,

six capitals

The value created also directly contributes to the UN SDGs.

Key Risks & Opportunities

In delivering sustainable value to our customers, employees, business partners, communities and shareholders, Duopharma Biotech undertakes a comprehensive process to identify risks faced across the Group in order to manage them effectively. The process of managing and mitigating both existing as well as potential risks is central to the Group's business operations and decision-making process.





OPERATIONAL RISK

Risk Context: Production bottlenecks can result in stock shortages, limiting product availability, lost opportunities and unmet demand in the market across all business segments.

Mitigation Measures

- Conduct thorough process analysis to pinpoint areas with high variability, long waiting times, or low utilisation and implement improvement projects to alleviate the bottleneck.
- Invest in new equipment and / or upgrade existing equipment to increase production capacity and reduce cycle times.
- Automate repetitive tasks and processes to increase efficiency and reduce human error.
- Foster the Lean Six Sigma ("LSS") culture of continuous improvement, encouraging employees to identify and address inefficiencies through the implementation of improvement projects such as waste reduction, cycle time improvement and defects reduction.
- Explore the feasibility of expanding production capacity to another facility to accommodate future demand growth.
- Maintain optimal inventory levels to ensure sufficient raw materials and finished goods while minimising storage costs.

Opportunities

- Faster production cycles and reduced inventory levels free up working capital while improving cash flow.
- A more efficient and flexible production system, with reduced lead times, enables faster adaptation to market changes, customer needs, regulatory requirements, and new product introductions, enhancing the company's competitive edge.
- Optimised production processes, reduced waste, and improved equipment utilisation contribute to lower operating costs
- Reduced stockouts translate to fewer lost sales opportunities, leading to higher revenue and profitability.



Key Risks & Opportunities

Integrated Annual

Report 2024



GEOPOLITICAL RISK

Risk Context: Geopolitical instability in the Middle East and the ongoing conflict between Russia and Ukraine have resulted in increased freight rates, surcharges and higher insurance premiums. Additionally, shipping times have lengthened due to necessary rerouting of vessels, significantly impacting supply chain efficiency.

Financial Report

Mitigation Measures

- A combination of transportation methods (air, land and sea) is employed to enhance flexibility and reduce reliance on a single mode of transport.
- Alternative air freight routes that bypass conflicting zones are identified and established to minimise disruptions by collaborating with reliable and experienced logistics partners in navigating the complexities of the region. Any additional charges imposed can be shared or negotiated with the customer in order to manage the increasing cost.
- Sourcing for alternative suppliers in different locations, such as China and India, to mitigate supply chain disruptions from European sources.

Opportunities

- The ongoing conflicts may have increased demand for essential medicines, presenting a significant opportunity for Duopharma Biotech to ensure a consistent supply chain and meet critical needs in affected areas.
- Demonstrating business continuity to maintain supply amid challenges enhances the company's reputation as a reliable partner in healthcare. This strengthens client loyalty and attracts new customers.
- A diversified supplier base leads to more stable pricing and availability of raw materials, reducing the risk of shortages and enabling the company to respond swiftly to market demands.



MARKET RISK

Risk Context: A decline in consumer demand for healthcare products following the pandemic and economic uncertainties has led to market oversupply, prompting aggressive clearance strategies by major players in a highly competitive market.

Mitigation Measures

- Continue to strengthen brand awareness and engagement by investing in advertising and promotional campaigns across multiple channels and approaches.
- Increase penetration in General Practitioner Clinics and Lower Trade channels to generate growth and expand market reach.
- Launch innovative new offerings of plant-based functional foods to cater to the growing market of consumers with special dietary needs and nutritional requirements.
- Proactively monitor inventory levels, comparing sales forecasts with actual consumer demand to minimise overproduction and prevent high market returns due to unsold products.

Opportunities

- Utilising diverse advertising platforms allows Duopharma Biotech to engage with different demographics effectively, tailoring messages to specific consumer segments and enhancing market penetration.
- E-commerce platforms enable direct engagement with consumers, allowing Duopharma Biotech to gather valuable insights into customer preferences and behaviours, which can inform future product development and marketing strategies.
- Explore new functional food areas where our products offer unique value propositions to the consumer, supported by comprehensive feasibility and market studies to support market penetration.

Key Risks & Opportunities



CYBERSECURITY RISK

Risk Context: As data and records become increasingly digitised and stored in the cloud, they become more vulnerable to cyberattacks, including malware and ransomware, from unscrupulous parties.

Mitigation Measures

- Internal firewalls are continuously upgraded with the latest security patches and firmware to strengthen protection against evolving threats.
- Minimum security requirements for all external devices connecting to our network will be enforced as part of enhanced security measures. This includes ensuring that up-to-date antivirus software is installed and operational on all devices.
- Regular penetration testing to ensure quick and effective responses to potential breaches.
- Engage with cybersecurity consultants and professionals to stay ahead of evolving cyber threats and ensure compliance with regulations.
- Conduct regular training for employees to enhance awareness of cybersecurity threats, data governance and IT policies and procedures to prevent potential data and security breaches.

Opportunities

- By demonstrating a commitment to robust cybersecurity measures, we can enhance trust among customers, partners and stakeholders, making the Company a more attractive partner to collaborate with.
- Regular updates and stringent security protocols help prevent data breaches and cyberattacks, reducing the risk of operational disruptions, leading to improved overall efficiency.
- With a secure digital environment, Duopharma Biotech can explore new technologies and innovations, such as digital health solutions and telemedicine platforms, without fear of compromising sensitive data.
- A strong focus on cybersecurity fosters a culture of awareness among employees, leading to better practices in data handling and security protocols. This engagement can enhance overall organisational performance.



CLIMATE RISK

Risk Context: Extreme weather events such as heavy rainfall, flash floods, heatwaves, etc disrupt supply chains, operations, business engagements and eventually increase operational costs. Additionally, growing emphasis on greenhouse gas emissions presents new challenges in ensuring the long-term sustainability and resilience of our operations.

Mitigation Measures

- Conduct comprehensive climate risk assessments, including physical and transition risks, at all operating sites to identify, evaluate and update information on existing and emerging risks. Develop and implement control measures and mitigation strategies to address the identified risks.
- Invest in Renewable Energy ("RE") systems, such as solar panels, as part of a long-term commitment to reducing carbon footprint, mitigating rising energy costs, and promoting a sustainable future.
- Explore alternative suppliers and distribution channels, particularly in regions less prone to natural disasters, to reduce dependence on flood-prone regions.
- Regularly review the Business Continuity Plan and conduct IT disaster recovery exercises to ensure preparedness in managing disruptions or crises during extreme weather events.

Opportunities

- Conducting thorough climate risk assessments enables
 Duopharma Biotech to identify vulnerabilities in our
 operations and supply chain. This proactive approach allows
 the Company to develop targeted mitigation strategies that
 safeguard against potential disruptions while enhancing
 overall operational resilience.
- Committing to RE positions Duopharma Biotech as a leader in sustainability within the pharmaceutical industry, enhancing our brand reputation and attracting environmentally conscious consumers and business partners.
- A commitment to sustainability may open doors to new markets, especially in regions where environmentally friendly practices are prioritised or mandated by regulation. This can enhance Duopharma Biotech's competitive edge.
- Implementing energy-efficient technologies and sustainable practices can lead to significant cost reductions in operations, including lower energy bills and reduced waste management costs, ultimately improving profitability.

Jur Performance Review

Optimising for a Resilient Future

In a dynamic business environment, agility is key. We refine our operations, optimise costs, and embrace strategic efficiencies to ensure sustainable growth and resilience.

Operational Review

- Ethical Classic Business
- Ethical Specialty Business
- Consumer Healthcare
- International Business
- Manufacturing

Sustainability Statement

- Climate Performance
- Sustainable Supply Chain
- Access to Medicine
- Diversity & Inclusion
- Governance

Performance Data Table



62

74

50

We Are Duopharma Biotech

Operational Review

Ethical Classic Business



Through our Ethical Classic Business ("ECB"), we manufacture, distribute and sell medications that treat a wide range of diseases. These include cardiovascular (heart related), dermatological (skin), hormonal, respiratory, sensory, nervous and musculoskeletal system ailments.



OVERVIEW OF 2024

The year saw the ECB further entrench its leadership in the Government sector via the award of new tenders for the next three years, while steadily growing its share in the private market. Towards the latter, the team has been expanding its agency network to enhance its portfolio with more quality products from reputable principals. At the same time, ECB has enhanced its online presence via a new e-commerce platform, DuopharmaConnext, developing a robust business process outsourcing ("BPO") call centre under our TeleHealth division.

As a result of these efforts, ECB achieved 11% overall revenue growth, with especially strong performance in the cardiovascular therapeutic class.



Trivolite

Omiflu

+102% +32% +28%

Crystorvas

Hyomide

+19% 18%

Key Achievements

- Launched two significant cardiovascular products in December 2024 Varexa (Apixaban 5mg and 2.5mg), expanding the anticoagulant portfolio; and Vytocor (Ezetimibe/Simvastatin 10/20mg), strengthening the lipid management segment.
- Achieved RM1.18 million revenue from the Owen Mumford partnership initiated in August 2023.
- Partnered with Remedi Innovations Sdn Bhd to pilot the Remedi Clinic Management System ("CMS"), a digital solution designed to enhance clinic operations and patient care, marking a strategic step into digital health commercialisation.

Financial Performance

ECB recorded a 11.0% increase in revenue YoY.

Report 2024

Integrated Annual

KEY CHALLENGES & OUR RESPONSE

Key Challenge	Our Response	Alignment to Strategy
Increased cost of APIs	Strengthened supplier partnerships to diversify sources and reduce cost volatility.	Upgrading Manufacturing Facilities
Regulatory compliance hurdles in regional markets	Enhanced regulatory frameworks to ensure faster product approvals in ASEAN countries.	Enhancing Presence in ASEAN
Increasing competition from generic drug manufacturers	Focused on in-house product innovation to maintain quality differentiation and brand reputation.	Expanding Ethical and CHC Products
Weakening ringgit impacting the cost of imports	Implemented cost control measures through effective procurement strategies and localisation.	Upgrading Manufacturing Facilities
Volatile market demand for legacy drugs	Launched targeted marketing initiatives to enhance awareness and demand for underutilised drugs.	Expanding Ethical and CHC Products
Supply chain disruptions impacting distribution	Diversified logistics partners and strengthened local distribution networks to ensure continuity.	Enhancing Presence in ASEAN

Financial Report



Outlook

Rising demand for affordable treatments in Malaysia and emerging markets, particularly those in ASEAN, presents significant opportunities for ECB as we focus on growing our portfolio of generics in the cardiovascular and other therapeutic classes. Strategic partnerships with principals will be key, both for trading opportunities and technology transfers, enabling faster market entry as well as the development of local manufacturing capabilities.

ECB's objective is to further expand its market share, improve patient access and reinforce its position as a leader in affordable high-quality healthcare solutions in multiple therapeutic classes.

Ethical Specialty Business



The Ethical Specialty Business ("ESB") focuses on Duopharma Biotech's specialty therapy areas, also known as our franchises, namely Diabetes Care Franchise, Cancer Care Franchise and Renal Care Franchise. We are also looking to expand into other specialty areas.



OVERVIEW OF 2024

It was a very positive year for ESB as demand for our specialty products continued to escalate, contributing to 26.6% growth of the business segment. This was supported by ESB winning the MOH APPL tender for ERYSAA®, Ferrus and Bi-haemosol.

All three franchises contributed to ESB's overall performance with revenue exceeding targets that had been set for the domestic business, while export sales more than doubled. The Diabetes Care Franchise achieved 16% growth versus 2023; Cancer Care Franchise grew by 26%; and Renal Care Franchise saw a 32% improvement versus 2023. Export business revenue, meanwhile captured growth of 126% YoY.

This growth was anchored on concerted efforts to expand our presence in the private sector and export markets while ensuring the smooth execution of awarded tenders including consistent supply of key products – such as recombinant human insulin, ERYSAA®, Unihepa, Ferrus and Bi-Haemosol – to fulfil our contractual commitments and the market needs.



Recombinant Human Insulin

+30%



ERYSAA®

+24%



Unihepa

+35%



Krabeva

+116%



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KEY ACHIEVEMENTS

- Obtained halal certification for our erythropoietin biosimilar, ERYSAA®, making it the first halal certified erythropoiesis-stimulating agent ("ESA") product in Malaysia.
- Partnered with Synthon to represent the Netherlands-based pharmaceutical company in Malaysia and Brunei, starting in February 2024 with the launch Caeseva (Sevelamer) in Malaysia which is used to treat hyperphosphatemia in patients with chronic kidney disease who are on dialysis. Caeseva was subsequently launched in Brunei in October.
- Launched two other products in Malaysia: Fortesia (Sitagliptin), for the management of glycemic control in type 2 diabetes in July 2024; and Ibrelyn (Palbociclib) for the treatment of hormone receptor (HR)-positive, human epidermal growth factor receptor 2 (HER2)-negative locally advanced or metastatic breast cancer in December 2024.
- Won MOH APPL tender to supply Unihepa, ERYSAA®, Ferrus and Bi-haemosol until December 2026.

Our Governance

FINANCIAL PERFORMANCE

ESB recorded a 26.6% increase in revenue YoY.

KEY CHALLENGES & OUR RESPONSE

Key Challenge	Our Response	Alignment to Strategy
Predatory pricing by innovators	 Educate stakeholders on the leverage and importance of Malaysian-made products for medicine security, self-sufficiency and to strengthen the local economy Circumvent patents to commercialise products prior to patent expiry Ensure competitive pricing 	Expanding Ethical and CHC Products
Price war from competitors	 Educate healthcare providers on the quality, safety and efficacy of our products Employ first-to-market strategy for competitive edge 	Expanding Ethical and CHC Products
Ensuring adequate supply to fullfil market demand	Diversify supply sources, such as contract manufacturing organisations in other countries for recombinant human insulin supply	Upgrading Manufacturing Facilities
Competition from other local manufacturers	 Conduct regular market intelligence Ensure our products are of good quality, safe, efficacious and competitively priced Active engagement by field force with healthcare providers 	Upgrading Manufacturing Facilities

Outlook

Moving into 2025, the ESB team will focus on further strengthening our biologics pipeline to treat cancer, diabetes and chronic kidney diseases. There are plans to launch monoclonal antibody (cancer) products to improve patient access to this group of high-value immunotherapies in the future. We are also looking to increase the share of our ESB brands beyond Malaysia, targeting ASEAN among other regions, aligning our product selection with our first-to-market strategy.

Consumer Healthcare



Consumer Healthcare ("CHC") markets and distributes vitamins, minerals and supplements ("VMS") as well as over-the-counter pharmaceutical products and cosmeceuticals in Malaysia and across the region. Leading brands include FLAVETTES®, CHAMPS® and PROVITON® (VMS), UPHAMOL® (analgesic), Eye Glo (eyecare) and IRORO® Nutreatment (haircare).



OVERVIEW OF 2024

Demand for health supplements has slowly normalised from peaks during the pandemic, with heavy promotions to reduce stocks for vitamins reducing their value, especially for Vitamin C. Concurrently, over-the-counter products are enjoying higher sales, matching prepandemic levels, cushioning the decline in the Vitamin C business.

Despite the impact on Vitamin C, FLAVETTES® continued to perform well in 2024 along with expansion into skincare. At the same time, Uphamol enjoyed robust sales, primarily in the government sector as the analgesic was one of the brands in the APPL tender won by Duopharma Biotech. IRORO® sales also picked up in Australia where CHC appointed a new distributor with access to consumers currently taking oral medicines to address hair loss problems. In addition, DERMOPLEX® also registered strong growth, driven by access to the dermatological range by the mass market and its value pricing.

On the retail front, the consolidation of retailers resulted in a higher cost of doing business which narrowed our margins. However, this was offset by strong performance of our flagship brands on the e-commerce platform, especially Tik Tok, where we are able to deliver direct brand experience to consumers. Leveraging the surge in online sales, the CHC business has seen revenue from its e-commerce platform grow significantly to become an important revenue-driving channel for the business.

KEY ACHIEVEMENTS

- Launched IRORO® Nutreatment range in Malaysia and Australia, which contributed to RM700,000 in sales.
- FLAVETTES® maintained its leadership as the No.1 Vitamin C brand, differentiating itself via its complete skincare offerings.
- Launched a complete FLAVETTES® Nutriskincare range comprising FLAVETTES®
 Glow, Glamz and H-drate, marking the evolution from immunity-strengthening to
 beauty.
- FLAVETTES® Glamz drove significant brand growth via switch in focus to e-commerce platforms, with TikTok generating RM7 million sales to become the No.2 channel after Watsons.
- Appointed new fast-moving consumer goods ("FMCG") distributors in the general trade channel to reach mass markets, especially in suburban and rural areas.
- Use of sustainable materials in FLAVETTES® Nutriskincare secondary packaging, aligned with environmental stewardship.

FINANCIAL PERFORMANCE

CHC recorded a 5% increase in revenue YoY.

KEY CHALLENGES & OUR RESPONSE

Our Governance

Key Challenge	Our Response	Alignment to Strategy
Rising cost of raw materials	Diversified supplier base to stabilise costs and mitigate supply chain risks	Enhancing presence in ASEAN
Decline in Vitamin C demand post-pandemic	Expediting foray into functional foods and cosmeceuticals	Expanding ethical and CHC products
Intensified competition in ASEAN markets	Strengthened marketing campaigns and introduced new product lines tailored to regional preferences	Enhancing presence in ASEAN



Outlook

Consumers are likely to continue to be cautious in their spending, especially on non-essential items where they will look for brands that offer the best value pricing. Meanwhile, the shift in retail to e-commerce provides an opportunity for brands to develop effective marketing campaigns that appeal to target consumers. CHC will leverage the trend to increase our brand presence online.

Along with the rest of the Group, CHC is excited about growing our presence in ASEAN. The establishment of PT Duopharma Healthcare Indonesia presents a channel to increase our business here. CHC will identify brands within our portfolio that are best aligned with Indonesian consumer needs and preferences, while offering tailor-made products in collaboration with local contract manufacturers for faster launch and delivery.

International Business



Our International Business ("IB") represents all Duopharma Biotech businesses that generate revenue from outside of Malaysia. This includes our exports as well as our regional offices in Singapore, the Philippines and Indonesia.



OVERVIEW OF 2024

In 2024, IB remained focused on growing its presence in emerging markets – specifically Asia Pacific and ASEAN – enhancing supply chain logistics to drive cost efficiencies and ensure prompt product delivery. It also introduced new products and forged new partnerships as it explored new markets to stay competitive. Despite geopolitical issues affecting exports as well as challenges specific to the regional markets we are in, IB achieved 15% growth compared to 2023, demonstrating resilience and sound fundamentals.

Other than supply chain issues, our Direct Export department was affected by new government tender policies in some markets as well as discontinuation of key products by the World Health Organization ("WHO") which impacted revenue, especially from the Middle East. Conversely, performance in Asia Pacific was very strong, growing by 32% year on year. This was driven by strategic partnerships and an expanded product portfolio with notable double-digit growth recorded in Macau, the Pacific Islands, Sri Lanka, Maldives and Pakistan. Overall, Direct Export closed the year at RM18.15 million.

Our subsidiary in the Philippines continued to exceed set targets, with Renal Care products driving robust sales and contributing to

73% of our subsidiary's total revenue. Total top line achievement in 2024 was 60.6% higher than in 2023.

In Singapore, we recorded 3% year-on-year growth, mainly through government tenders, with the team securing 27 new tenders for a two-year period from end 2024 to 2027 even as the government implemented a central Al inventory and purchasing system in October 2024 which has disrupted the purchasing trend of certain drugs for the short term. The team also had to contend with discontinuation of the Dexamethasone injection by Pan Pharma upon a switch to a preservative-free formulation which is undergoing variation change.

The CHC business in Singapore grew by 37% YoY, mainly due to Simtec, the DERMOPLEX® range and NATURALLE. Sales of our flagship brands CHAMPS® and FLAVETTES®, meanwhile, was slower than usual as the stocks on hand had expiry dates of less than a year.

In its inaugural year of commercial operations, our Indonesian subsidiary experienced various startup challenges to do with distribution and regulatory requirements resulting in product launch delays. In response, the company is focusing on FLAVETTES® Glow in the e-commerce channels and developing new products in collaboration with local original equipment manufacturers ("OEMs") for 2025.

KEY ACHIEVEMENTS

Direct Export

Established a direct supply agreement with the Timor-Leste Ministry of Health, bypassing the tender process

Engaged a new distributor in Pakistan and launched a new renal product range (Heparin), recording 474% growth YoY

Launched a new cardiovascular product range in Cambodia and secured several government tenders, achieving 59% growth YoY

Continued to achieve double-digit growth in the Maldives with the successful launch of several new products and the retention of key tender items, growing the market by 14% YoY

Philippines

Continued to win new business from dialysis market with total Renal Care products growing by 72% and the Equisine range achieving 8% growth versus 2023

Singapore

Signed distribution agreements with new partners, Rhei Life and Owen Mumford

Our Governance

Launched Rhei Life products Hepalife, Enzymax Duobiotics and Enzymax forte on 20 July; Owen Mumford range of products on 1 August; and Corxeva 40mg and 80mg in October and November, respectively

Awarded one major government tender for Uphamol valued at close to SGD2 million for two years

Other new tenders won were for Norcutin, Analpan, Flonoxin and Zoraxin, valued at SGD181,000 for two years

Indonesia

Launched our first product in the market - FLAVETTES® Glow - exclusively on TikTok and Shopee, managed by the inhouse team

Obtained regulatory approval to import DERMOPLEX® Ultra Sensitive and undergoing regulatory submission with BPOM for DERMOPLEX® Relief Cream

Finalised the Contract Manufacturing Agreement and Quality Technical Agreement with a local OEM, PT Setia Kawan Abadi, for PROVITON® blister packs and CHAMPS® Ready-to-Go packs

FINANCIAL PERFORMANCE

IB recorded a 15.0% increase in revenue YoY

KEY CHALLENGES

Key Challenge	Our Response	Alignment to Strategy
Geopolitical issues in the Middle East	Shift our focus to other regions, particularly Asia Pacific and ASEAN, where markets are more stable, prioritising new partnerships and launching innovative products	Enhancing presence in ASEAN
Supply chain disruptions in cross-border trade	Optimised supply chains by diversifying logistics partners and adopting different International Commercial ("INCO") terms with partners	Enhancing Presence in ASEAN
Competition in emerging markets	 Focus on building new partnerships in untapped regions Prioritise new product launches through in-house development and strategic in-licensing opportunities, ensuring portfolio alignment with market demand and industry trends Explore contract manufacturing opportunities to drive cost efficiency, allowing us to maintain competitive pricing while meeting the growing needs of these markets 	Diversification into Biologicals and Niche Products
Product offerings	Explore in-licensing opportunities to build export product portfolio while remaining competitive Leverage in-house product development	Expansion of Ethical and CHC Products

Outlook

Emerging markets offer significant growth potential, especially in regions like APAC, ASEAN and Africa, where demand for pharmaceuticals and other products is rising due to improving healthcare and increased purchasing power. Having already made inroads into these markets, we will look into tapping the potential they present more fully by collaborating with local distributors, manufacturers and companies for improved access and valuable local insights. We also seek to participate in more government tenders as these are generally for large volumes over extended terms.

In addition, we will explore in-licensing opportunities to bring innovative or sought-after products from other markets, enabling faster growth and competitiveness. We will also look into contract manufacturing in low-cost regions to reduce our production costs, improve margins, and offer more competitively priced products in price-sensitive markets.

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Operational Review

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Manufacturing



Duopharma Biotech produces a range of medications and CHC products in the form of liquids, creams, injectables and oral solids at three plants located in Bangi, Klang and Glenmarie, Malaysia.

- Bangi: Ethical and CHC products, mainly in oral solid dosage ("OSD"), liquid and cream forms
- · Klang: oral solids, haemodialysis, biosimilars, sterile small volume injectables ("SVI") and sterile cephalosporin powder filling
- · Glenmarie: highly potent active pharmaceutical ingredients ("HAPI")

Through a series of strategic investments and continuous process improvements, we have been able to enhance our production capabilities, streamline operations and effectively manage costs, positioning the division for sustained growth in a highly competitive market.



OVERVIEW OF 2024

In 2024, our manufacturing operations remained focused on the three key areas of: cost optimisation, operational efficiency and enhanced capacity for existing product lines as well as expansion into new production capabilities. Increasing our capacity was a major concern during the year, following the award of substantial government tenders for the supply of pharmaceutical products beginning in the year under review. Production efficiencies, meanwhile, continue to be critical to maintaining sustainable margins in a high-cost environment. As part of our high-efficiency transformation, we have invested in more sustainable processes and technologies both to reduce costs and our environmental footprint. We have also continued to enhance our quality control monitoring and processes to ensure compliance with international standards. This led to our HAPI plant in Glenmarie achieving a milestone by being certified to the EU GMP standard.

CAPACITY/CAPABILITY ENHANCEMENT

Bilayer tablet manufacturing technology: has been installed and is currently being used to produce bilayer tablets in Klang. The technology enables the production of more complex formulations, offering improved therapeutic benefits by combining two different drug layers into a single tablet.

- New fluid bed dryer: to replace an ageing unit in Bangi, in line with our Asset Management Strategy. Commissioning of the new fluid bed dryer is targeted for Q4 2025.
- Batch size optimisation: carried out as part of the LSS strategy for critical products, e.g. Crystorvas, Metformin and Unihepa, improving throughput and production volume, allowing us to meet market demand while maintaining high standards of product quality.
- State-of-the-art injectable facility: has been approved by the Board under our Sterile Masterplan incorporating cuttingedge manufacturing processes to ensure the highest level of quality, efficiency and sustainability.
- Other state-of-the-art equipment: such as compression and blistering machines have been installed at our Klang and Bangi plants.
- Increased volume of cancer molecules: with expanded capacity for high-demand product lines at HAPI plant, e.g. batch size for Lebreta 2.5mg has been increased from 5kg to 15kg.

Operational Efficiencies

- Automation strategy: developed for Bangi and Klang plants to automate high-labour-intensive activities, and includes RM1.5 million investment in the automation of manual packing.
- Lean Kaizen methodologies: have further optimised our operations, reducing cycle times and increasing overall productivity by continuously identifying and eliminating inefficiencies.
- Staff mobility: from plants with low utilisation to other sites for operational support and to improve operational efficiencies.

Cost Management

- Batch size optimisation has reduced our cost of production as more units are produced for any given time.
- Waste reduction and operational improvements through LSS and Kaizen practices have driven further savings across different areas of the business.

Sustainable Operations

- Completed the installation of solar panels on the roofs of all plants, resulting in 6% kilowatt savings monthly.
- A dedicated team of 10 Black Belt LSS participants are minimising material waste across Duopharma Biotech's supply chain. Together with OE initiatives, we have saved RM6.77 million for the year.
- Replacing physical product inserts with e-labels to reduce paper usage, minimise waste, and facilitate updates to product information. The switch also hastens production times, reduces manual handling, and improves accuracy in labelling.

MAJOR ACHIEVEMENTS

HAPI

Completed **EU GMP inspection** without any critical or major deficiencies, with the GMP certificate issued on 6 February 2025.

Completed the technology transfer and registration of **Gefitinib**, the third cancer molecule to be manufactured in-house.

Klang / Bangi

Completed all regulatory audits in 2024 with no critical citations.

New K3 manufacturing facility is fully functional, with 100% of its capabilities utilised.

Duopharma Manufacturing (Bangi) Sdn Bhd has **increased its capacity** to meet increased demand from government tenders.

Overall

Solar panels installed across manufacturing sites present total generation capacity of **2,500kWp**, successfully reducing our consumption by **6%**.

Enhanced safety performance with TRCF reducing from 1.09 in 2023 to 0.22.

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KEY CHALLENGES

Key Challenge	Our Response	Alignment to Strategy
Supply chain disruptions for critical raw materials	Diversified sourcing channels and implemented supply chain risk management processes	Upgrading manufacturing facilities
Rising operational costs	Streamlined processes and increased automation to improve cost efficiency	Upgrading manufacturing facilities
Meeting international compliance standards	Achieved Annex 1 compliance for GMP and prepared for EU GMP certification at HAPI	Upgrading manufacturing facilities
Labour shortage	Implemented automation, upskilled workforce, and optimised scheduling	Upgrading manufacturing facilities
Regulatory changes	Strengthened regulatory affairs team, while enhancing our compliance monitoring	Upgrading manufacturing facilities

Financial Report



Outlook

As we continue to enhance efficiencies and capacity at our plants, Duopharma Biotech will be better positioned to achieve our strategic ambitions. We are currently working on introducing new product lines at all our plants while attaining the relevant certifications to be able to market our products in more overseas markets. Meanwhile, as we invest into more sustainable operations, we will not only reduce our environmental footprint but will also benefit from greater cost efficiencies. To further elevate our manufacturing operations, we will develop relevant subject matter experts in all our sites.

Focus/Priorities in 2025

- Higher throughput by reducing manufacturing cycle time and improving output/manhours.
- Continuous cost optimisation including commercial integration of sustainable packaging.
- Further scale up batch sizes.
- Deploy e-Quality Management System at HAPI.

It gives me pleasure to present this
Sustainability Statement in which we
have outlined Duopharma Biotech's
approach to sustainability as well
as progress in key areas. The Group
recognises our responsibility to manage
our environmental footprint as well
as to create optimum value for the
communities that we impact,
including society at large.

ding the path towards a responsible pharmaceutical company KRISNAKUMARA-REDDI A/L KESAVA-REDDI Chief Manufacturing & Sustainability Officer

Our commitments have driven increased focus and resources toward our **ESG efforts** over the years, supporting key initiatives and fostering a **sustainability culture** across the organisation.

Message From the Chief Manufacturing & Sustainability Officer

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Sustainability Statement

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Given the nature of manufacturing, we are acutely aware of the need to minimise our carbon emissions and waste generation. In 2023, we launched a Net Zero Transition Plan, and during the year under review, we strengthened this with a 5-Year EEP to reduce our Scopes 1 and 2 emissions. In terms of initiatives, we completed the installation of solar panels at our manufacturing sites in Klang, Bangi and Glenmarie. We also purchased 15,000 RECs, and in doing so met our target of offsetting our Scope 2 emissions in 2024 by 30%.

Scope 3 emissions are more challenging to manage due to their complexity and reliance on external stakeholders across the value chain. Nevertheless, I am pleased to share that we are making good progress on this front too. Following the identification of six categories of Scope 3 to monitor in 2023, this year we have been able to establish our baselines for each. We have also begun the process of evaluating the ESG practices and maturity of our top 12 suppliers. In time, we hope to increase the number to encompass more suppliers and vendors.

A key waste reduction programme at Duopharma Biotech is to reduce single-use plastics across production processes, with the aim of replacing 50% of such plastics with biodegradable alternatives by 2026. In FY2024 we used almost seven tonnes of biodegradable plastics to replace single-use plastics.

During the year, we also revised our Sustainability Policy to ensure comprehensive and up-to-date material sustainability topics are covered in line with stakeholder expectations and our ESG Strategy. Accordingly, we established a Nature and Biodiversity Policy to guide our operations through sustainable practices that minimise the environmental impact of our operations.

Our commitment to a more sustainable future for all has resulted in Duopharma Biotech maintaining our FTSE4Good Bursa Malaysia Index since 2020 while also being recognised with numerous ESGrelated awards.

While the environmental part of our ESG platform is the most critical at the global level, we continue to strengthen our social and governance pillars too. Within Duopharma Biotech, we have adopted various policies to ensure a fair and inclusive work environment. These include the Diversity, Anti-Discrimination & Anti-Harassment Policy which was established in 2023 and a Labour Rights Policy this year.

Further strengthening our governance framework, we continue to enhance our system of checks and balances. This year, we introduced a Conflict of Interest framework which has been shared with all staff via briefing sessions. We are also organising more training programmes for our Board and employees on topics that are relevant to our sustainability strategy and roadmap.

Most rewarding for us, nevertheless, is to see the Duopharma Biotech family adopt more sustainable lifestyles that are contributing to a greener, healthier planet for everyone.



SUSTAINABILITY POLICIES AND STRATEGY

Our Sustainability Policy is built upon three key pillars, namely Sustainability-Led Business Commitment, Planet Performance, and Our Workforce and Community, and is supported by various other policies and guidelines. This year, we revised our Sustainability Policy to cover emerging material sustainability topics, in line with current stakeholder expectations and our ESG Strategy. Details of our policies and guidelines are available on our corporate website, and discussed further in our standalone Sustainability Report.

Guided by our Sustainability Policy, our 5-Year ESG Strategy focuses on five key areas of Climate Performance, Sustainable Supply Chain, Access to Medicine, Diversity and Inclusion, and Governance. These five areas do not just supplement our business and strategies but are integral to our operations. As a measure of our commitment to driving strong ESG performance, ESG-related key performance indicators ("KPIs") are overseen by our senior management and have become part of their annual assessment.

Purpose A Responsible Pharmaceutical Company

Objectives

Achieve Excellent ESG Rating

Create Awareness Among Employees

Business & ESG Strategies Are Aligned

ESG Strategy Key Focus Areas	Description	Top 10 Material Matters	UN SDGs
CLIMATE PERFORMANCE	Minimise our climate impact through improvement and process efficiencies	4 5	6 CLIMBERT TO STREET TO ST
SUSTAINABLE SUPPLY CHAIN	Managing supply chain efficiently and safely for sustainable business growth and performance	3 9	8 Hitter transfer 9 manufacture 2 manufacture 2 manufacture 3 manufacture 4
ACCESS TO MEDICINE	Improving access to quality and affordable medicines	167	1 WHITE 3 MARKETHER 8 MARK AND THE STATE OF
DIVERSITY & INCLUSION	Creating an engaging, inclusive and safe work environment to optimise employees' potential and outcomes	10	1 NOTIFIT
GOVERNANCE	Managing our operations with integrity and transparency	28	16 HOZ. JUTH HOLE HOLE HOLE HOLE HOLE HOLE HOLE HOL

Our Contribution to Sustainable Development Goals

Environmental Stewardship











- Continuous carbon emissions and environmental monitoring to minimise operational footprint.
- Good Water and Discharge Management:
 - · Ensure all discharge meet Department of Environment ("DOE") regulations.
 - Implement water recycling and rainwater harvesting.
- Waste Management:
 - · Manage scheduled and non-scheduled waste responsibly.

Community Support



Our Governance







- Participated in World Cleanup Day and organised community park cleanup.
- Collaborated with Sin Chew Media Corporation and National Union of School Heads on Kempen Pemakanan Seimbang CHAMPS® programme across Sekolah Jenis Kebangsaan Cina in Peninsular Malaysia.



Economic Growth





- Created local job opportunities for local residents.
- PROTÉGÉ and ProGrad programmes offering positions for fresh graduates.



Employee Well-being









- Established Labour Rights Policy and Diversity, Anti-Discrimination & Anti-Harassment Policy.
- Conducted employee engagement and mental health awareness programmes.
- Provided skills development through training.
- Maintain strict workplace safety measures for employees.

Sustainability Governance



- Established a Whistleblowing Management System.
- Implemented the Organisation Integrity & Anti-Corruption Plan ("OIACP").
- Conducted vendor due diligence to ensure transparency and accountability.

Sustainability Governance

Sustainability at Duopharma Biotech is governed by the highest level in our organisation, namely our Board of Directors ("Board"). It is overseen by the Halal and Sustainability Committee ("HSC") which is supported by our Group Management Committee ("GMC"), Sustainability Management Council ("SMC") and the Group Sustainability Department.

Oversight Level	Roles & Responsibilities
Board of Directors and HSC	With overall responsibility for the Group's sustainability strategy, the Board and HSC provide strategic direction and oversee progress of our ESG Strategy and Roadmap through quarterly reports and updates received from the Chief Manufacturing and Sustainability Officer ("CMSO"), supported by the Group Sustainability Department.
Group Management Committee	The GMC reviews and approves key decisions related to sustainability, and keeps track of progress of our ESG Strategy and Roadmap via monthly reports from the Group Sustainability Department.
Sustainability Management Council	Comprising Heads of Department and representatives from key functions in Duopharma Biotech, the SMC is headed by our CMSO and monitors progress made on the ESG Strategy while deliberating on sustainability updates, challenges, key decisions, and future plans related to sustainability.
Group Sustainability Department	The department serves as the key coordinator in strategic planning, rolling out our ESG Strategy and initiatives while monitoring performance across our operational sites. Progress reports are made to the CMSO weekly and to the GMC monthly.
Operational Units	Our operational units are key drivers in implementing the Group's sustainability strategy and initiatives at the operational level. These units report on updates and performance data to the Group Sustainability Department on a monthly basis.

Stakeholder Engagement

We seek to nurture a culture in which sustainability is not driven only by our Group Sustainability Department but is internalised by everyone in Duopharma Biotech as well as our stakeholders. The objective is to go beyond ESG compliance to achieve an ESG mindset. Recognising the importance of engaging our stakeholders, we are placing added emphasis on this platform. We have identified nine distinct stakeholder groups who are able to influence the Group's operations and business performance or who are impacted by the same.



Our Governance

Sustainability Statement

Material Matters

Material matters are aspects of our operations that present both risks and opportunities for Duopharma Biotech. They highlight topics or concerns that are important to our stakeholders and can impact their perception and relationship with the Group. Our material matters are determined via comprehensive materiality assessments which are conducted every few years involving internal and external stakeholders. The last assessment, in 2022, identified 17 sustainability matters with 10 ranked as having "high" materiality. Annual internal reviews of these matters have been undertaken to ensure their continued relevance. The internal review in 2024 determined that all the matters identified two years previously are still material for Duopharma Biotech.



Details of our materiality assessment process and review, as well as our sustainability matters, are discussed in "Our Strategic Review" section (Material Matters), and elaborated further in our Sustainability Report 2024 pages 27 to 37.

Climate-Related Risks

Recognising the importance of understanding and managing our climate-related risks, we embarked on a TCFD journey in 2023 with the adoption of several of its recommendations related to governance, strategy, risk management as well as metrics and targets. In 2024, we assessed our climate-related risks at all manufacturing sites in Malaysia, as well as our regional offices in Indonesia, the Philippines and Singapore. Potential physical and transition climate risks that may impact our operations and businesses were identified, assessed and are now monitored through our Enterprise Risk Management platform.

Since TCFD is now incorporated in the International Financial Reporting Standards ("IFRS") S2, we will begin adopting IFRS S2 in our climate risk assessment and reporting processes, aiming to enhance the quality, consistency and transparency of our sustainability and financial disclosures while also meeting the latest compliance requirements.



Details of our climate-related risks, actions implemented in FY2024, as well as our climate-related risks and opportunities are discussed further in our Sustainability Report 2024 in the "Climate Performance" section pages 46 to 67.



Sustainability Performance Review

CLIMATE PERFORMANCE

Top 10 Material Matters: 4 5





Capitals: M N





Our Approach

Focus Area	Initiatives	Performance / Achievements in 2024
Assess climate risks and impact	 Enhancing our climate risk reporting and management processes in line with IFRS S2, ensuring greater transparency, accountability and resilience in addressing climate-related challenges. 	manufacturing sites in Malaysia and regional
Reduce energy and GHG emissions	 Prioritise energy management through continuous monitoring, understanding emissions sources and identifying opportunities for reduction. Developed a 5-Year EEP to support our net zero ambitions with a focus on minimising energy leakages, increasing system efficiency and optimising systems and processes. Installed solar panels in our manufacturing sites as part of 5-Year EEP. 	 from 57 tCO₂-e/RM million of revenue in 2023 to 49 tCO₂-e/RM million of revenue. 0.6% overall GHG emissions reduction from 2023, and 30% increase from baseline year 2019. Established GHG Scope 3 baseline data in six
Responsible water use	 Monitor and manage water consumption efficiently. Treat and monitor effluents from manufacturing processes at wastewater treatment plants before discharge into surrounding water bodies. Improve water efficiency throughout operations through water recycling and rainwater harvesting. Established Water Management Plan to drive water efficiency, ensure water quality standards, and mitigate water-related impacts on biodiversity. 	 recycled within our operations. Used harvested rainwater for landscaping and toilet flushing at manufacturing sites in Klang and Bangi.
Waste and material management	 Monitor scheduled and non-scheduled waste in compliance with DOE requirements. Reduce material consumption and wastage, and transition from single-use plastic to more environmentally friendly/biodegradable materials, etc. Established Nature & Biodiversity Policy which emphasises resource use and pollution removal, aligned with Taskforce on Nature-related Financial Disclosures ("TNFD"). 	 17% of non-scheduled waste diverted from landfills in 2024 equivalent to 181 tCO₂-e carbon emissions avoided. 6.9 tonnes of biodegradable plastics replaced single-use plastics across operations.

SUSTAINABLE SUPPLY CHAIN

Top 10 Material Matters:





Our Governance

Capitals: S H





Our Approach

Focus Area	Initiatives	Performance / Achievements in 2024
Build resilient operations & supply chain	 Adopt robust procurement practices and vendor management to ensure quality suppliers as well as reliable, uninterrupted supply for business continuity. Leverage market intelligence to check market prices and closely monitor cost savings to drive optimum cost efficiencies in procurement. Due diligence conducted prior to vendor appointment to assess their integrity and ethical practices. Vendor Performance Evaluation performed to assess suppliers/vendors on product quality, on-time delivery documentation accuracy and integrity, among others. Established Business Continuity Management to minimise disruptions in the event of any emergency or crisis. 	 suppliers. Nearly RM50 million saved in procurement of raw materials and packaging materials. 12 key suppliers underwent ESG Assessment. 293 new business associates and 857 existing vendors (with transactions exceeding RM10,000) underwent corruption and bribery due diligence.
Enhance manufacturing efficiencies	 Implement Operational Excellence projects, LSS Black Belt and other continuous improvement ("CI") programmes. Introduced Lean methodology to non-executive/production staff highlighting the importance of CI projects and how to identify inefficiencies on the shop floor. 	completed. • RM6.77 million achieved in cost saving vs target
Deliver customer satisfaction	 Implement policies and procedures to ensure compliance and meet customers' satisfaction. Set delivery targets for orders and monitor reports from transporters daily to ensure delivery timeliness and smooth distribution of products to customers. Monitor inventory stocks daily and weekly to ensure weekly replenishments meet the quantities needed, avoiding distribution disruption to customers. Utilise VOC to identify gaps and obtain insights on current needs/ interest. 	December (post switching courier service partner) vs 93% from January to July. • 95.5% OTIF achieved vs 85% target for total company; and 100% for warehouse vs target of 97.5%. • 99% Customer Satisfaction Index vs 98% in 2023 and 95% target.
Protect employees' safety	 Adopt a forward-thinking approach, focusing on stringent compliance with safety regulations, proactive risk management, and enhanced safety. Address workplace risks through regular assessments and updates to our procedures, ensuring they remain effective. Conducted Safety Boot Camp for Safety Committee to promote safety culture, appoint Safety Committee members and enhance safety knowledge and skills. Support emergency readiness with rigorous training and open communication channels that equip our workforce with the tools they need to handle challenges confidently. 	 <1.28) and 0 for office (target: 0). Achieved zero work-related fatalities. 1,196 employees trained on health and safety standards.

ACCESS TO MEDICINE

Top 10 Material Matters: 1 6 7





Capitals: F M I







Our Approach

Focus Area	Initiatives	Performance / Achievements in 2024
Responsibility towards quality and safe products	 Established comprehensive policies and procedures to ensure accessibility of quality medicines that meet the highest standards of safety and efficacy, adhering to regulatory requirements such as Poisons Act, Patent Act and Medical Device Act. Our Quality Management System integrates multiple standards including PIC/S Standards, ISO 13485:2016 Standard, ISO 9001, ISO 17025 and Good Distribution Practice, as per the Ministry of Health (MOH) requirements. Our Pharmacovigilance Department monitors the safety of all our medicinal products and devices in compliance with Malaysian Good Pharmacovigilance Practices for Product Registration Holders 2021 ("GVP"). This involves monitoring and reporting any product-related adverse reactions. We have channels for stakeholders to report suspected counterfeit products, which are followed by investigations including root cause analysis, review of quality control procedures and appropriate preventive actions. 	 9001 and Good Distribution Practice for Medical Devices ("GDPMD") certifications. No legal or regulatory fines or settlements for any clinical trials conducted during the year. Attained EU certification for HAPI plant. No counterfeit medicine or adulteration reported throughout the year.
Business development and partnerships	 Engage with technology partners and biotech innovators for biosimilars, vaccines and other key medicines. Engage with government agencies and institutions for knowledge exchange and policy discussions on shaping a favourable environment for medicine access. 	concluded with a Chinese company for a vaccine product.

Sustainability Statement

Integrated Annual Report 2024

Focus Area	Initiatives	Performance / Achievements in 2024
Expand access to medicines	 Our 10-Year Corporate Strategy (2024-2033) is designed to enhance medicine accessibility through cost optimisation, accelerated introduction of generics and biosimilars, developing new therapeutic areas, the manufacture of biosimilars and further development of partnerships. Explore mergers and acquisitions to expand manufacturing capabilities, portfolio and market presence locally and overseas, e.g. the fill and finish line for ERYSAA® allows us to meet domestic and export demand at an affordable cost. Developing a range of functional foods tailored to fit CHC brands. Our R&D teams develop cost-effective methods to manufacture products leveraging the best manufacturing technology and most competitively priced materials. Extending beyond traditional pharmaceutical products to digital healthcare solutions, e.g. iBreastExam and dialysis management. 	alternative dosage forms such as metered dose inhalers. • Engagement with international companies to bring forward trading and fill and finish opportunities for various products including biosimilars, biologics, vaccines, insulin and functional foods. • Launched CHAMPS® Nutribar in August in conjunction with Sin Chew's Kempen Pemakanan Seimbang (Balanced Nutrition Campaign). • Explored collaboration with Centre for Affordable Diagnostics and Therapeutics to repurpose oral artesunate for alternative indications. • Completed the technology transfer for the manufacture of four products which were launched
Drive halal pharmaceuticals market	 Duopharma Biotech Halal Policy sets our commitment to uphold the integrity of our entire halal supply chain through the concept of "Halal Built-in, Not Tested For". Halal compliance is ensured and integrated with the ISO Quality Management System standards, Good Manufacturing and Distribution Practice Guidelines, as well as other relevant requirements on the manufacturing, warehousing and logistics of halal pharmaceuticals and medical devices. Duopharma Halal Strategy (2022-2032) underlines our commitment to accessible and high-quality halal certified medicines. HSC provides stewardship to the Group's Halal Pharmaceuticals Agenda ("HPA"). 	healthcare providers and the public to enhance awareness of halal pharmaceuticals. • Received the Technology and Innovation Excellence Award (LLC/MNC category) at the World Halal Excellence Awards 2023 held on 29 October 2024, organised by the Halal Development Corporation ("HDC"), Ministry of Investment, Trade and Industry ("MITI") and Melaka State Government.

Financial Report

Sustainability Statement

DIVERSITY & INCLUSION

Top 10 Material Matters:



Capitals: S H



Our Approach

Focus Area	Initiatives	Performance / Achievements in 2024
Drive good labour practices	 We are guided by best practices in labour management, and adhere to international as well as local guidelines in the countries where we operate. Our Code of Conduct underlines our commitment to labour and human rights, while our recruitment policies support the principles of inclusivity and non-discrimination. We have identified and are managing human rights topics connected with our operations such as freedom of association, child and forced labour, non-discrimination and safe and healthy working environment. Following its launch in November 2024, our Labour Rights Policy was communicated to all employees in December 2024 and is being shared with suppliers while our Code of Conduct is being updated. Management engages regularly and maintains good relations with unions leaders to gain insight into worker issues, and to communicate any policy changes that may affect employees. 	incidents on labour standards. • Established a Labour Rights Policy.
Diverse & inclusive work environment	 Established a Diversity, Anti-Discrimination & Anti-Harassment Policy in 2023, which is applicable to all our employees. Our recruitment, promotion and employee development are based on merit with no bias, irrespective of gender, race, age, nationality, religion or any other social attributes. Employees are encouraged to use our grievance procedure to voice out any grievances. 	 Engagement recognition at the UNGCMYB Forward Faster Sustainability Awards 2024. Achieved EEI score of 81%. 36% of the Board of Duopharma Biotech are women.
Empower workforce excellence	 We provide continuous learning and development opportunities to employees, guided by a Learning & Development framework which includes on-boarding, Core Learning (soft skills), Professional Learning, Leadership Learning, and Talent Development. The online MDL platform, is used by all employees. 	development: RM1,439,011
Uplift community well-being	 Our CSR pillars focus on education, underprivileged and humanitarian initiatives, ensuring meaningful contributions that drive positive and long-term impacts. Our initiatives are guided by our CSR Policy, as well as our Grant, Charitable Donations and External Sponsorship Policy. 	

Sustainability Statement

Integrated Annual Report 2024

GOVERNANCE

Top 10 Material Matters:





Capitals: S

Financial Report





Our Approach

Focus Area	Initiatives	Performance / Achievements in 2024
Cultivate ethical practices	 Established relevant policies and procedures to prevent corruption which are communicated internally and with business partners/ associates. Parties who wish to engage or transact with the Group are required to sign the Integrity Pact indicating compliance with our policies and applicable laws including MACC Act 2009. Conduct programmes for employees such as briefings/ refresher training, awareness posters and engagement through the Integrity Champions. Conduct internal and external audits for ISO 37001:2016 Anti-Bribery Management System for the whole Group annually, the latter by SIRIM QAS International Sdn. Bhd. Assess corruption risk for all functions across the Group based on the Corruption Risk Management Register/Profile annually. 	for corruption risks and the reports shared with Management and Board. No confirmed corruption cases were recorded involving the Board, employees or external parties. Completed ABMS Surveillance certification audit without any Non-Conformity Report ("NCR"). Received Business Ethics Institute of Malaysia ("BEIM") Five Petals Gold Ethics Award for the third consecutive term (each term is for two years). MACC recognised the Company's best practices, which were included in one of its publications.
Ensure robust corporate governance	 Strong Board leadership sets the Company's strategic direction and ensures effective corporate governance. Comprehensive system of internal controls is in place to mitigate risks. Adhere to strict disclosure requirements and provide timely and accurate information to stakeholders. Strong code of ethics guides the behaviour of all employees and directors. Regular risk assessments are conducted to ensure effective risk management strategies. 	 the Board. Completed review of Board composition, succession plan framework and Terms of Reference of Board Committees. All Board of Directors completed the Mandatory Accreditation Programme (MAP) Part II which is a mandatory sustainability programme for directors of
Manage data privacy and security	 Implemented policies, strategy and procedures to safeguard sensitive data, mitigate security risks, ensure regulatory compliance, and protect the Group from potential data breaches and cyber threat. Our IT General Policy ensures compliance with relevant data protection laws, regulations and industry standards; as well as ensuring the confidentiality, integrity and availability of data through effective security measures. Our Cybersecurity Strategy strengthens the Group's resilience against cyber threats and includes risk assessments, an Incident Response Plan, annual penetration testing to identify and address vulnerabilities, regular security audits, and data leak prevention measures. Our internal operations are aligned with IT Infrastructure Library ("ITIL") Framework and ISO/IEC 27001 to ensure a structured, secure and accountable data management. This includes a business continuity and disaster recovery plan. Promote a culture of data privacy and security via Cybersecurity Awareness Training, Data Handling Procedures, etc. Conduct audits to ensure compliance with relevant regulations such as MCCG 10.2 2021, Malaysia Cybersecurity Act 2024 etc. 	 Successfully completed the internal audit for cybersecurity with no significant issues or vulnerabilities identified. Zero reported incidents of leaks, thefts or loss of customer data. Zero complaints of customer privacy from outside parties or regulatory bodies.

Performance Data Table

From Bursa ESG Reporting Platform

Indicator	Measurement Unit	2022	2023	2024	
Bursa (Anti-corruption)	- Control of the	2022	2023	2024	
Bursa C1(a) Percentage of					
employees who have received training on anti-					
corruption by employee					
category					
Management	Percentage	-	63.00	75.00	
Executive	Percentage	-	73.00 *	66.00	
Non-executive/Technical Staff	Percentage	-	71.00 *	77.00	
General Workers	Percentage	-	23.00 *	39.00	
Bursa C1(b) Percentage of	Percentage	100.00	100.00	100.00	
operations assessed for corruption-related risks	-				
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to	MYR	177,000.00	1,919,417.00 *	2,974,127.00	
the listed issuer Bursa C2(b) Total number of beneficiaries of the	Number	12	32	100	
investment in communities					
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Management Under 30	Percentage	7.00	9.00 *	6.00	
Management Between 30-50	Percentage	73.00	73.00 *	73.00	
Management Above 50	Percentage	20.00	19.00 *	21.00	
Executive Under 30	Percentage	40.00	40.00 *	37.00	
Executive Between 30-	Percentage	49.00	50.00 *	53.00	
50					
Executive Above 50	Percentage	11.00	10.00 *	10.00	
Non-executive/Technical Staff Under 30		40.00	34.00 *	33.00	
Non-executive/Technical Staff Between 30-50 Non-executive/Technical	-	49.00 11.00	55.00 * 12.00 *	54.00 13.00	
Staff Above 50 General Workers Under	Percentage	46.00	48.00 *	47.00	
30					
General Workers Between 30-50	Percentage	45.00	44.00 *	44.00	
General Workers Above 50	Percentage	9.00	8.00 *	9.00	
Gender Group by Employee Category					
Management Male	Percentage	47.00	40.00	40.00	
Management Female	Percentage	53.00	60.00	60.00	
Executive Male	Percentage	36.00	41.00 *	40.00	
Executive Female	Percentage	64.00	59.00 *	60.00	
Non-executive/Technical	Percentage	47.00	46.00 *	49.00	
Staff Male Non-executive/Technical Staff Female	Percentage	53.00	54.00 *	51.00	
General Workers Male	Percentage	64.00	72.00 *	68.00	
General Workers	Percentage	37.00	72.00 28.00 *	32.00	
Female Bursa C3(b) Percentage of	rendentage	37.00	28.00 ^	32.00	
directors by gender and age group					
Male	Percentage	60.00	50.00 *	64.00	
Female	Percentage	40.00	50.00 *	36.00	
Under 30	Percentage	0.00	0.00	0.00	
Between 30-50	Percentage	0.00	9.00 *	9.00	
Above 50	Percentage	100.00	91.00 *	91.00	
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00	0.00	
nternal assurance	External assurance	No assurance	(*)Restated		

assurance

Our Governance

Performance Data Table From Bursa ESG Reporting Platform

Indicator	Measurement Unit	asurement Unit 2022 202		2024	
Total energy consumption	Gigajoules	197,848.00	200,625.00 *	210,862.00	
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0		
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	9.00	5.00	1.00	
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,810	1,182	1,196	
Bursa (Labour practices and	standards)				
Bursa C6(a) Total hours of training by employee category					
Management	Hours	13,123	15,759	14,011	
Executive	Hours	9,602	5,146	5,963	
Non-executive/Technical Staff	Hours	5,865	7,206	6,035	
General Workers	Hours	6,854	6,339	5,969	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.00	20.00	17.00	
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	44	34 *	38	
Executive	Number	36	24 *	34	
Non-executive/Technical Staff	Number	53	50 *	64	
General Workers	Number	54	32 *	39	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	
Bursa (Supply chain manage	ment)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	58.00	49.00 *	39.00	
Bursa (Data privacy and secu	ırity)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	136.000000	138.000000 *	77.000000	
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	1,721.00	1,545.00 *	1,519.00	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	221.00	249.00 *	244.00	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,500.00	1,296.00 *	1,275.00	
Bursa (Emissions manageme					
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,191.00	1,362.00 *	1,646.00	
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	38,866.00	38,946.00 *	38,440.00	
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	•	4,086.00 *	4,972.00	
Category 5: Waste generated in operations	tCO2-e	-	673.00 *	664.00	
Category 6: Business travel	tCO2-e	-	1,157.00 *	978.00	
Category 7: Employee commuting	tCO2-e	-	2,256.00 *	3,330.00	

Internal assurance External assurance No assurance

(*)Restated

Performance Data Table From Bursa ESG Reporting Platform

Note:

1. The performance data table is generated from the Bursa ESG Reporting Platform, as submitted to Bursa Malaysia via Bursa Link. No changes were made to the PDF report generated from the system.

From The Leadership

- 2. During data entry we have identified discrepancies in terms of unit of assignment for the 'Total energy consumption data' (Bursa C4(a)) in the template. Therefore, we have reported zero for the indicator to ensure the accuracy of our reported data with the unit of measurement used. Additionally, we have reported 'Total energy consumption' data in terms of Gigajoules instead.
- 3. To ensure the accuracy and integrity of reported data, independent assurance (limited assurance) has been obtained from Carbon Check (I) Pvt. Ltd., verifying that our disclosures have been prepared with reference to the selected topic-specific GRI indicators and Bursa Malaysia's Common Sustainability Indicators. The limited assurance was conducted using the International Standard on Assurance Engagements 3000 ("ISAE3000").
- 4. Our performance data has also been internally reviewed and audited by the Duopharma Biotech Berhad Group Internal Audit Department, which has verified that the initiatives and data disclosed are accurate and acceptable.
- 5. Details of our Assurance Statement for both independent assurance and internal assurance are available in our Sustainability Report 2024 page 140.

Our Governance

Upholding Excellence in Governance

Strong governance is the foundation of our success. We continuously enhance our policies and frameworks to uphold transparency, accountability and ethical business practices.

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(Information as of 28 March 2025)



Datin Paduka Kartini Binti Hj Abdul Manaf Non-Independent, Non-Executive Chairman



Leonard Ariff Bin Abdul Shatar

Group Managing Director, Executive Director



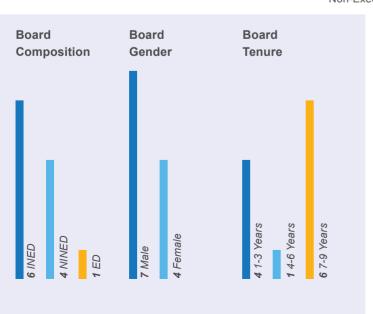








Razalee Bin Amin
Independent,
Non-Executive Director





Other Information



Datuk Mohd Radzif Bin Mohd Yunus Non-Independent,

Our Governance





Nik Fazila **Binti Nik** Mohamed Shihabuddin Independent, Non-Executive Director



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



08 Dato' Dr. Zaki Morad Bin Mohamad Zaher Independent, Non-Executive Director







Date of Last Re-Election: 6 June 2024 Length of Service (as of 28 March 2025): 1 year 9 months

DATIN PADUKA KARTINI BINTI HJ ABDUL MANAF

Non-Independent, Non-Executive Chairman

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

TMK Chemical Bhd

Non-Listed Public Companies

· Perumahan Kinrara Berhad

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/Experience:

- Former Deputy President of Strategic Investments at Permodalan Nasional Berhad (PNB) and in various other 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
- · Non-Independent Non-Executive Director, Sime Darby Berhad
- Non-Independent Non-Executive Director, Chemical Company of Malaysia Berhad
- · Director, Unilever (Malaysia) Holdings Sdn Bhd
- · Non-Independent Non-Executive Director, Sapura Energy Berhad
- Director, UiTM Holdings Sdn Bhd
- · Director, Universiti Malaysia Kelantan
- · Non-Independent Non-Executive Director, See Sen Chemical Berhad
- Non-Independent Non-Executive Director, UMW Holdings Berhad
- · Director, Syarikat Takaful Malaysia Keluarga Berhad

Other Present Appointment(s):

- · Director, VentureTECH Sdn Bhd
- Director, VentureTECH-SBI Sdn Bhd
- · Director, I&P Kota Bayuemas Sdn Bhd
- · Director, Lembaga Tabung Haji
- · Director, TH Properties Sdn Bhd

Our Governance

Board of Directors' Profiles

LEONARD ARIFF BIN ABDUL SHATAR

Group Managing Director, Executive Director



Date of Last Re-Election: 31 May 2023

Length of Service (as of 28 March 2025): 7 years 3 months

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

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

Non-Listed Public Companies

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

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/Experience:

- · Chambering Student at Shearn Delamore & Co
- · Legal Advisor, Petronas subsidiary companies
- · Legal Executive, ICI Malaysia
- · Business Manager, CCM Chemicals Sdn Bhd
- · Managing Director, Usaha Pharma (M) Sdn Bhd
- General Manager, ICI Paints Malaysia Sdn Bhd
- · Managing Director, ICI Paints Malaysia Sdn Bhd
- Chief Executive Officer, CCM Duopharma Biotech Berhad
- President, Malaysian Organisation of Pharmaceutical Industries
- Director, Chemical Company of Malaysia ("CCM") Berhad (Chemicals Division)
- · Group Managing Director, CCM Berhad

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

Legend

DATO' EISAH BINTI A. RAHMAN

Senior Independent, Non-Executive Director



Date of Last Re-Election: 6 June 2024

Length of Service (as of 28 March 2025): 8 years 4 months

Other Directorship in Public Companies and Listed Issuers:

None

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/Experience:

- Pharmacist, National Pharmaceutical Control Laboratory ("NPCL")
- · Head, Microbiology Laboratory, NPCL
- Head, GMP & Licensing, National Pharmaceutical Control Bureau ("NPCB")
- Kelantan State Pharmacist, Ministry of Health ("MOH")
- · Deputy Director, Product Evaluation & Safety Division, NPCB
- Secretary, Drug Control Authority (DCA), NPCB
- · Member, Malaysian Advertisement Board (MAB), MOH
- Chairman, Malaysian Adverse Drug Reactions Advisory Committee (MADRAC)
- Director, NPCB now known as the National Pharmaceutical Regulatory Agency (NPRA)
- Director, Pharmacy Enforcement of Pharmaceutical Services Division, MOH
- · Secretary, Malaysian Poison Board, MOH
- · Senior Director, Pharmaceutical Services, MOH
- · Alternate Chairman, DCA and MAB, MOH
- · Registrar. Malaysian Pharmacy Board, MOH
- Member/Alternate Chairman, MOH Drug Formulary
- Chairman, ASEAN Consultative Committee for Standards & Quality (ACCSQ) Pharmaceutical Product Working Group (PPWG)

Other Present Appointment(s):

None

Board Committees









Nomination and Remuneration Committee



Our Governance

Board of Directors' Profiles

RAZALEE BIN AMIN

Independent. Non-Executive Director



Date of Last Re-Election: 21 June 2022

Length of Service (as of 28 March 2025): 8 years 9 months

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

· HeiTech Padu Berhad

Non-Listed Public Companies None

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/Experience:

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

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





ZAITON BINTI JAMALUDDIN

Independent, Non-Executive Director



Date of Last Re-Election: 31 May 2023

Length of Service (as of 28 March 2025): 8 years 6 months

Other Directorship in Public Companies and Listed Issuers:

None

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
- Member of the Institute of Corporate Directors Malaysia (ICDM)

Past Appointments/Experience:

- · Pharmacist, Ministry of Health Malaysia
- · Sales and Marketing, United Italian Trading Corporation
- Assistant Medical Information Manager, South East Asia Regional Office, Novo Industri A/S
- Business Development Manager (Malaysia), Novo Nordisk A/S
- · Country Manager (Malaysia), Novo Nordisk A/S
- General Manager, Novo Nordisk Pharma (M) Sdn Bhd
- Director, Malaysian Biotechnology Corporation Sdn Bhd
- President, Pharmaceutical Association of Malaysia

Other Present Appointment(s):

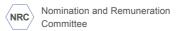
None

Board Committees











DATUK NIK MOUSTPHA BIN HAJI NIK HASSAN

Our Governance

Independent.

Non-Executive Director



Date of Last Re-Election: 6 June 2024

Length of Service (as of 28 March 2025): 7 years 3 months

Other Directorship in Public Companies and Listed Issuers: None

Details of any interest in the securities of the Company or its

None

subsidiaries:

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/Experience:

- · Lecturer, Faculty of Economics and Agribusiness, Agricultural University of Malaysia
- · Lecturer, Faculty of Economics and Management of International Islamic University Malaysia ("IIUM")
- · Dean, Faculty of Economics and Management of IIUM
- · Associate Professor, Faculty of Economics and Management of
- · Visiting Fellow, Oxford Centre for Islamic Studies, University of Oxford
- · Dean, Postgraduate Faculty of IIUM

- Senior Fellow, Institute of Islamic Understanding Malaysia ("IKIM")
- Deputy Director General, IKIM
- · Director General, IKIM
- Adjunct Professor, Universiti Pertahanan Malavsia
- Member of Group Shariah Committee, MNRB Holdings Berhad
- · Adjunct Professor, Faculty of Economics and Management, Universiti Kebangsaan Malaysia
- · Adviser of the Faculty of Business and Accounting at University of
- · Independent Non-Executive Director, Chemical Company of Malaysia Berhad
- Independent Non-Executive Director, Takaful Ikhlas Berhad
- · Independent Non-Executive Director, Takaful Ikhlas General Berhad

Other Present Appointment(s):

None







DATUK MOHD RADZIF BIN MOHD YUNUS

Non-Independent, Non-Executive Director



Date of Last Re-Election: 6 June 2024 Length of Service (as of 28 March 2025): 7 years

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

· HeiTech Padu Berhad

Non-Listed Public Companies

· Amanah Raya Berhad

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

• Duopharma Biotech Berhad - 3 shares (0.000%)

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/Experience:

- · Managerial positions in Perwira Affin Bank
- Chief Executive Officer ("CEO"), Shapadu Properties Sdn Bhd
- · Consultant, Ruang Properties Consultant Sdn. Bhd.
- · Director, Core Resources Sdn Bhd

- · CEO, TH Properties Sdn Bhd
- · CEO, TH NSTC Sdn Bhd
- · CEO, Institut Jantung Negara Sdn Bhd
- · Group Managing Director, IJN Holdings Sdn Bhd
- · CEO, IJN College Sdn Bhd
- Group Managing Director, Small Medium Enterprise Development Bank Malaysia (SME Bank)
- Chairman, Association of Development Finance Institutions of Malaysia (ADFIM)
- Vice Chairman, Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)
- Board member of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Independent Non-Executive Director, Bina Darulaman Berhad
- · Independent Non-Executive Director, SMRT Holdings Berhad
- Chairman, Board of Trustees of Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)

Other Present Appointment(s):

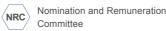
- Member of Perbadanan Pembangunan Kampong Bharu
- · Independent Non-Executive Chairman, UM Holdings Sdn Bhd
- Non-Independent Non-Executive Chairman, Amanah Raya Kenedix REIT Managers Sdn Bhd

Board Committees











DATO' DR. ZAKI MORAD BIN MOHAMAD ZAHER

Our Governance

Independent.

Non-Executive Director



Date of Last Re-Election: 21 June 2022

Length of Service (as of 28 March 2025): 5 years 6 months

Other Directorship in Public Companies and Listed Issuers:

None

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

None

Academic/Professional Qualification/Membership(s):

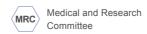
- · Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Malaya, Malaysia
- Postgraduate training in Nephrology Royal Hallamshire Hospital, Sheffield, United Kingdom - Guys Hospital, London, United Kingdom - General Hospital Kuala Lumpur, Malaysia
- · Member of the Royal College of Physicians, 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/Experience:

- Consultant, Department of Nephrology, Hospital Kuala Lumpur
- Head, Department of Nephrology, Hospital Kuala Lumpur
- National Advisor and Head of Service for Nephrology, Ministry of Health Malaysia (MOH)
- · Director of the Clinical Research Unit, MOH
- President, Malaysian Society of Nephrology
- Chairman, National Renal Registry
- Independent Non-Executive Director, KPJ Healthcare Berhad

Other Present Appointment(s):

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





MOHD HARIS BIN MOHD ARSHAD

Non-Independent, Non-Executive Director



Date of Last Re-Election: 6 June 2024 Length of Service (as of 28 March 2025): 1 year

Other Directorship in Public Companies and Listed Issuers:

None

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/Experience:

- · Senior Trader, Cargill (Malaysia) Sdn. Bhd.
- · Head, Commodity Price Risk Management, Nestle
- · Director, Commodity Risk Management, Unilever Singapore
- · Board Member, Malaysian Palm Oil Board

Other Present Appointment(s):

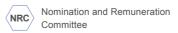
- Group Chief Operating Officer, SD Guthrie Berhad (formerly known as Sime Darby Plantation Berhad)
- Chairman, Malaysian Sustainable Palm Oil
- Board of Trustees, Malaysian Palm Oil Council
- · Board Member, Emery Oleochemicals LLC
- · Chairman, Palm Oil Refiners Association of Malaysia
- Director, SD Guthrie International Limited (formerly known as Sime Darby Oils International Limited)
- · Director, New Britain Palm Oils Limited
- Director, PT Minamas Gemilang
- · Director, PT Anugerah Sumbermakmur
- · Director, FGV Johor Bulkers Sdn. Bhd.

Board Committees











NIK FAZILA BINTI NIK MOHAMED SHIHABUDDIN

Our Governance

Independent,



Date of Last Re-Election: N/A

Length of Service (as of 28 March 2025): 9 months

Other Directorship in Public Companies and Listed Issuers:

Listed Entities

- · MBM Resources Berhad
- · Farm Fresh Berhad

Non-Listed Public Companies

None

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

None

Academic/Professional Qualification/Membership(s):

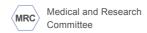
- Bachelor of Economics (Accounting) Flinders University of South Australia, Adelaide, Australia
- · Chartered Accountant, Malaysian Institute of Accountants
- Certified Public Accountants, Malaysian Institute of Certified Public Accountants

Past Appointments/Experience:

- · Senior Manager, Audit & Business Advisory, Price Waterhouse
- General Manager, Corporate Audit Division, Sapura Telecommunications Berhad
- Group General Manager, Group Finance Division, KUB Malaysia Berhad
- · Chief Financial Officer, UDA Holdings Berhad
- · Chief Financial Officer, Biotropics Malaysia Berhad
- Chief Financial Officer, Chemical Company of Malaysia Berhad
- Group Managing Director, Chemical Company of Malaysia Berhad
- Independent Non-Executive Director, FGV Holdings Malaysia Berhad
- Non-Independent Non-Executive Director, MSM Holdings Malaysia Berhad

Other Present Appointment(s):

- Independent Non-Executive Director, Prolintas Managers Sdn. Bhd.
- · Director, TH Properties Sdn. Bhd.



MUHAMMAD SHUKRI BIN ISMAIL

Non-Independent, Non-Executive Alternate Director to Encik Mohd Haris Bin Mohd Arshad



Date of Last Re-Election: N/A

Length of Service (as of 28 March 2025): 1 year

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 NRC and the HSC).

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/Experience:

- Associate in Research and Technology Analysis, Permodalan Nasional Berhad ("PNB")
- · Has held various positions, including Analyst, Senior Analyst, Associate Manager, and Manager in Corporate Services & Strategic Investments, PNB

Other Present Appointment(s):

· Assistant Vice President in Strategic Investments, PNB

ADDITIONAL INFORMATION

- None of the Directors have any family relationship with any other Director and/or major shareholder of Duopharma Biotech Berhad.
- 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:
 - potential conflict of interest that may arise from those Directors who are 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.
 - potential conflict of interest involving Dato' Dr Zaki Morad Bin Mohamad Zaher that may arise from the legal proceedings that have been commenced by KPJ Healthcare Berhad ("KPJ") and its wholly-owned subsidiary, Kumpulan Perubatan (Johor) Sdn. Bhd. against 11 former directors of KPJ, including 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:
 - 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 since commencement of the aforesaid legal suit, there has been 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 such a transaction arises after the commencement of the aforesaid legal suit, and is deliberated at the level of the Board of Directors of Duopharma Biotech, Dato' Dr Zaki Morad will abstain from deliberation and voting on the said
- 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 2024.
- All the Independent Non-Executive Directors satisfy the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Legend

- Date of Appointment
- Number of Board meetings attended

Report 2024

Senior Management Team's Profiles



LEONARD ARIFF BIN ABDUL SHATAR

Group Managing Director, Executive Director

The full profile is available on page 81 of this Integrated Annual Report 2024



WAN AMIR-JEFFERY BIN WAN

ABDUL MAJID

Chief Executive Officer - Group Operations



CHEK WU KONG

Chief Financial Officer







04

KRISNAKUMARA-REDDI A/L **KESAVA-REDDI**

Chief Manufacturing & Sustainability Officer



IBRAHIM HUSSIN SALLEH

Chief Legal Officer and Group Company Secretary





06

SHAMSUL IDHAM BIN A.IAHAD

Chief Consumer Healthcare Officer





SABRINA BINTI HARON

Chief Compliance Officer





PRIYA DARSHINI A/P ASOKAN

Chief Innovation Officer



Senior Management Team's Profiles

WAN AMIR-JEFFERY BIN WAN ABDUL MAJID

Chief Executive Officer - Group Operations







21 October 2024

Directorship in Other Public Companies and Other Listed Entities:None

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)

CO CO

To view full profile at

https://duopharmabiotech.com/our-people/wan-amir-jeffery-bin-wan-abdul-majid/

CHEK WU KONG Chief Financial Officer 59 M • 1 July 2012

Directorship in Other Public Companies and Other Listed Entities: None

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)

Relevant Working Experience:

With over 30 years of experience in finance and accounting in multinational and large local organisations, he began his career at Deloitte Malaysia before holding various finance leadership roles, including Group Financial Controller at Komarkcorp Berhad. He joined Duopharma Biotech in 2000 as Financial Controller and has been with the company for more than 24 years. In recognition of his leadership, he was honoured with the Bronze Award for Best CFO in Malaysia at FinanceAsia's 25th Asia's Best Companies Awards.

Other Current Appointment(s):

· Member of Duopharma Biotech's Group Management Committee



To view full profile at

https://duopharmabiotech.com/our-people/chek-wu-kong

Relevant Working Experience:

Over 25 years of experience spanning biotechnology, business development, and pharmaceuticals. Previously served as CEO of Johor Biotechnology & Biodiversity Corporation (J-Biotech) from 2013 to 2016 before joining Duopharma Biotech in 2016. Held various leadership roles, including Chief Strategy Officer, Chief Operating Officer, Chief Commercial Officer and CEO – Commercial before being redesignated to his current position in October 2024.

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)
- · INTI University Advisory Board Member

IBRAHIM HUSSIN SALLEH

Chief Legal Officer and Group Company Secretary







22 December 2017

Permanent Resident of Malaysia

Directorship in Other Public Companies and Other Listed Entities: None

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

Relevant Working Experience:

Drawing on over 30 years of legal and corporate governance expertise, including practice as an advocate and solicitor, he has held key roles in legal advisory, corporate secretarial, and regulatory compliance across diverse industries, including as partner in a law firm. Previously served at Chemical Company of Malaysia ("CCM") Berhad as the head of the inhouse legal team and as joint company secretary for 11 years before being transferred to Duopharma Biotech Berhad following its demerger from CCM Berhad.

Other Current Appointment(s):

Member of Duopharma Biotech's Group Management Committee



To view full profile at

https://duopharmabiotech.com/our-people/ibrahim-hussin-salleh/

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;

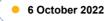
KRISNAKUMARA-REDDI A/L KESAVA-REDDI

Chief Manufacturing & Sustainability Officer









Our Governance

Directorship in Other Public Companies and Other Listed Entities:None

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

Relevant Working Experience:

With nearly 30 years of experience in the pharmaceutical industry, he began his career at the National Pharmaceutical Regulatory Agency (NPRA) before transitioning to the private sector, where he built his expertise in pharmaceutical manufacturing. He has been with Duopharma Biotech since 1997, taking on key roles in production, quality assurance, and operations before moving into leadership positions, leading the Manufacturing Division for the Group since 2016.

Other Current Appointment(s):

Member of Duopharma Biotech's Group Management Committee



To view full profile at

https://duopharmabiotech.com/our-people/krisnakumara-reddi-a-l-kesava-reddi

SABRINA BINTI HARON Chief Compliance Officer 44 F 1 July 2023

Directorship in Other Public Companies and Other Listed Entities: None

Qualification/Membership(s):

- Bachelor of Pharmacy (Hons), National University of Malaysia (UKM)
- Executive Master in Business Administration, 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

Relevant Working Experience:

With nearly 20 years of experience in regulatory affairs and compliance within the pharmaceutical industry, she began her career as a pharmacist in the public sector before transitioning into regulatory affairs. Since joining Duopharma Biotech in 2009, she has held key roles in regulatory affairs and technical compliance, progressing to leadership positions overseeing compliance and quality standards for the Group.

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)
- 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)
- Member of Malaysia Pharmacy Board Investigation Committee



To view full profile at

https://duopharmabiotech.com/our-people/sabrina-binti-haron/

SHAMSUL IDHAM BIN A.IAHAD

Chief Consumer Healthcare Officer



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6 October 2024

Directorship in Other Public Companies and Other Listed Entities:None

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

Relevant Working Experience:

Over 25 years of experience in healthcare and pharmaceutical industry, specialising in consumer, commercial and marketing at large multinational and local organisations. Since joining Duopharma Biotech in 2012, he has held various key and senior management positions in the Group and has led the Consumer Healthcare business since 2020.

Other Current Appointment(s):

- Member of Duopharma Biotech's Group Management Committee
- Chief Executive Officer, Duopharma Distribution Sdn Bhd (formerly known as Duopharma Consumer Healthcare Sdn Bhd)
- President/ Director, PT Duopharma Healthcare Indonesia



To view full profile at

https://duopharmabiotech.com/our-people/shamsul-idham-bin-a-iahad/

PRIYA DARSHINI A/P ASOKAN

Chief Innovation Officer



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6 October 2024

Directorship in Other Public Companies and Other Listed Entities: None

Qualification/Membership(s):

- · Master of Business Administration (MBA), Monash University, Australia
- Bachelor of Medical and Pharmaceutical Biotechnology, University of South Australia, Australia

Relevant Working Experience:

With over 15 years of experience in biotechnology and business development within the pharmaceutical industry, she joined Duopharma Biotech in 2010 and has since taken on key roles, progressing to leadership positions driving strategic growth and innovation. Recently in December 2024, she shared insights on Duopharma Biotech's efforts in addressing NCDs at the WHO-WIPO-WTO's 11th Trilateral Technical Symposium in Geneva, Switzerland.

Other Current Appointment(s):

- Member of Duopharma Biotech's Group Management Committee
- Industry Advisor for Ministry of Science, Technology and Innovation (MOSTI)
- Member of Together Against Cancer (TAC)



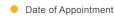
To view full profile at

https://duopharmabiotech.com/our-people/priya-darshini-asokan/

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 2024.

Legend



From The Leadership

Other Key Management Team's Profiles



Directorship in Other Public Companies and Other Listed Entities: None

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 (CelO), 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, Said Business School, University of Oxford

Relevant Working Experience:

With close to 20 years of experience in audit and integrity, he has held key roles in internal audits across various industries. Following the demerger of CCM Berhad, where he served for five years in audit and assurance, he joined Duopharma Biotech in 2018 to lead the audit and integrity function, pioneering the company's ISO 37001 Anti-Bribery Management System certification.

Other Current Appointment(s):

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



To view full profile at

https://duopharmabiotech.com/our-people/rama-sockalingam-a-l-nagappan

Directorship in Other Public Companies and Other Listed Entities:

Qualification/Membership(s):

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

Relevant Working Experience:

With over 25 years of experience in audit and risk management, he has held key leadership roles across various industries. Before joining Duopharma Biotech in 2023, he led risk management and few other governance functions at several public-listed companies. His portfolio was later expanded to include Integrity, reinforcing the company's commitment to corporate governance and compliance.



To view full profile at

https://duopharmabiotech.com/our-people/wan-ahmad-nizam/

ADDITIONAL INFORMATION

- None of the Key Management team members have any family relationship with any Director and/or major shareholder of Duopharma Biotech Berhad;
- 2. None of the Key Management team members have any 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 2024.

Legend



The Corporate Governance Overview Statement ("CGOS") narrates 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").

The statement 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 continued incorporation of Integrated Reporting mechanisms for the financial year being reviewed, aimed at providing stakeholders with a clear understanding of the Group's governance initiatives and performance.

Our Governance

Duopharma Biotech is resolutely committed to maintaining high standards of corporate governance. As a testament to its efforts, the Company received the Overall Excellence Award (Top 10) and the Industry Excellence Award (Healthcare) at the 2024 National Corporate Governance & Sustainability Awards.

It is worth emphasising that the Board plays an active role in continuously reviewing the governance framework, ensuring its effectiveness in addressing both current and emerging challenges. The Group is focused on fostering long-term value creation, preservation, and sustainability, with governance practices deeply embedded in decisionmaking processes to support strategic objectives and longterm success.

In espousing transparency and accountability, the CGOS is complemented by a detailed Corporate Governance Report, which outlines the application of Duopharma Biotech's governance practices in alignment with the MCCG for the fiscal year ended 31 December 2024. Both the CGOS and Corporate Governance Report are available on Duopharma Biotech's corporate website under the "Annual Reports/Integrated Annual Report" section (https:// duopharmabiotech.com/investor-relations/shareholdersmeeting-and-reports/) and are also accessible via the official platform of Bursa Malaysia Securities Berhad ("Bursa Securities"). These documents comply with Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") by Bursa Securities and are prepared in accordance with Practice Note 9 of the MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities.

For a comprehensive understanding of the Group's governance framework, stakeholders are encouraged to review this CGOS alongside other key reports within the Integrated Annual Report including 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, and the Medical and Research Committee Report, as well as Duopharma Biotech's standalone Sustainability Report. This integrated approach provides a thorough and detailed insight into the Group's governance structure, supported by the contextual information within each respective report.



Our Board at A Glance **Board Composition** 49 and below Age 50-59 years **Diversity** 60-65 years Non-Independent Executive Senior Non-Independent Independent Non-Executive Non-Executive Director Independent Non-Executive 66-69 years Directors Directors Non-Executive Alternate Director 70 year and Director above 1 5 3 1 1 **Board Tenure Gender Diversity** 7-9 vears 4-6 years Male **Female** less than 4 3 years INFD NINFD ED **Board Skills and Experiences** Banking Healthcare Pharmaceutical Medical Legal and Finance

Note:

Accounting and

Economics

The information presented in the charts above pertains to the reporting period for the financial year ended 31 December 2024 and reflects the Board composition as at 31 December 2024. The presence of an Alternate Director is included in the composition above. More data regarding the Length of Tenure, Age Diversity, Gender Diversity as well as Board Skills and Experience is reflected in Corporate Governance Report 2024.

Investment

Business

Development

Corporate

Strategy

Public

Administration

Integrated Annual

Report 2024

Corporate Governance Overview Statement

OUR CORPORATE GOVERNANCE APPROACH

In 2024, Duopharma Biotech enhanced its adoption of integrated reporting principles for the third consecutive year, in accordance with the International Integrated Reporting ("IR") Framework that is now under the auspices of the International Financial Reporting Standards ("IFRS") Foundation. The Board recognises that integrated reporting is central to the Company's value creation process, which is fundamentally supported by its governance framework and the strategies employed for its implementation.

Duopharma Biotech's approach to corporate governance is informed by the six (6) categories of capitals as outlined in the IR Framework. This approach examines how governance practices have shaped and benefitted the Company, facilitating the conversion of inputs and business activities into outputs and outcomes that generate value for stakeholders.

The Company's governance practices, aligned with the six (6) capitals, are intricately connected to its six (6) core values. The governance strategies deployed across these capitals and their integration with the Company's core values are as follows:



1 Financial Capital



- In 2024, Duopharma Biotech focused on expanding its product portfolio by introducing halal-certified plant-based functional foods, including vegan condensed milk and non-dairy options for children, catering to niche dietary markets.
- The Company strengthened its revenue streams by signing an Exclusive Distributorship Agreement with Owen Mumford Sdn Bhd ensuring market access for diabetes care and eye care medical devices in Malaysia, Singapore and Brunei.
- Duopharma Biotech has established a RM2.0 billion Sukuk Wakalah Programme in 2023, with approximately RM1.6 billion still available for future issuance. This structured financing framework enhances the Company's financial flexibility, ensuring adequate funding capacity to support its long-term growth and operational objectives.
- Duopharma Biotech is preparing to adopt sustainability-related disclosures under IFRS S1 and S2 which encompass
 the assessment of climate risks and financial impact. This initiative aligns with global regulatory standards and the
 National Sustainability Reporting Framework ("NSRF"), underscoring our commitment to Environmental, Social
 and Governance ("ESG") principles. This supports its broader strategy towards sustainability and transparency
 underpinning financial operations and reporting.

2 Manufactured Capital











- In 2024, Duopharma Biotech advanced its manufacturing capabilities through collaborations with PAMOJA Therapeutics BV to produce artesunate for clinical trials.
- The Company continued to enhance its production processes for affordable halal pharmaceuticals, including functional foods and nutraceuticals, targeting both local and international markets.
- Sustainability initiatives in manufacturing were maintained, with ongoing utilisation of renewable energy systems installed in 2023.
- Duopharma Biotech continues to enhance its manufacturing capabilities, including investments in sterile finishing lines that meet the latest regulatory standards, positioning itself to expand its manufacturing capacity and product quality to meet growing healthcare demands.
- The Company is investing significantly into enhanced cybersecurity protocols. This is vital in the context of Duopharma Biotech's digital transformation, ensuring the security of digital assets and aligning with industry standards and regulatory requirements. Duopharma Biotech is committed to implementing advanced systems and practices, which include digital and operational security measures.

Intellectual Capital













3 Intellectual Capital

- Duopharma Biotech engaged in drug repurposing research in 2024, partnering with the Centre for Affordable Diagnostics and Therapeutics ("CADT") and University of Malaya to explore artesunate for new cancer treatment indications.
- The Company leveraged its position as a founding member of the International Affordable Diagnostics and Therapeutics Alliance (IA-DATA) to drive innovation in affordable healthcare solutions.
- Duopharma Biotech contributed to regulatory and intellectual advancements in halal pharmaceuticals by integrating global best practices and promoting compliance with standards like MS 2424.
- Duopharma Biotech's Board conducted workshops to refine the Company's 10-year strategy, ensuring adaptability and competitiveness in the rapidly evolving pharmaceutical industry. This is in relation to Duopharma Biotech's efforts to adapt to industry trends while remaining a leader in pharmaceuticals, especially in halal-certified offerings.

4 Human Capital

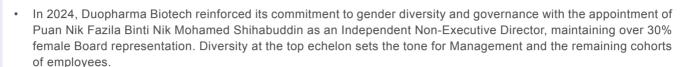












- Employees were actively involved in collaborative projects with international partners, fostering professional growth and expertise in cutting-edge healthcare developments.
- Duopharma Biotech's commitment to leadership continuity in maintaining strong governance stability is evident in the succession planning process, highlighted by the leadership change in 2024 with the retirement of Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir and the redesignation of Datin Paduka Kartini Binti Hj Abdul Manaf as Non-Independent Non-Executive Chairman. The organisational structure and design for Senior Management was also streamlined for enhanced clarity.
- Duopharma Biotech introduced a hybrid performance bonus structure for employees covered under the Collective Agreement and integrated elements of a progressive wage system, which promotes employee welfare and retention. The Company is committed to fair treatment, including offering equal benefits to foreign and Malaysian employees, in line with a broader focus on diversity and inclusion.
- Duopharma Biotech is committed to upholding labour rights through the implementation of the Labour Rights Policy, ensuring adherence to the highest standards and maintaining a safe working environment that prioritises employees' welfare and well-being.

Social and Relationship Capital













- In 2024, Duopharma deepened its global partnerships by signing Memorandum of Understanding with CADT and PAMOJA Therapeutics BV to improve access to affordable diagnostics and therapeutics, thus supporting the development and clinical trial manufacturing of artesunate for cancer therapy and other applications.
- The Company engaged with stakeholders in Qatar through a roundtable discussion hosted by the Malaysian Embassy, showcasing halal pharmaceutical standards and exploring collaboration opportunities within the member states of the Gulf Cooperation Council ("GCC").
- Duopharma Biotech expanded its presence in Southeast Asia by launching FLAVETTES® Glow in Indonesia, leveraging its halal-certified branding to tap into the world's largest Muslim consumer market.
- Duopharma Biotech continues to prioritise strong stakeholder relationships, especially with its major shareholder, Permodalan Nasional Berhad with a view to balancing both short-term and long-term goals.
- The Company's efforts in improving its whistleblowing programme further enhance accountability and transparency and reinforces Duopharma Biotech's commitment to ethical operations and transparency, supported by its whistleblowing programme.

Natural Capital











- In 2024, Duopharma Biotech advanced its environmental sustainability commitments by actively implementing the NZTP approved in 2023, with concrete steps to decarbonise and reduce its carbon footprint across operations. This is part of a broader ESG strategy to achieve Carbon Neutrality by 2030 and Net Zero Carbon Emissions by 2050. The Company has installed solar panels in FY2024 to reduce emissions and energy costs.
- A 5-Year EEP has been established as a strategic approach and plan on energy efficiency that will improve
 operational efficiency, drive cost savings and support the NZTP in steering Duopharma Biotech towards meeting its
 climate ambitions.
- The Company achieved significant progress in replacing single-use plastics with biodegradable plastic alternatives, aligning with its 2026 target of a 50% replacement of single-use plastics.
- Duopharma Biotech's water conservation efforts continue to reflect the Company's commitment to the United Nations Global Compact Forward Faster for Water Resilience initiative. The Company has also established a Water Management Plan focusing on three key phases of improvement in terms of quantification, qualification and water access.
- Duopharma Biotech has embarked on e-labelling initiatives by replacing physical product leaflets with QR codes as part of our efforts to reduce overall material consumption and wastage.
- A Nature & Biodiversity Policy established in FY2024 that outlines Duopharma Biotech's strategic approach to drive and support nature and biodiversity efforts.

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 International Integrated Reporting Council (IIRC) chart on the ensuing page.



Our Governance

Financial Capital

- Introduced halal-certified plant-based functional foods.
- Signed Exclusive Distributorship Agreement with Owen Mumford Sdn Bhd.
- Prepared for IFRS S1 and S2, focusing on carbon footprint disclosures.

Manufactured Capital

- Enhanced production processes for affordable halal pharmaceuticals and functional foods.
- Invested in sterile finishing lines meeting the latest regulatory standards.
- Collaborated with PAMOJA Therapeutics BV to produce artesunate for clinical trials.

Intellectual Capital

- Conducted drug repurposing research with CADT and University of Malaya.
- Leveraged IA-DATA membership to drive affordable healthcare innovations.
- Promoted global best practices and compliance for halal pharmaceuticals.

H Human Capital

- Appointed Puan Nik Fazila Binti Nik Mohamed Shihabuddin, maintaining 30% female Board representation.
- Transitioned leadership with new Chairman and enhanced succession planning.
- Introduced hybrid performance bonus and progressive wage systems.

Social and Relationship Capital

- Engaged stakeholders in Qatar via Malaysian Embassyhosted discussions.
- Launched FLAVETTES® Glow in Indonesia, leveraging halal-certified branding.
- Improved whistleblowing programme.

Natural Capital

- · Implemented NZTP with decarbonisation initiatives.
- Replaced single-use plastics with biodegradable alternatives.
- Continued water recycling efforts with 5,926 cubic metres of grey water reused in 2023.

Financial Capital

- Captured niche dietary markets, expanding revenue opportunities.
- Strengthened market access in Malaysia, Singapore and Brunei.
- Aligned financial operations with global standards and ESG goals.

Manufactured Capital

- · Improved market competitiveness and accessibility.
- Expanded manufacturing capacity and ensured highquality production.
- Advanced manufacturing capabilities for innovative healthcare solutions.

Intellectual Capital

- Positioned as a leader in innovative, affordable cancer therapies.
- Advanced global efforts for accessible diagnostics and therapeutics.
- Reinforced leadership in halal-certified pharmaceuticals.

H Human Capital

- · Strengthened gender diversity and governance.
- · Ensured leadership continuity and governance stability.
- · Improved employee welfare, retention and inclusivity.

S Social and Relationship Capital

- Explored collaboration opportunities in the Gulf Cooperation Council market.
- Expanded market presence in Southeast Asia and accessed the largest Muslim consumer market.
- Enhanced accountability, transparency and ethical governance practices.

Natural Capital

- Progressed toward carbon neutrality by 2030 and netzero by 2050.
- Achieved significant progress toward a 50% reduction target by 2026.
- Supported water conservation goals and advanced the UN Global Compact Water Resilience initiative.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

Duopharma Biotech has applied all the Practices encapsulated in the MCCG for the financial year ended 31 December 2024. In addition to adhering to the standard practices set forth in the MCCG, the Company has voluntarily adopted the following Step-Up Practices, surpassing the baseline requirements.

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

Despite not qualifying as a Large Company under the MCCG criteria, Duopharma Biotech has opted to report based on expectations of Large Companies and adopted these Step-Up Practices as part of a steadfast commitment to upholding the highest standards of corporate governance. This decision underscores the Company's aspirational approach to governance, driven by a philosophy that prioritises excellence, transparency and integrity. By voluntarily aligning itself with better practices, Duopharma Biotech demonstrates leadership in governance and a forward-looking ethos that extends beyond mere regulatory compliance. This proactive stance reflects the Company's dedication to building trust with stakeholders while fostering a culture of accountability and sustainable growth.

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 Bursa Securities's website.

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.



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 reviewed periodically to ensure it reflects the direction of the Group.

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"). Matters deliberated by the Board Committees during the year under review are outlined in their respective reports in the Integrated Annual Report on pages 122 to 132.



PRINCIPLE A: Board Leadership and Effectiveness

Our Governance

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. On top of that, the chair of each Board Committee also provides a quarterly report to the Board on salient matters discussed. 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 GMD in 2024:

(Key activities of the Board Committees during FY2024 can be found on the reports of the Board Committees.)

Board of Directors

Company Secretary

- Corporate secretarial and compliance
- Corporate governance and advisory

Audit Committee 3 INEDs

- Financials and financial reporting process (financial statements, dividends)
- External audit (audit reports, management letter, non-audit services, sessions with the AC without management presence)
- Internal controls and internal audit (related party transactions, conflicts of interest, internal audit reports, SORMIC internal control, Limits of Authority, internal investigations)
- Resources in the Finance Department

Nomination and Remuneration Committee 2 INEDs | 1 NINED

- Nomination (appointment, re-election, termination)
- Evaluation (Board effectiveness, Senior Management's performance)
- Induction and training programmes
- Remuneration of Directors, GMD and Senior Management
- Human resources (policies and procedures, organisational chart, human capital)

Risk Management Committee 2 INEDs | 1 NINED

- Risk (risk strategy, risk appetite, risk framework, risk management manual and guidelines, risk portfolio and exposure, and SORMIC-risk management)
- Investment, divestments, capital and operational expenditures
- Integrity (policies and procedures, anti-bribery and anti-corruption, whistleblowing, business ethics and compliance)

Halal and Sustainability Committee 1 INED | 2 NINEDs

- Halal Pharmaceutical Agenda (halal initiatives, strategies, framework, policies and procedures)
- Sustainability (ESG framework and strategies, ESG related targets and performances, Health, Safety and Environment, sustainability disclosures)

Medical and Research Committee 2 INEDs

 Provide the Board with medical and clinical advice, including professional guidance relating to the Group's pipeline of products.

Note:

In addition to the two (2) INEDs, the MRC also comprises four (4) Key Opinion Leaders, who are not members of the Board

Group

 Independent internal control effectiveness (assessment and assurance)

Group Managing Director

- · Day-to-day operational management
- Oversees the implementation of policies, strategies and decisions made by the Board
- Provides leadership and oversees Senior Management
- · Organisational effectiveness
- · Compliance with the relevant legislations and regulations
- Business development and operating efficiency

Group Risk Management and Integrity

- Drives enterprise-wide risk management initiatives to identify, assess and mitigate risks across all facets of the Group
- Prevent, address and combat bribery and corrupt activities through the enforcement of ethical standards

Senior Management

 Ensure efficient implementation and monitoring of Board-approved strategies, plans, policies, budgets, decisions and procedures.



PRINCIPLE A: Board Leadership and Effectiveness

In order to avert instances of excessive self-review threats, the Board Chairman is not a member of any of the Board Committees. Application of this practice is reflective of the Group's unwavering commitment to ensuring effective checks and balances 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, Encik Leonard Ariff Bin Abdul Shatar, is tasked with managing the day-to-day operations of the Group'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 an optimal level of effectiveness.

The Senior Management comprising a diverse group of individuals with expertise across various functional areas such as finance, legal, pharmacy, business administration, and consumer healthcare, biotechnology and business development, demonstrates commendable gender representation with 29% female members. This team assists the Board and the GMD in ensuring all 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 Encik Ibrahim Hussin Salleh who provides the Board with periodic updates on the latest regulatory developments. Encik 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"). Encik Ibrahim also advises and supports the Board in upholding high standards of corporate governance and facilitates 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 reviews and revisions to the Board Charter and the Terms of Reference of Board Committees are undertaken to incorporate changes to regulatory frameworks such as the Companies Act 2016, MCCG and other relevant authoritative promulgations. In addition to these external regulations, there is a periodic review of internal policies and frameworks to ensure they remain aligned with the organisation's objectives and comply with evolving industry standards. 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 dedicated adequate time and effort to attend Board and Board Committee meetings held to deliberate on matters under their purview. 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 were then further deliberated upon by the Board, and any matters requiring decisions were recommended for Board action. Additionally, as an extension of this process, the relevant Board Committees, along with their Chairmen, submitted 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.



PRINCIPLE A: Board Leadership and Effectiveness

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

Director Non-Independent Non-Exec	Board Meeting	Annual General Meeting	Independent Directors Meeting	Non- Executive Directors Meeting	Non- Executive Directors' Meeting without Chairman	AC Meeting	NRC Meeting	RMC Meeting	HSC Meeting	MRC Meeting
Datin Paduka Kartini Binti Hj	9/9	1/1		1/1				3/3		
Abdul Manaf ¹ (Chairman) Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir ²	3/3	1/1								
Datuk Mohd Radzif Bin Mohd Yunus	9/9	1/1		1/1	1/1			8/8	5/5	
Puan Amizar Binti Mizuar 3	2/2						2/2		2/2	
Encik Mohd Haris Bin Mohd Arshad ⁴	7/7	1/1		1/1	1/1		4/4		3/3	
Senior Independent Non-Ex	ecutive Di	rector								
Dato' Eisah Binti A. Rahman	9/9	1/1	1/1	1/1	1/1		6/6			2/2
Independent Non-Executive	Directors									
Encik Razalee Bin Amin	9/9	1/1	1/1	1/1	1/1	5/5				
Puan Zaiton Binti Jamaluddin	9/9	1/1	1/1	1/1	1/1	4/5*		8/8		
Datuk Nik Moustpha Bin Haji Nik Hassan ⁵	9/9	1/1	1/1	1/1	1/1	3/3		5/5	5/5	
Dato' Dr. Zaki Morad Bin Mohamad Zaher	9/9	1/1	1/1	1/1	1/1		6/6			2/2
Puan Nik Fazila Binti Nik Mohamed Shihabuddin ⁶	6/6		1/1	1/1	1/1	2/2				
Non-Independent, Non-Exec	Non-Independent, Non-Executive Alternate Director									
Muhammad Shukri Bin Ismail ⁷	6/7**	1/1		1/1	1/1		6/6		5/5	
Executive Director										
Encik Leonard Ariff Bin Abdul Shatar ⁸	9/9	1/1								

Notes:

- Datin Paduka Kartini Binti Hj Abdul Manaf was redesignated as a Non-Independent Non-Executive Chairman and resigned as a Member of the Risk Management Committee on 7 June 2024.
- ² Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir retired as a Non-Independent Non-Executive Chairman on 6 June 2024.
- 3 Puan Amizar Binti Mizuar resigned as a Non-Independent Non-Executive Director and Member of the Nomination and Remuneration Committee and Halal and Sustainability Committee on 20 March 2024.
- ⁴ Encik Mohd Haris Bin Mohd Mohd Arshad was appointed as a Non-Independent, Non-Executive Director and Member of the Nomination and Remuneration Committee and Halal and Sustainability Committee on 20 March 2024.
- 5 Datuk Nik Moustpha Bin Haji Nik Hassan resigned as a Member of the Audit Committee and was appointed as a Member of the Risk Management Committee on 7 June 2024.
- Puan Nik Fazila Binti Nik Mohamed Shihabuddin was appointed as an Independent, Non-Executive Director and Member of the Audit Committee on 7 June 2024.
- ⁷ Encik Muhammad Shukri Bin Ismail ceased as a Non-Independent, Non-Executive Alternate Director to Puan Amizar Binti Mizuar following her resignation on 20 March 2024 and was appointed the Non-Independent, Non-Executive Alternate Director to Encik Mohd Haris Bin Mohd Arshad on 20 March 2024. Encik Muhammad Shukri attended the Board, NRC and HSC meetings by way of invitation.
- Encik Leonard Ariff Bin Abdul Shatar is the Group Managing Director and attended all Board Committee meetings as a permanent invitee.
- Absent due to hospitalisation.
- ** Absent due to overseas travel



PRINCIPLE A: Board Leadership and Effectiveness

An annual meeting calendar is prepared and shared by the Company Secretary with the Board either prior to or upon 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 or the Senior Management. In addition, during the year under review, there was an inaugural distinct meeting of Non-Executive Directors without the presence of the Chairman and Group Managing Director.

The primary responsibility of an Independent Non-Executive Director is to safeguard 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 into the Board's decision-making process. The presence of Non-Independent Non-Executive Directors on the other hand, plays 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. Building on the foundation of its Code of Conduct, the Director's Code of Ethics, and Whistle-Blowing Policy, the Board has further reinforced the Company's governance framework by approving the implementation of a revised Enterprise Risk Management ("ERM") framework in November 2024.

Board Composition and Appointment

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 80 to 90 of this Integrated Annual Report.

Independent Directors are responsible for protecting the interests of minority shareholders and other stakeholders by infusing an 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. As at 31 December 2024, the Board comprised of eleven (11) Directors, of whom 54.5% (i.e. 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 in line with the Company's established policies and procedures that guide the NRC in nominating and selecting candidates for appointment to the Board of Duopharma Biotech and its subsidiaries. These include the Policy on Fit and Proper, Policy on Diversity, Directors' Code of Ethics, Succession Plan Policy, and Framework on Conflict of Interest.

The appointment of a Board member is based on objective criteria and merit and with due regard for diversity in skills, experience, age, cultural background and gender. Growing regulatory demands, complexities and expectations reposed on the Company were taken into account, as well as the envisaged skill sets, experience and roles of the Non-Executive Directors.

Briefly, all nominations for appointment or re-election as Directors of the Company are first deliberated by the NRC and subsequently tabled to the Board for its 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 to search for Board member candidates.

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



PRINCIPLE A: Board Leadership and Effectiveness

Details of the policies mentioned above can be found on the Company's website at https://duopharmabiotech.com/esg/governance-and-policies/

The Company's Constitution calls for one-third (1/3) of the Directors to retire and offer themselves for re-election, where eligible. Directors who were appointed after the previous Annual General Meeting are also required to retire and may offer themselves for re-election at the subsequent Annual General Meeting. For the year under review, the following Directors had offered themselves for re-election at the 23rd Annual General Meeting:



Dato' Eisah Binti A. Rahman



Datuk Nik Moustpha Bin Haji Nik Hassan



Datuk Mohd Radzif Bin Mohd Yunus



Datin Paduka Kartini Binti Hj Abdul Manaf



Encik Mohd Haris Bin Mohd Arshad

Tan Sri Datin Paduka Siti Sa'diah fulfilled the role of a Non-Independent Non-Executive Chairman at Duopharma Biotech for a cumulative period of nine (9) years, including her tenure as an Independent Non-Executive Director in Chemical Company of Malaysia Berhad ("CCM Berhad") before the Company's demerger from CCM Berhad in 2017. She 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 Chairman, she was succeeded by Datin Paduka Kartini Binti Hj Abdul Manaf as the new Chairman, who was redesignated during the financial year under review.

The Senior Independent Director acts as a sounding board for the Chairman and as an intermediary for the 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, while also chairing the Nomination and Remuneration Committee (NRC) to ensure effective governance and oversight.

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 has been 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 complementing and enhancing the Board as a whole. The Board's diversity is further buttressed by the fact that, as of 31 December 2024, none of the Independent Non-Executive Directors' tenure had exceeded nine years, in line with Step Up Practice 5.4 of the MCCG. The Independent Non-Executive Directors have also successfully fulfilled their independence assessment, ensuring the continued integrity and independence of the Board.

Succession Planning

The Board of Directors is responsible for ensuring a robust succession plan for a holistic boardroom development process by monitoring the Board composition needs and requirements while simultaneously identifying candidatures of high calibre and suitability for the Company.

The Company's succession plan is guided by a Succession Plan Framework to better define action plans for the successful transition of Non-Executive Directors and ensure that the necessary talents, skills, essential knowledge, and experience are maintained. The talent pool is regularly reviewed to ensure the steady availability of qualified candidates for Board appointments whenever new directors are needed and to ensure qualified candidates are available for appointments whenever new directors are required while meeting the demands of the pharmaceutical industry.

The NRC has proactively initiated a search for potential candidates to address forthcoming Board vacancies in light of the anticipated retirement of several Independent Non-Executive Directors in 2025 upon completing their nine-year tenures. Guided by the "Must Have" skill sets identified during the Board Evaluation Effectiveness exercise, the NRC has been conducting a comprehensive and strategic review of candidates recommended by the Management, Board members, major shareholder as well as those identified through the appointed external search firm.

During the year, the following changes in the composition of the Board of Directors of the Company took place:-

(i) On 20 March 2024, Encik Mohd Haris was appointed as a Non-Independent Non-Executive Director in place of Puan Amizar Binti Mizuar, who resigned on the same day. Encik Muhammad Shukri Bin Ismail, who was previously appointed as an Alternate Director to Puan Amizar, was appointed as an Alternate Director to Encik Mohd Haris.



PRINCIPLE A: Board Leadership and Effectiveness

- (ii) Datin Paduka Kartini Binti Hj Abdul Manaf was re-designated as the Chairman of Duopharma Biotech upon Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir's retirement after the 23rd Annual General Meeting of the Company held on 6 June 2024, pursuant to her reaching a cumulative tenure of nine years as a Director.
- (iii) In June 2024, Puan Nik Fazila Binti Nik Mohamed Shihabuddin was appointed as an Independent Non-Executive Director of the Company.

(A) Diversity

The Policy on Diversity reflects the Company's commitment to promoting diversity and inclusion for 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. It encompasses various areas including, but not limited to, diversity of gender, age, cultural background, education background, business and industry skills and experience.

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

- Focused the Company articulates its diversity efforts to focus on gender diversity at the leadership level to set the tone on an organisational basis.
- Non-discriminatory the Company practices nondiscrimination of any form where all appointments are based on objective criteria and merit established by the Board.
- Merit-based the recruitment and selection process ensures that appointments are merit-based.
- Credibility the Company pursues a well-rounded, diverse and credible approach to ensuring Board and leadership diversity.

In promoting diversity, the Company has set diversity 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 to imbuing cognitive variety during deliberations and decision-making as well as spurring innovation at all levels. The Company has a significantly higher proportion of women Directors, which exceeds the requirement of Paragraph 15.02 of the MMLR to have at least one (1) woman director.

The following are some measures and strategies undertaken by the Board, NRC and the GMD:-

Board of Directors

- (i) Gender diversity to have at least 30% women Directors.
- (ii) 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.
- (iii) Age diversity acknowledges the benefits of having a diverse boardroom in terms of age demographics with experience and maturity as well as youthful exuberance and seeks to eliminate age stereotyping or discrimination on age. Further, the age limit for Directors is set at 80 years old;
- (iv) Ethnic diversity setting a long-term target for the Board's ethnicity composition to reflect the ethnicity stratifications in the country.

Within the domain of gender diversity, the Board had 36.4% female representation during the year under review. Against this backdrop, Duopharma Biotech has 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.

Senior Management

- Gender diversity When shortlisting candidates for Senior Management, the GMD ensures that at least one female candidate is considered.
- (ii) 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.
- (iii) Age diversity whilst acknowledging that a wide agerange dispersion for Senior Management individuals has the advantage of creating a dynamic and multigenerational workforce with a diverse range of skill sets that are beneficial to the Company, the Company does not set specific targets or limits for the age of Senior Management individuals.



PRINCIPLE A: Board Leadership and Effectiveness

Our Governance

With the appointment of Ms Priya Darshini as the new Chief Innovation Officer, female representation among Senior Management has increased to two (2), i.e. 29% female representation. Additionally, her appointment enhances the Senior Management's age and ethnic diversity.

(B) Fit and Proper

The Board members shall consistently meet the required criteria to continue serving as directors in fostering effective governance and the ability to act in the best interests of the company and its stakeholders.

The Company's Fit and Proper Policy for the Board of Directors and Senior Management 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. It outlines the 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 based on the Board Performance Assessment ("BPA") 2024 results and performance appraisal records.

1. The Fit and Proper assessment process covers the fit and proper criteria as set out below:

(i) Character and Integrity

In assessing the personal qualities of the Directors and Senior Management, 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.

(ii) Experience and Competence

In order to perform his or her role in an effectively, 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.

(iii) 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.

Details on the Fit and Proper Policy can be found on the Company's website at https://duopharmabiotech.com/esg/governance-and-policies/

2. Application of the Fit and Proper Policy for the Board of Directors and Senior Management

The 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 is to ensure that each Director has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of the Company.

The NRC had, prior to recommending to the Board the appointment of new Directors and re-election of Directors during the year under review, completed an evaluation of the respective Directors. The NRC and the Board had assessed the candidates for appointment as new Directors and the individual Directors seeking re-election with due regard to, among others, the considerations listed in the Fit and Proper Policy by way of assessment via due diligence or screening (i.e., using established search databases or services as adopted by the Company from time to time) as well as self-declarations from the concerned individuals. The same exercise was conducted on the Directors of the Company and its subsidiaries annually.



PRINCIPLE A: Board Leadership and Effectiveness

Additionally, the assessment was also based on a review of the BPA results (in relation to the Directors seeking re-election). Following the said assessment, both the NRC and the Board were satisfied that the candidates to be appointed as new Director and the Director seeking re-election were fit and proper to be appointed or re-elected as Directors of the Company, and recommended that the re-election of the said Director be tabled at the AGM 2025 for the shareholders' approval.

Among the reasons for the recommendation for the appointment and re-election of the aforesaid Directors were as follows:-

- (i) the recommendations for appointment as new Directors or re-election were based on objective criteria and merit:
- (ii) that based on the aforesaid diligence/screening, declarations and results of the BPA 2024, the Directors recommended for appointment or re-election have met the fit and proper criteria under the Fit and Proper Policy;
- (iii) the Directors recommended for appointment or re-election have demonstrated that they are able to devote the required time and effort to serve the Board effectively;
- (iv) the BPA 2024 highlighted strong recognition of diversity at the Board level and that the variety of skill sets present amongst the current Directors allows them to tackle issues in a multifaceted manner;
- (v) in relation to gender diversity, the appointment of a new female director and re-election of the women Director seeking re-election would ensure that the Board continued to comprise at least 30% women Directors:
- (vi)in relation to the recommendation for re-election of the Independent Non-Executive Director
 - (a) based on the Independent Director's self-assessment under the BPA 2024, the Independent Non-Executive Director had declared her independence; and
 - (b) the tenure of service of the Independent Non-Executive Director calculated until the date of the AGM 2025 was less than nine years; and
- (vii) the Board will continue to comprise a majority of independent non-executive directors.

During the year under review, the NRC also 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.

3. Annual Board Evaluation

During the financial year under review, an externally facilitated BPA assessment was conducted by Deloitte Business Advisory Sdn Bhd under the supervision of the NRC. This exercise assess the effectiveness of the Board, Board Committees, individual Directors, and the GMD. For BPA 2024, a one-on-one interviews were conducted with the members of the Board of Directors and selected key senior management to assess the effectiveness of the Board and Board Committees. Thereafter, comprehensive questionnaires incorporating both qualitative quantitative assessments using a self and peer-rating model were provided to the Board members to assess the Board of Directors, Board Committees and Individual Directors. Encik Mohd Haris, Puan Nik Fazila and Encik Muhammad Shukri Bin Ismail, who were appointed during the year, were excluded from the BPA 2024.

The NRC provided oversight of the conduct of the BPA, reviewed the outcomes alongside the Chairman, and ensured alignment with the Company's strategic objectives. Overall, the BPA results for 2024 were satisfactory, maintaining high-performance levels seen in the previous year while providing a roadmap for further enhancements.

The BPA 2024 highlighted the following four (4) key areas of strength:

- Rich blend of experience possessed by Board members
- Healthy reciprocal relationship between the Board and the major shareholder
- Supportive boardroom environment marked by camaraderie
- Proficient support provided by the Company Secretarial team to the Board



PRINCIPLE A: Board Leadership and Effectiveness

Additionally, the BPA identified opportunities for further development, particularly in:

- Enhancing boardroom diversity in terms of age and ethnicity
- Reinforcing the rigour of strategic deliberations, including tactical approaches
- · Enhancing oversight of organisational structure and design
- · Strengthening boardroom administration, including streamlining the provision of information to the Board

Based on the feedback received from the BPA 2024, further, the following were identified as potential topics for the Board training:-

- · Digital Innovation/ Artificial Intelligence and Cybersecurity
- Clinical Governance
- Environmental, Social and Governance

In August 2024, the Board resolved to adopt the BPA results as recommended by the NRC, including the identified improvement areas. These measures underscore Duopharma Biotech's ongoing commitment to excellence and continuous improvement in serving its stakeholders.

Adopting a recommendation from the Board Effectiveness Evaluation in 2021, the members of all Board Committees were given the liberty at the end of the year under review to plan forward-looking agenda items for their respective Board Committees (also known as "annual missions") for the entire calendar year 2025 ahead of schedule, facilitated by the Company Secretary. This provided a proactive way to solicit input from all members of the Board Committees in order to formulate the respective Board Committees' agenda.

4. Directors Training

In observing the requirements of Paragraph 15.08 and Practice Note 5 of MMLR, in 2024 the Board members underwent trainings based on the training needs analysis undertaken. The training 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-related matters.

A forward-looking internal training calendar for 2024 was prepared and shared with the Board members in August 2023 for the Board's information. Meanwhile, the Mandatory Accreditation Programme training, attended by Board members in 2024, was tracked and presented to the Board on a quarterly basis.

A non-exhaustive list of the training programmes attended by the Directors is listed below:-

Directors' Training Programmes			
Date	Seminars/Conferences/Forums/Trainings	Attended by	
2 January 2024	Introduction to Financial Crime & Anti-Money Laundering	Encik Muhammad Shukri Bin Ismail	
16-17 January 2024	PNB Nominee and Alternate Directors Excellence Series Programme ("NDESP")	Encik Muhammad Shukri Bin Ismail	



PRINCIPLE A: Board Leadership and Effectiveness

Directors' Training P	rogrammes	
Date	Seminars/Conferences/Forums/Trainings	Attended by
22 January 2024	Directors & Senior Management Training (No. 01/2024) on "Boom or Bust – The Evolving Role of Senior Leaders in Unlocking Sustainability Value for Business Resilience and Growth" by Encik Faroze Nadar, Executive Director of the UN Global Compact Network Malaysia & Brunei	 Datin Paduka Kartini Binti Hj Abdul Manaf Encik Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Encik Razalee Bin Amin Puan Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Zaki Morad Bin Mohamad Zaher Encik Muhammad Shukri Bin Ismail
22 January 2024	Directors & Senior Management Training (No. 02/2024) on Briefing Session on the Directors and Officers ("D&O") Liability Insurance by Chubb Insurance Malaysia Berhad & Etiqa General Takaful Berhad	 Datin Paduka Kartini Binti Hj Abdul Manaf Encik Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Encik Razalee Bin Amin Puan Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohamad Zaher Encik Muhammad Shukri Bin Ismail
26-27 January 2024	Mandatory Accreditation Programme Part II: Leading for Impact	Dato' Eisah Binti A. Rahman
27 February 2024	PNB Public Market Dialogue 2024	Encik Muhammad Shukri Bin Ismail
19 March 2024	MIA Forum with Practitioners	Encik Razalee Bin Amin
21 March 2024	Directors & Senior Management Training (No. 03/2024) on "Introduction to Monoclonal Antibodies" by Steve Slater, a Director of TRAQUE Pte Ltd	 Datin Paduka Kartini Binti Hj Abdul Manaf Encik Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Encik Razalee Bin Amin Puan Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohamad Zaher
24 April 2024	Practical MPERS for Key Sections in Financial Reporting	Encik Razalee Bin Amin
7 May 2024	MFRS/IFRS Technical Update 2024 – Including IFRS Sustainability	Encik Razalee Bin Amin
7-8 May 2024	TH Group Summit 2024	Datin Paduka Kartini Binti Hj Abdul Manaf
23 May 2024	Bursa Academy "Conflict of Interest (COI) and Governance of COI"	Datuk Nik Moustpha Bin Haji Nik Hassan
27 May 2024	Risk Management & Compliance Requirements	Datin Paduka Kartini Binti Hj Abdul Manat
11-12 June 2024	MIA International Accountants Conference 2024	 Puan Nik Fazila Binti Nik Mohamed Shihabuddin
22-23 June 2024	5 th Renal Nutrition Seminar: "Enhancing Renal Nutrition via Interdisciplinary Collaboration"	Dato' Dr Zaki Morad Bin Mohamad Zaher
26-27 June 2024	Going Beyond Boundaries Innovation & Sustainability: ISPE Malaysia 2024	Dato' Eisah Binti A. Rahman



PRINCIPLE A: Board Leadership and Effectiveness

Our Governance

Directors' Training P	rogrammes	
Date	Seminars/Conferences/Forums/Trainings	Attended by
4 July 2024	PNB Knowledge Forum 2024 - Navigating the threads of economics relatedness	Puan Nik Fazila Binti Nik Mohamed Shihabuddin
4 July 2024	Economic Complexity - Navigating the Threads of Economic Complexity	Encik Muhammad Shukri Bin Ismail
9 July 2024	Directors & Senior Management Training (No. 04/2024) on "Trends in Consumer Behavior on Halal Pharmaceuticals" by Dr Adliah Binti Mhd Ali and Dr Nurul Ain Binti Mohd Tahir, Universiti Kebangsaan Malaysia	 Datin Paduka Kartini Binti Hj Abdul Manaf Encik Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Encik Razalee Bin Amin Puan Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohamad Zaher Puan Nik Fazila Binti Nik Mohamed Shihabuddin Encik Muhammad Shukri Bin Ismail
17 July 2024	Developing Strategy for Value Creation	Encik Muhammad Shukri Bin Ismail
17 July 2024	Trustee Act	Datuk Mohd Radzif Bin Mohd Yunus
17-18 July 2024	Mandatory Accreditation Programme Part I	Encik Mohd Haris Bin Mohd Arshad
23 July 2024	E-Learning: Information & Cyber Security Policies Declaration & Attestation	Encik Muhammad Shukri Bin Ismail
26 July 2024	Speaker at the 38th Annual Congress of the Malaysian Society of Nephrology: Breaking Boundaries in Nephrology	Dato' Dr Zaki Morad Bin Mohamad Zaher
26-28 July 2024	National Pharmacists Convention "Pharmacy of the Future: Embracing Innovative Practices"	Dato' Eisah Binti A. Rahman
6 August 2024	ESG Disclosures: Improving the Quality of ESG Data and Its Impact	Encik Muhammad Shukri Bin Ismail
12 August & 9 September 2024	Mandatory Accreditation Programme Part II: Leading for Impact (Part 1 and Part 2)	Datuk Mohd Radzif Bin Mohd Yunus
14 August 2024	PNB Fireside Chat for Nominee Directors: Board and Top Team Effectiveness	Datuk Mohd Radzif Bin Mohd Yunus
18-22 August 2024	Mandatory Accreditation Programme Part II: Leading for Impact	Encik Muhammad Shukri Bin Ismail
2 September 2024	Management Excellence: Unleashing Your Leadership Potential	Encik Muhammad Shukri Bin Ismail
4 September 2024	Prolintas Cybersecurity Awareness	Puan Nik Fazila Binti Nik Mohamed Shihabuddin



PRINCIPLE A: Board Leadership and Effectiveness

Directors' Training P	rogrammes	
Date	Seminars/Conferences/Forums/Trainings	Attended by
5 September 2024	Directors & Senior Management Training (No. 05/2024) on "Understanding Impact of Climate Change to Duopharma and What's Next to Look Out for?" by Phang Oy Cheng, KPMG Malaysia	 Datin Paduka Kartini Binti Hj Abdul Manaf Encik Leonard Ariff Bin Abdul Shatar Dato' Eisah Binti A. Rahman Encik Razalee Bin Amin Puan Zaiton Binti Jamaluddin Datuk Nik Moustpha Bin Haji Nik Hassan Datuk Mohd Radzif Bin Mohd Yunus Dato' Dr Zaki Morad Bin Mohamad Zaher Encik Mohd Haris Bin Mohd Arshad Puan Nik Fazila Binti Nik Mohamed Shihabuddin Encik Muhammad Shukri Bin Ismail
7 September 2024	Speaker at the 21 st Annual Conference of the Association of Dialysis Medical Assistants and Nurses (ADMAN): Providing Seamless and Holistic Patient Care	Dato' Dr Zaki Morad Bin Mohamad Zaher
18 September 2024	MBMR Group sustainability training on Understanding TCFD, SBTi and Overview of IFRS	Puan Nik Fazila Binti Nik Mohamed Shihabuddin
24 September 2024	Building Sustainable Credibility: Assurance, Greenwashing, and the Rise of Green Hushing	 Puan Nik Fazila Binti Nik Mohamed Shihabuddin
25 September 2024	Navigating the AI Landscape for the C-Suite	Encik Razalee Bin AminDatuk Mohd Radzif Bin Mohd Yunus
2 October 2024	TH Zakat Guidelines & Institutionalizing Maqasid Shariah	Datin Paduka Kartini Binti Hj Abdul Manaf
2-3 October 2024	Mandatory Accreditation Programme Part II: Leading for Impact	Puan Zaiton Binti JamaluddinEncik Mohd Haris Bin Mohd Arshad
3 October 2024	Halal Pharmaceutical Symposium 2024: "Bridging Halal to Health: Fostering Inclusivity, Innovation, And Healthcare Excellence"	Dato' Eisah Binti A RahmanDatuk Nik Moustpha Bin Haji Nik Hassan
4 October 2024	Project Converse: Fireside Chat with Nominee Directors of PNB on Purposeful Leadership & Sustainability	Datin Paduka Kartini Binti Hj Abdul Manaf
7 October 2024	Aligning Risk Management to Strategy and Purpose	 Puan Nik Fazila Binti Nik Mohamed Shihabuddin
16-17 October 2024	LeadWomen APAC DEI Summit 2024	Puan Nik Fazila Binti Nik Mohamed Shihabuddin
21-22 October 2024	Training Programme 2024: "Demystifying The Dynamic Forces That Shape Board Relationships"	Datin Paduka Kartini Binti Hj Abdul Manaf
23 October 2024	Comprehensive Introduction to Corporate Governance	Puan Nik Fazila Binti Nik Mohamed Shihabuddin
17 October 2024	Bursa Academy "Conflict of Interest (COI) and Governance of COI"	Dato' Eisah Binti A. RahmanDatuk Mohd Radzif Bin Mohd Yunus
6 November 2024	Purposeful Leadership & Sustainability	Encik Mohd Haris Bin Mohd ArshadEncik Muhammad Shukri Bin Ismail
19 November 2024	Securities Commission Malaysia's Audit Oversight Board Conversation on IFRS Sustainability Disclosure Standards in Malaysia	 Dato' Eisah Binti A. Rahman Encik Razalee Bin Amin Puan Nik Fazila Binti Nik Mohamed Shihabuddin



PRINCIPLE A: Board Leadership and Effectiveness

The Company Secretary also attended relevant continuing education programmes during the financial year. A non-exhaustive list of the training programmes attended by the Company Secretary is as illustrated in the table below:-

Company Secretary's Training Programmes		
Date	Title of Training	Training Organiser
22 January 2024	Directors & Senior Management Training (No. 01/2024) on "Boom or Bust- The Evolving Role of Senior Leaders in Unlocking Sustainability Value for Business Resilience and Growth" by Mr. Faroze Nadar, Executive Director at UNCGMYB	Duopharma Biotech
22 January 2024	Directors & Senior Management Training (No. 02/2024) on "Briefing Session on the Directors and Officers ("D&O") Liability Insurance" by Nur Liyana Adnan & Koe ShinYeo, Chubb Insurance Malaysia Berhad & Etiqa General Takaful Berhad	Duopharma Biotech
21 March 2024	Directors & Senior Management Training (No. 03/2024) on "Introduction to Monoclonal Antibodies" by Steve Slater of Rieckermann - Machinery & Industrial Solutions	Duopharma Biotech
25 March 2024	Intellectual Property Workshop: - The Art of the Possible: Patents and Market Opportunities by Shearn Delamore & Co.	Duopharma Biotech
25 March 2024	Intellectual Property Workshop: - Commercial and Legal Perspectives of Intellectual Property by Raja, Darryl & Loh	Duopharma Biotech
9 July 2024	Directors & Senior Management Training (No. 04/2024) on "Trends in Consumer Behavior on Halal Pharmaceuticals" by Dr Adliah Binti Mhd Ali and Dr Nurul Ain Binti Mohd Tahir, Universiti Kebangsaan Malaysia	Duopharma Biotech
17-18 July 2024	Bursa Malaysia Mandatory Accreditation Programme I ("MAP I")	Institute of Corporate Directors Malaysia ("ICDM")
27-28 August 2024	SSM National Conference 2024	Suruhanjaya Syarikat Malaysia (SSM)
5 September 2024	Directors & Senior Management Training (No. 05/2024) on "Understanding Impact of Climate Change to Duopharma and What's Next to Look Out for?" by Phang Oy Cheng, KPMG Malaysia	Duopharma Biotech
22-23 October 2024	MAICSA Annual Conference 2024-Sustainability Today for Tomorrow	Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
5 November 2024	ESG Updates Locally and Internationally; Climate-Related Litigation—What's Happening? and Sustainability Reporting Best Practices and Tips	Institute of Corporate Directors Malaysia (ICDM)
13 November 2024	Key Risk Indicators (KRIs)	Group Risk Management & Integrity of Duopharma Biotech
14 November 2024	Tax Budget 2025 Digital Conference – Spearheading SMEs' Digital Growth While Navigating Tax Reforms	Wezmart Risk & Compliance Solutions



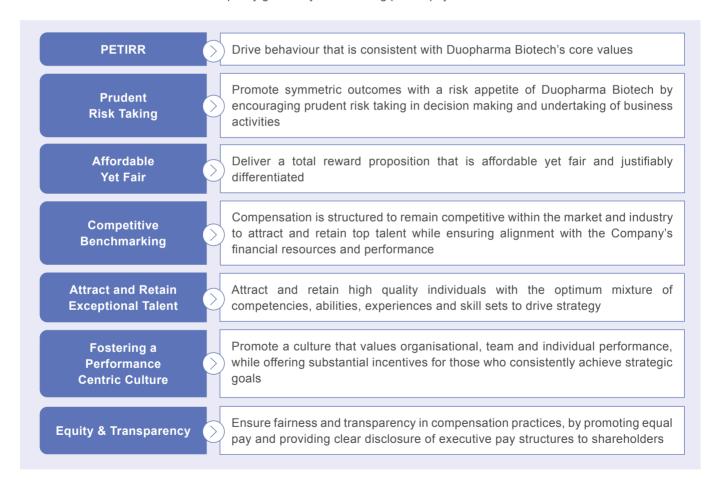
PRINCIPLE A: Board Leadership and Effectiveness

5. Induction Programme

A structured induction programme has been implemented to facilitate the smooth transition of new Directors, equipping them with a comprehensive understanding of the Group's business strategy and operations. Encik Mohd Haris Bin Mohd Arshad and Puan Nik Fazila Binti Nik Mohamed Shihabuddin attended the induction programme following their appointment to the Board during the year. The programme consists of in-depth one-on-one sessions with the GMD and selected Senior Management members, providing key insights into the Group's operations, challenges and strategic priorities.

6. Remuneration

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



Non-Executive Directors, save for the Alternate Director, receive fees and allowances commensurate with their responsibilities on the Board as well as on the Board Committees 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 fixed directors fees, meeting allowances and other benefits with no distinction between participation in-person or participation through electronic modalities.

Integrated Annual Report 2024

Corporate Governance Overview Statement



PRINCIPLE A: Board Leadership and Effectiveness

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 where 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, facilitated by external experts. Detailed disclosure of the remuneration of individual Directors is provided 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.

Furthermore, the Directors and Officers of the Group and the Company are protected by Directors and Officers liability takaful against any liabilities arising from the performance of their duties.

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



PRINCIPLE B: Effective Audit and Risk Management

Audit Committee

The wholly independent AC is headed by Encik Razalee Bin Amin, and by design, this position is distinct from the Chairman of the Board. The remaining members of the AC are Puan Zaiton Binti Jamaluddin and Puan Nik Fazila Binti Nik Mohamed Shihabuddin, both of whom are also Independent Non-Executive Directors. On 7 June 2024, Datuk Nik Moustpha Bin Haji Nik Hassan resigned from his role as a member of AC upon his appointment to the Risk Committee, with his role in AC succeeded by Puan Nik Fazila Binti Nik Mohamed Shihabuddin on the same date.

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 its final decision.

During the year under review, the AC reviewed and recommended for approval the Conflict of Interest ("COI") Framework to reflect the Group's commitment to identify, resolve, eliminate or mitigate COI situations and ensure that transactions carried out, are amongst others, in the best interest of the Group. The COI Framework sets out the guiding principles and practices that underpin the Company's approach to identifying, evaluating, approving, reporting and monitoring COI situations.

The AC reviewed the finance function of Duopharma Biotech group to ensure the Finance Department was equipped with the necessary resources, expertise, skills and experience to effectively fulfil its duties 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 maintains only a perforated line of reporting to the GMD on administrative matters. The AC receives regular reports on the findings of the internal audit function and recommendations of actions to be carried out.



PRINCIPLE B: Effective Audit and Risk Management

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 tasked the RMC with determining the Group's level of risk tolerance and to actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets. Key focus areas pertaining to risk, among others, were 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 allowed the Board to receive assurance not just on the operational and financial aspects 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 122 of this Integrated Annual Report. The Statement of Risk Management and Internal Control, which provides details of the Group's risk management and internal control, is outlined on pages 133 to 144 of this Integrated Annual Report.



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 a 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 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 to Bursa Malaysia, briefing sessions, roadshows, conferences, media releases and social media platforms. In compliance with MMLR and the 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.

Recognising the importance of effective engagement and communication with the Group's employees, Duopharma Biotech carries out an annual EEI survey to gauge the level of employees' motivation and engagement levels as well as the extent to which they demonstrate Duopharma Biotech's Core Values in their daily interactions with each other. The EEI conducted in October 2024 demonstrated alignment to high performing norms.

During the year under review, the Group undertook four (4) broad investor briefing sessions and an ad-hoc session on request with an institutional investor. The Group issued quarterly publications of press information via Bursa Malaysia announcements disseminating financial results, prospects and milestones to communicate to stakeholders meaningful insights into the Company's business.



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

Virtual townhall sessions were also conducted by the GMD or, in his absence, the Chief Executive Officer - Group Operations with the Group's employees, typically after the Company's quarterly statements had been approved by the Board and announced to Bursa Malaysia. These townhalls provide an opportunity for Management to engage with employees to share the latest financial performance of the Group, human resources 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 participate actively 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 a 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 tabled.

Continuing with the fully virtual mode of meeting that was adopted for the 19th, 20th, 21st and 22nd AGMs, due to the Covid-19 pandemic, the 23rd AGM, conducted on 6 June 2024, 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 MCCG 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.

Further fortifying objectivity of the AGM, and as with the preceding year, Duopharma Biotech engaged an independent moderator, namely Deloitte Business Advisory Sdn. Bhd, to streamline questions raised by shareholders during the virtual 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 to navigate the roll-out of the virtual AGM. Immediately on conclusion of the 23rd AGM a survey was conducted that sought shareholders' feedback of the same, and a media briefing was held to furnish other stakeholders at large with a comprehensive and factual representation of the Company.

Following from the announcement by the Securities Commission Malaysia and Bursa Malaysia on 30 August 2024 that all public listed companies must conduct physical or hybrid general meetings from 1 March 2025, the Company decided to revert to the physical meeting mode for the 24th AGM scheduled on 21 May 2025 as it prioritises the value of direct communication and shareholder engagement as well as the importance of cultivating strong, personal connections with our valued shareholders. Physical meetings reinforce good governance by promoting transparency and accountability, as well as preserve the sanctity of shareholder rights and ensure no one is excluded due to technological barriers. Physical meetings also uphold the integrity of the general meeting process.

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 23rd AGM minutes have been uploaded onto the Group's corporate website: https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/.

As standard practice, notice for the upcoming AGM 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 will be provided to shareholders on the effects of the proposed resolution arising from such items. Helpdesks will also be set up for shareholders during the AGM in case of further operational queries.

From The Leadership



Corporate Governance Overview Statement



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

FOCUS AREAS DURING THE YEAR

During the course of the financial year ended 31 December 2024, the focus areas of Duopharma Biotech's corporate governance constituted the following:

Reinforcing Operational Governance

In 2024, Duopharma Biotech solidified its position as a key player in the healthcare and pharmaceutical industry by focusing on strategic collaborations, sustainability, innovation and global expansion. The year was marked by several groundbreaking initiatives aimed at enhancing product offerings and addressing global healthcare challenges. Among its notable achievements were the development of plant-based functional food products in collaboration with The Live Green Group, Inc. and expansion of its international footprint by partnering with Tepanouits Pty Ltd to launch the IRORO Nutreatment Healthy Hair Growth range in Australia. The Group is also actively eyeing merger and acquisition prospects in neighbouring countries to further bolster its presence and offerings.

In line with the organic growth and opportunities for inorganic growth, Duopharma Biotech sought to strengthen its operational governance during the year under review. For example, a Project Steering Committee comprising selected Board members was put in place to scrutinise proposed investments on a preliminary basis before they are presented to the Board. Other operational governance efforts include strengthening of the total quality management system and advocacy of halal pharmaceutical standards.

Driving Sustainability through Environmental Stewardship

Sustainability remained a central pillar of Duopharma Biotech's strategy, reflecting its alignment with global environmental goals. The Company's NZTP sets ambitious targets to achieve carbon neutrality by 2030 and net zero emissions by 2050. This plan includes the installation of solar panels at three key manufacturing sites and the adoption of biodegradable materials to replace single-use plastics, with a targeted 50% reduction by 2026. Water conservation is another priority, as evidenced by Duopharma Biotech becoming the first Malaysian company to join the UN Global Compact Forward Faster for Water Resilience initiative.

Enhancing Risk Management through the Enterprise Risk Management Framework

In 2024, Duopharma Biotech further elevated its commitment to corporate governance by introducing a revised and comprehensive ERM framework, approved by the Board. This pivotal initiative underscores the Company's dedication to proactive and structured risk management practices, aligning with its strategic, operational and financial objectives. The ERM framework is meticulously designed to identify, measure, manage, report and monitor risks, ensuring that potential challenges are addressed with precision and foresight.

The enhanced framework represents a significant step forward in fostering an enterprise-wide culture of risk awareness and resilience. By integrating risk management processes across all levels of the organisation, Duopharma Biotech aims to anticipate and prioritise potential risks while adopting mitigation strategies in response to evolving business conditions. This dynamic and responsive approach not only safeguards the Group's assets but also strengthens its ability to navigate an increasingly complex and unpredictable business environment.

In addition, Duopharma Biotech has adopted a calibrated approach of demarcating risks based on time horizons, such as short-term and long-term risks, in its reporting to the Board. This serves to alleviate instances of key long-term risks such as climate risk not being surfaced to the Board due to inherent computational limitations in determining risk ratings based on likelihood and impact.



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

Succession of Board and Senior Management

Duopharma Biotech demonstrated a steadfast commitment to corporate governance in 2024, emphasising transparency, diversity and sustainability. The Group's governance framework was guided by a strong belief in ethical leadership and the importance of aligning corporate strategy with global best practices. A significant highlight of the year was the leadership transition within its Board of Directors. Following the retirement of Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir, Datin Paduka Kartini Binti Hj Abdul Manaf was redesignated as the new Non-Independent, Non-Executive Chairman. This transition was managed seamlessly, ensuring continuity in governance while introducing fresh perspectives to the Board. During the year under review, Encik Mohd Haris Bin Mohd Arshad was appointed as a Non-Independent Non-Executive Director in place of Puan Amizar Binti Mizuar, who resigned in March 2024. Following Puan Amizar's resignation, Encik Muhammad Shukri Bin Ismail ceased to be her Alternate Director and was subsequently appointed as an Alternate Director to Encik Mohd Haris. Additionally, the appointment of Puan Nik Fazila Binti Nik Mohamed Shihabuddin as an Independent Non-Executive Director further enhanced the Board's diversity, maintaining female representation above 30% and reinforcing a commitment to inclusivity. Moving forward, Duopharma Biotech will as far as practicable continue to reinforce age and ethnic diversity in its Board selection process.

Given the earmarked retirement of the current GMD by the end of the year 2025, the NRC is also actively managing his succession process, with clear steps in place to identify and onboard the next Chief Executive of the Group. Additionally, preparations for the incumbent CFO's retirement due in 2026 are underway, with successors being identified and assessed.

In order to address the impending retirement of several Board members simultaneously and mitigate the risk of diminution in institutional knowledge, the Board will be revisiting policy stipulations surrounding Directors' tenure and age limits to facilitate a phased transition.

Enhancing Sustainability Reporting

The Group's sustainability priorities are deeply embedded within its governance framework, as evidenced by the Board's approval of the NZTP. This plan serves as a comprehensive roadmap for achieving carbon neutrality by 2030 and net zero emissions by 2050, reflecting Duopharma Biotech's dedication to integrating ESG considerations into its business strategy moving forward.

On the horizon, Duopharma Biotech is also laying the groundwork to prepare for the adoption of IFRS S1 and S2 in terms of sustainability reporting, while taking into account the National Sustainability Reporting Framework as issued by the Advisory Committee on Sustainability Reporting with the endorsement of the Ministry of Finance. While comparison of sustainability data for the industry within the local context remains challenging due to the sparse availability of data, the Company is committed to benchmarking and identifying areas for progress.

Advancing Stakeholder Engagement and Global Collaboration

Duopharma Biotech is also prioritising stakeholder engagement as a key component of its governance approach. The Company strengthened its bilateral relations with international partners and explored new markets through initiatives such as the Halal Pharmaceuticals Awareness Programmes, demonstrating its commitment to increasing access to halal pharmaceuticals and aligning with ESG best practices. These efforts not only showcased Duopharma Biotech's thought leadership but also underscored its role as a catalyst for industry-wide progress.

Forging ahead, Duopharma Biotech will continue to actively explore avenues of co-operation and strengthen ties with key stakeholders as it actualises its commitment to expanding portfolio diversity, including halal pharmaceuticals and plant-based products.

Report of the Audit Committee



MEMBERSHIP AND ATTENDANCE

As at the end of the financial year 2024, all Audit Committee members were Independent Non-Executive Directors in line with the requirement of Paragraphs 15.09 and 15.10 of the MMLR, Step-Up Practice 9.4 of the 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 the MCCG, whereby the Chairman of the AC is not the Chairman of the Board.

Encik Razalee, the Chairman of the AC, is a Certified Public Accountant, a Certified Financial Planner with the Financial Planning Association of Malaysia and a member of the Malaysian Institute of Accountants ("MIA"). Puan Nik Fazila is also a Certified Public Accountant and an MIA member. Thus the AC fulfilled the accountant qualification requirement prescribed by paragraph 15.09(1)(c) of the MMLR. 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 are able to understand matters under the purview of the AC including the financial reporting process and were able to discharge their duties responsibly.

The attendance of each AC member during the year is as follows: **Encik Razalee Bin Amin** Chairman, Independent Non-Executive Director **Meetings Attended Puan Zaiton Binti Jamaluddin** Member, Independent Non-Executive Director **Meetings Attended** Puan Nik Fazila Binti Nik Mohamed Shihabuddin Member, Independent Non-Executive Director (Appointed with effect from 7 June 2024) **Meetings Attended** Datuk Nik Moustpha Bin Haji Nik Hassan Member, Independent Non-Executive Director (Resigned with effect from 7 June 2024) **Meetings Attended** Absent due to hospitalisation

KEY ROLES

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



The roles and responsibilities of the AC are set out in its Terms of Reference which can be found on the Company's website at https://duopharmabiotech.com/esg/governance-and-policies/



In relation to the obligation of the AC under the MMLR 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 was identified or reported to the AC during the year under review, save for the following:

- (a) Potential conflict of interest that may arise involving the nominee directors of Permodalan Nasional Berhad ("PNB"), a major shareholder of Duopharma Biotech. This is mitigated by their abstaining from deliberation and voting on any transaction involving a Duopharma Biotech Group member and the interest of PNB or persons connected to PNB.
- (b) Potential conflict of interest involving Dato' Dr Zaki Morad Bin Mohamad Zaher (a Director of the Company) due to legal proceedings brought by KPJ Healthcare Berhad ("KPJ") and its subsidiary, Kumpulan Perubatan (Johor) Sdn. Bhd. against former KPJ directors, including Dato' Dr Zaki Morad. This arises as Duopharma Biotech Group supplies pharmaceutical products to pharmacies and hospitals under the KPJ group. This is mitigated as follows:
 - (i) Duopharma Biotech Group's supply of pharmaceutical and healthcare products is part of its ordinary course of business and is typically managed at the operational level; and
 - (ii) Since the lawsuit began, there have been no transactions between the KPJ Group and the Duopharma Biotech Group requiring deliberation by Duopharma Biotech's Board of Directors. Should such a transaction arise, Dato' Dr Zaki Morad will abstain from both deliberation and voting.

SUMMARY OF WORK DONE IN 2024

A. Financial Reporting Matters

- Reviewed the Company's quarterly reports in respect of the results for the quarters ended 31 December 2023, 31 March 2024, 30 June 2024 and 30 September 2024 to ensure compliance with the Malaysian Financial Reporting Standards and regulatory requirements and subsequently recommending that the Board release these 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 audited financial statements of the Company and its subsidiaries as well as the external auditors' report for the financial year ended 31 December 2023, including matters relating to adjustments arising from the external audit review and adequacy of disclosures, prior to recommending to the Board for approval. No significant adjustments were required to the financial statements, which according to the external auditors gave a true and fair view of the financial position of the Group.

B. External Audit Matters

- i. During the year, two (2) formal private sessions were held with the external auditors on 8 March 2024 and 4 November 2024 without the presence of Management to discuss and review matters of concern as well as deliberate on the 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.
- Deliberated on issues and reservations arising from the interim and final audits, and any matter that the external auditor wished to discuss without the presence of Management.
- iii. Reviewed and endorsed the external auditors' audit plan and engagement strategy for the financial year ended 31 December 2024, covering the independence, materiality, audit scope, audit methodology and timing of audit, key milestones, audit fees, etc., and reported the same to the Board.



Report of the Audit Committee

- iv. Reviewed and approved the extent and nature of non-audit services that can be carried out by the external auditor and ensured 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, and moderating services at general meetings. These are not considered prohibited non-audit services under the Company's Policy on External Auditor. The audit and non-audit fees paid are disclosed in the Additional Compliance Information on page 145.
- 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 approved.

Assessment of the external auditors' independence and objectivity is performed on an annual basis anchored on a set of criteria set out in the Company's Policy on External Auditor which can be found on the Company's website at https://duopharmabiotech.com/esg/governance-and-policies/

The assessment of the external auditor also considers information presented in the audit firm's Annual Transparency Report including its 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. Reviewed the written assurance from the External Auditors that confirmed 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. Oversaw the performance and effectiveness of the Internal Audit function based on the approved key performance indicators, assessed the competency and experience of the Group Internal Audit ("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 of processes and operations.
- v. Monitored the corrective actions taken by Management to ensure all internal audit issues and concerns were adequately addressed within the stipulated timeline.
- vi. Held private meetings and discussions with Head of the GIA on significant audit and internal control matters.
- vii. Reviewed and approved Duopharma Biotech's 2025 Internal Audit Plan and Operational Budget, GIA Scorecard 2024 and Proposed Scorecard 2025.
- viii. Reviewed and Approved the Duopharma Biotech Berhad Group Internal Audit Strategy 2025 - 2027.

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 2023. 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.

E. Strategic and Litigation Matters

- Reviewed and recommended the recapitalisation of two subsidiary companies.
- Monitored the progress and deliberated on the way forward for Duopharma Biotech's strategic projects and litigation cases.

Report of the Audit Committee

F. Other Related Matters

 Reviewed and endorsed the COI Framework for approval of the Board to ensure that COI situations are handled appropriately, promoting transparency and fostering a culture of honesty, accountability and good governance within the Group.

Our Governance

- Pursuant to the COI Framework, reviewed and reported to the Board on whether there was any COI or potential or perceived COI identified.
- iii. In accordance with the Related Party Transaction Framework adopted by the Company, reviewed related party transactions and recurrent related party transactions entered into by Duopharma Biotech and its Group and the disclosure of such transactions in the annual report.
- iv. Reviewed and recommended to the Board for approval dividends to be declared to the shareholders of Duopharma Biotech.
- Reviewed and monitored the Finance function of Duopharma Biotech as advocated by the MCCG and provided input on the improvement of processes and operations.
- vi. Reviewed and recommended to the Board for approval the Directors' and Officers' Liability Takaful in accordance with provisions under Section 289 of the Companies Act 2016.

Internal Audit Function

(1) Roles and Responsibilities

The AC is supported by the GIA in the discharge of its duties and responsibilities. Internal Audit is responsible for providing independent assessments of compliance with existing laws/regulations, policies and procedures, as well as reviewing the adequacy and effectiveness of the risk management systems, internal controls and governance processes. The purpose, authority and responsibilities of the internal audit function are stated in the Internal Audit Charter, which is approved by the AC. The internal audit function is also 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 the Group's key risks.

(2) Reporting Line

The Head of GIA reports directly to the AC to promote independence and to enable it to maintain objectivity in rendering unbiased judgements. The profile of the Head of the GIA is set out on page 94 of this Annual Report.

(3) Audit Planning and Work Done

In 2024, the GIA issued 14 audit reports which covered operational and ad-hoc matters, including:

- Recurrent Related Party Transactions Compliance Review,
- ii. Kelab PETIRR Duopharma (financial & compliance),
- iii. Sustainability Statement Assurance Review for the 2023 Sustainability Report (limited review).
- iv. Cyber Security Risk & Control Assessment,
- v. Ethical Classic Business.
- vi. Audit on Purchasing (Raw Materials and Packaging Materials),
- vii. Review of DB Philippines Inc.,
- viii. Government Business,
- ix. Special Review on Payroll,
- x. Finished Goods Forecasting and Inventory Management,
- xi. Follow-Up on Trademark Audit, and
- xii. Audit on Group Human Resources Management (excluding payroll / admin & security).

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.

(4) Internal Audit Cost

The total expenditure incurred by the GIA function for the financial year was estimated at RM817,797.32.

Further details of the activities of the Group GIA are set out in the Statement on Risk Management and Internal Control on pages 133 to 144 of this Integrated Annual Report.

Report of the Nomination and Remuneration Committee



KEY ROLES

The NRC assumes responsibility for the following duties on behalf of the Board:

- The nomination and appointment of Board members and Senior Management of Duopharma Biotech and its subsidiaries
- The Board evaluation process, induction and training programmes, remuneration and human resources function



The roles and responsibilities of the NRC are set out in its Terms of Reference which can be found on the Company's website at https://duopharmabiotech.com/esg/governance and policies/

MEMBERSHIP AND ATTENDANCE

The attendance of each Nomination and Remuneration Committee ("NRC") member during the year is as follows:

Dato' Eisah Binti A. Rahman

Chairman, Senior Independent Non-Executive Director

Meetings Attended



Dato' Dr Zaki Morad Bin Mohamad Zaher

Member, Independent Non-Executive Director

Meetings Attended



Encik Mohd Haris Bin Mohd Arshad

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

Meetings Attended



Puan Amizar Binti Mizuar

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

Meetings Attended



SUMMARY OF WORK DONE IN 2024

A. Nomination-Related Matters

- i. Evaluated, assessed and recommended to the Board the re-designation of Datin Paduka Kartini Binti Hj. Abdul Manaf as the Non-Independent Non-Executive Chairman of Duopharma Biotech in place of the previous Chairman who retired after the conclusion of the Annual General Meeting 2024.
- ii. Evaluated, assessed and recommended to the Board the appointment of the following Directors:
 - (a) Encik Mohd Haris Bin Mohd Arshad as a Non-Independent Non-Executive Director
 - (b) Encik Muhammad Shukri Bin Ismail as the Alternate Non-Independent Non-Executive Director for Encik Mohd Haris Bin Mohd Arshad
 - (c) Puan Nik Fazila Binti Nik Mohamed Shihabuddin as an Independent Non-Executive Director
- iii. Evaluated, assessed and recommended to the Board the re-appointment of the Non-Board Members of the Medical and Research Committee.
- iv. Reviewed and recommended the composition of the Board Committees of Duopharma Biotech.
- v. Reviewed and recommended changes to the leadership team structure and implementation plan.
- vi. Evaluated and reviewed the proposed succession to Key Senior Management positions.

Report of the Nomination and Remuneration Committee

vii. Reviewed and recommended a new contract of employment for the Group Managing Director that would see him continue in that position until the end of December 2025 to facilitate a smooth and effective chief executive leadership transition for the Company in 2025.

Our Governance

- viii. Reviewed updates on Human Resources ("HR") related matters, including the results of the Employee Engagement Survey 2023.
- ix. Ensured that all Directors undertook appropriate continuing education programmes to keep abreast with developments in related industries and changes in relevant statutory requirements.
- x. Reviewed the progress of Duopharma Biotech's talent updates and successors planning for the Management, including calling for selected talents to present themselves to the NRC for its assessment and engagement with talents.
- xi. Reviewed and recommended the Labour Rights Policy for the Board's approval.
- xii. Reviewed and recommended the Board Performance Assessment ("BPA") 2024 for the Board of Directors, Board Committees, Individual Directors and Independent Directors by an external consultant; and reviewed the outcomes and recommendations of the BEE 2024 for the Board's adoption.
- xiii. Reviewed and recommended the retirement by rotation of Directors and the re-election of those eligible in accordance with the Company's Board Charter and Practice 5.5 of the MCCG.
- xiv. Reviewed the Annual Declaration and Due Diligence, which includes the assessment of Fit and Proper and Conflict of Interest of the Board of Directors of Duopharma Biotech and its subsidiary companies.
- xv. Reviewed and recommended the Corporate Representatives of Duopharma Biotech and its subsidiary companies for the Board's approval.

- xvi. Reviewed and deliberated the Succession Plan Framework for Non-Executive Directors, including the updated Board Needs Analysis; and the engagement of an independent search firm for external sourcing of candidates to succeed Directors retiring pursuant to the said framework.
- xvii.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

- Reviewed the Directors' remuneration for shareholders' approval at the Annual General Meeting of the Company in 2024.
- 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 Berhad.
- iv. Reviewed and recommended to the Board the Medical Coverage for the Board of Directors of Duopharma Biotech Berhad.
- Reviewed and recommended the contribution by Directors and Officers towards Premium for Directors and Officers Liability Takaful.
- vi. Reviewed and recommended the renewal of the Directors and Officers Liability Takaful.
- vii. Reviewed and recommended the Benefits Review for employees of regional subsidiaries.
- viii. Reviewed and recommended Harmonisation of Annual Leave Policy for Contract Employees.

C. Annual Report Matters

Reviewed and recommended the Report of the NRC for inclusion in the Integrated Annual Report 2023.

Report of the Risk Management Committee



MEMBERSHIP AND ATTENDANCE

The Risk Management Committee comprised three (3) members at the end of the financial year 2024, comprising exclusively Non-Executive Directors which was an adoption of Step Up 10.3 of the MCCG.

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

Datuk Mohd Radzif Bin Mohd Yunus

Chairman, Non-Independent Non-Executive Director

Meetings Attended



Puan Zaiton Binti Jamaluddin

Member, Independent Non-Executive Director

Meetings Attended



Datuk Nik Moustpha Bin Haji Nik Hassan

Member, Independent Non-Executive Director (Appointed on 7 June 2024)*

Meetings Attended



Datin Paduka Kartini Binti Hj. Abdul Manaf

Member, Independent Non-Executive Director (Resigned as Member on 6 June 2024)*

Meetings Attended



Note

* Datuk Nik Moustpha Bin Haji Nik Hassan was appointed as a member of the RMC effective 7 June 2024 following the resignation of Datin Paduka Kartini Binti Hj Abdul Manaf as a member in view of her redesignation as the Non-Independent Non-Executive Chairman effective 7 June 2024

KEY ROLES

The RMC assumes responsibility for the following duties, on behalf of the Board:

- · The risk oversight function
- · The investment oversight function
- The integrity oversight function



The roles and responsibilities of the RMC are set out in its Terms of Reference, which were updated and approved by the Board during the period under review. The updated Terms of Reference can be found on the Company's website at https://duopharmabiotech.com/esg/governance-and-policies/

SUMMARY OF WORK DONE IN 2024

A. Risk Management-Related Matters

- Reviewed the status report of risk management activities for the year to ensure that all the planned activities for the Group were carried out properly.
- Reviewed the summary of the risk assessment report prepared by the Group Risk Management and Integrity ("GRMI") Department.
- iii. Monitored the status of mitigation actions taken by Management to ensure all risk management issues and concerns were adequately resolved on a timely basis.
- iv. Reviewed the amendments to the Risk Management Framework for a more comprehensive risk management process that aimed to enhance the Company's ability to address emerging threats.
- v. Monitored Duopharma Biotech Group's cybersecurity projects that reflected the Company's continuous concerted efforts and initiatives to enhance the Group's overall cybersecurity posture and to address identified issues by adopting a robust cybersecurity strategy, immediate rectification works towards improving its cybersecurity rating and fortifying its defence against future cyber threats.
- vi. Reviewed and recommended the Key Performance Indicators for the Head of GRMI for the year 2024.
- vii. Reviewed geopolitical conflicts and their impact on the global economy, supply chain and Duopharma Biotech's business operations.
- viii. Reviewed the impact, potential threat and opportunities arising from the government's Budget 2024 and Budget 2025 and plans to address the identified risks/ opportunities.

Report of the Risk Management Committee

ix. Closely monitored and reviewed the project planned at the existing K2 building at the Company's Klang manufacturing site to understand the Company's potential risk exposures and develop appropriate strategies to mitigate them.

Our Governance

x. Reviewed a high-level risk assessment conducted on the Business Continuity Plan ("BCP") at the Group level in order to determine its effectiveness and the Company's preparedness in managing potential crises and the effectiveness of the BCP.

B. Governance-Related Matter

Notation of the amendments to the Terms of Reference of the Risk Management Committee as approved by the Board.

C. Annual Report Matters

- i. Reviewed and recommended the Report of the RMC for inclusion in the Integrated Annual Report 2023.
- ii. Reviewed the SORMIC prior to approval by the Board for inclusion in the Integrated Annual Report 2023. 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 and the external auditors' review statement.

D. Project, Investment and Strategy-Related Matters

- Reviewed and recommended to the Board of Directors proposals on the implementation of projects, annual budget and operating plan, including M&As for the year 2024.
- ii. Reviewed and recommended Duopharma Biotech's 10-year Strategy (Proposed 5-year Implementation Plan), which outlines the direction the Group may take during the period 2024 to 2028 after assessing the opportunities and challenges the Group might face moving forward.
- iii. Reviewed the Group's 2025 Annual Budget Review and Operational Plan from the risk perspective.

E. Integrity-Related Matters

- i. Reviewed Duopharma Biotech's Annual Governing Body Review on the ISO 37001:2016 ABMS.
- Reviewed the status of the Integrity & Anti-Corruption Initiatives, ABMS ISO:37001:2016 Recertification Integrity Structure, and Integrity Initiatives Dashboard.

- iii. Reviewed and recommended the Proposed Revision of the Anti-Bribery and Anti-Corruption ("ABAC") Policy and related policies.
- iv. Reviewed and recommended the Revision of the Whistleblowing Preliminary Evaluation & Internal Investigation Procedure.

GROUP RISK MANAGEMENT & INTEGRITY FUNCTION

(1) Roles and Responsibilities

GRMI bears the responsibility for continuously reviewing, developing and coordinating Duopharma Biotech's Risk Management Framework; preventing, dealing with, and combating bribery and corrupt activities; and ensuring the risk management and integrity processes are implemented across the entire organisation.

(2) Key Work Done in FY2024

- Independent assessment and risk reports issued for projects, capital expenditure and investment proposals.
- Reviewed and revised the Enterprise Risk Management Framework.
- Organised awareness training/talks by MACC for Business Associates and employees on Anti-Corruption.
- Reviewed the quarterly reporting on the Group's Key Risk Profile (including for regional companies) highlighting key risks potentially impacting the Group, new potential key risks, and updates to the risk assessment.
- Managed the ISO 37001:2016 ABMS internal compliance review on all business functions across the Group and attended to all findings raised, ensuring successful outcomes of the surveillance audit conducted by SIRIM QAS for maintenance of the ABMS certification.
- Assessed and finalised the Corruption Risk Management profiles across the Group to determine the risk exposure, corruption risk level and appropriate mitigating strategies.
- Attended to whistleblowing cases which were investigated and reported in line with the Whistleblowing Policy and Whistleblowing Investigation Procedure.
- 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 MACC's E-Sistem Tapisan Keutuhan ("ESTK"), a tool for background assessment on employees and directors before allowing them to join or be appointed to the Group.
- Update the Malaysian Anti-Corruption Commission's Bahagian Pengurusan Integriti Agensi ("BPIA"), twice a year, on Company information and initiatives to combat corruption.

Report of the Halal and Sustainability Committee



MEMBERSHIP AND ATTENDANCE

The attendance of each Halal and Sustainability Committee member during the year is as follows:

Datuk Nik Moustpha Bin Haji Nik Hassan

Chairman, Independent Non-Executive Director

Meetings Attended



Datuk Mohd Radzif Bin Mohd Yunus

Member, Non-Independent Non-Executive Director

Meetings Attended



Encik Mohd Haris Bin Mohd Arshad

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

Meetings Attended



Puan Amizar Binti Mizuar

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

Meetings Attended



KEY ROLES

The Committee assumes responsibility for the following duties, on behalf of the Board:

- The Group's Halal Pharmaceuticals Agenda ("HPA")
- The Group's sustainability matters



The roles and responsibilities of the HSC are set out in its
Terms of Reference which can be found on the Company's website at
https://duopharmabiotech.com/esg/governance-and-policies/

SUMMARY OF WORK DONE IN 2024

A. Strategy and Conformance to Halal Standards

- Monitored the status of the Company's halal-certified manufactured products in accordance with the Malaysian Standard MS 2424, Halal pharmaceuticals

 General requirements, and the Malaysia Halal Certification by JAKIM.
- Reviewed and deliberated on critical aspects of industry, business sustainability and halal strategies to ensure business sustainability.
- iii. Provided directives to assess the halal pharmaceutical market size and determine the Company's halal pharmaceutical market value in establishing the baseline for future growth.
- Evaluated and monitored the effectiveness of various halal initiatives.

B. Organisational Core Resources and Capabilities

 Provided oversight and recommended the alignment of the proposed Halal Key Performance Indicators ("KPIs") for 2024.

Report of the Halal and Sustainability Committee

ii. Reviewed and assessed the Company's attainment of the 2023 KPIs.

Our Governance

iii. Monitored and reviewed reports on Duopharma Biotech Halal Initiatives 2024 and Recommendations for 2024 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.
- ii. Deliberated, recommended and assessed the Company's halal promotional programmes completed in 2024.
- iii. Reviewed and provided guidance on selecting key opinion leaders and key influencers to support the Company's halal pharmaceutical awareness and other intitiatives.
- iv. Deliberated and monitored research and development on industry-driven issues related to halal pharmaceuticals by science-based and Shariah academicians and research institutions.
- v. Reviewed and provided guidance in relation to Malaysia's halal policy landscape focusing on the Dasar Halal Negara (National Halal Policy) 2025-2035.

D. Sustainability / ESG-Related Matters

i. Reviewed progress on sustainability reporting and FTSE4Good, including updates on establishing the Group's GHG baseline, Carbon Check, Sustainable Development Goals Index verification for the Sustainability Report 2024, and the 5-Year ESG Strategy.

- ii. Reviewed and recommended the Sustainability Report 2023.
- iii. Reviewed and recommended the Company's ESG Reporting Data for the financial year 2023.
- iv. Deliberated, recommended and monitored Company's 5-Year EEP that outlines a strategic approach and key initiatives to support the Company in meeting its ambitions of carbon neutrality by 2030 and net zero carbon emissions by 2050.
- v. Monitored the Company's ESG Strategy and roadmap to ensure good governance across the Company's five (5) ESG key focus areas, i.e., Climate Performance, Sustainability Chain, Access to Medicine, Diversity & Inclusion, and Governance.
- vi. Reviewed and monitored reports and the Group's compliance with requirements relating to Safety, Health and Environment.
- vii. Monitored the Company's sustainability commitments in accordance with the Malaysian Code on Corporate Governance 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 Main Market Listing Requirements.

E. Annual Report Matters

Reviewed and recommended the Report of the HSC for inclusion in the Integrated Annual Report 2023.



Report of the Medical and Research Committee



MEMBERSHIP AND ATTENDANCE

The attendance of each Medical Research Committee ("MRC") member during the year is as follows: Dato' Dr. Zaki Morad Bin Mohamad Zaher Chairman, Independent Non-Executive Director **Meetings Attended** Dato' Eisah Binti A. Rahman Member, Senior Independent Non-Executive Director **Meetings Attended** Dato' Dr. Mohamed Ibrahim Bin A. Wahid Member **Meetings Attended** Dr. Ng Wai Kiat Member **Meetings Attended** Dr. Radhakrishna Sothiratnam Member **Meetings Attended** Datuk Dr. Zanariah Binti Hussein Member **Meetings Attended**

KEY ROLES

The Committee provides the Board with advice on clinical uses and relevant professional matters related to pipeline products, other than providing advice on developments in healthcare that may impact the Company's products.



The roles and responsibilities of the MRC members are set out in its Terms of Reference which can be found on the Company's website at https://duopharmabiotech.com/esg/governance-and-policies/

SUMMARY OF WORK DONE IN 2024

A. Medical and Research-Related Matters

- i. Evaluated and deliberated on information provided by the Management regarding the Group's strategies and ongoing projects, including insights shared by a key opinion leader on the proposed pipeline. Feedback and recommendations were provided on project pipelines in relation to the Company's strategic direction.
- ii. Assessed and deliberated updates from Management on the Group's research and development activities, as well as offered recommendations to enhance the product pipeline, considering emerging trends in diseases and treatments.
- iii. Deliberated and provided guidance on issues and queries from the Company's key departments across various therapeutic areas, such as diabetes, oncology, renal, vaccines, cardiovascular, respiratory medicines, biosimilars and stem cells. Recommendations and feedback were provided to strengthen business strategies and market competitiveness.

B. Annual Report Matters

 Reviewed and recommended the Report of the MRC for inclusion in the Integrated Annual Report 2023. **Our Governance**

Statement on Risk Management and Internal Control

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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 ("MCCG 2021").

A. 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, environmental 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 RMC and the 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 includes:

- (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 Enterprise Risk Management Framework periodically and considering the adoption of best practices based on the Group's corporate governance.

B. 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, namely the Group Risk Management and Integrity Department ("GRMI"), that provides risk and integrity advisory and supports the Board and the Executive Risk Management Committee ("ERMC") in all business matters.

Integrated Annual

Report 2024

Risk Management

(i) Enterprise Risk Management Framework

The Group's Risk Management Manual and Guidelines, which comprises the ERM Framework, has been renamed to 'Enterprise Risk Management Framework' ("ERMF"). The ERMF 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. The ERMF is aligned with the internationally-recognised ISO31000:2018 Risk Management Principles and Guidelines to define our enterprise risk management 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 Key Risk Areas, but not limited to Emerging, Strategic, Operational, Financial, and Project risk categories. It can be further expanded into several other relevant categories such as Technological, Market, Environmental, Social & Governance ("ESG"), Cybersecurity, Climate-related etc.



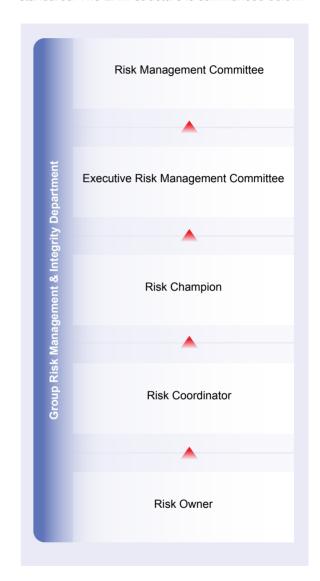
The RMC receives reports from members of the ERMC, which is chaired by the GMD and comprises the Group Management Committee ("GMC"). The ERMC is assisted by Risk Champions consisting of Heads of Department and Senior Managers at all sites whose role is to identify, mitigate and manage risks within their 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.

(ii) Three Lines of Defence



The first line of defence comprises Management, who control 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.

The GRMI facilitates, coordinates, monitors and assesses the effectiveness of the ERMF 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 heat map to ensure consistency in risk practices throughout the Group.

C. KEY DEVELOPMENTS IN FINANCIAL YEAR 2024

Group Key Risk Profile

The Duopharma Biotech Group continues to review and reassess its risks to determine and respond to the dynamic business environment. Key risk areas which are impacting its business such as Emerging, Strategic, Business, Operational, Financial and Project have been expanded to include several other relevant categories such as Technological, Market, ESG, Cybersecurity and Climaterelated risks. These risks are continuously reviewed, profiled, monitored and reported. During the year, the risk profile at the Group level continues to highlight specific operational and strategic key risks within respective key risk areas which are residually significant and impact the Group under the present environment across the horizon.

Key emerging risks in 2024 included the strengthening of the United States ("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, and Bank Negara's overnight policy rate increase to 3% (highest since 2019). 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, 2024 also saw the implementation of the new 10-Year 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 Biotech within the Top 5 among ASEAN's pharmaceutical players by 2033. Recognising the importance of a solid foundation, the development of the strategy first involved a comprehensive assessment of the Company's risks. This risk understanding was critical in shaping the strategic direction, ensuring that potential challenges are identified and addressed before defining the business goals. The Strategy was approved by the Board on 30 November 2023. The progress is monitored through the establishment of a Corporate Strategy Taskforce consisting of key personnel required for its success who are also tasked with overseeing the ongoing risk landscape to ensure the strategy's resilience and adaptability.

Regional Subsidiaries Risk Profile

As part of the efforts to ensure that adequate risk assessment had been implemented across all business segments, GRMI, in collaboration with the business unit's risk coordinator and risk champion, have conducted a review on the Company's regional subsidiaries, which include Duopharma (Singapore) Pte. Ltd., DB (Philippines) Inc. and PT Duopharma Healthcare Indonesia, with the objective to determine the key risks affecting the Company for the reporting period. The risk profiles are reported on a quarterly basis to the respective subsidiary Company's board for approval and subsequently updated to the RMC and the Company's Board.

Revision of ERMF

In 2024, GRMI conducted an exercise to benchmark existing guidelines against ERM Framework of other public listed companies. This exercise identified several areas of improvement which were subsequently proposed for incorporation into the existing document. These proposed amendments were intended to ensure the framework's information reflects current structures and processes and to enhance its overall comprehensiveness. The revised ERMF was approved by the Board on 8 November 2024.

Project Risk Assessment

During 2024, Duopharma Biotech implemented various projects aimed at increasing productivity and efficiency, improving standards compliance, and achieving quality enhancements. Project-related risks were thoroughly assessed in collaboration with stakeholders both from operations and commercial functions. Corresponding control and mitigation plans were subsequently identified, implemented, monitored and documented within the risk register, in accordance with established Standard Operating Procedures ("SOPs").

Diligent One - Risk Management System

GRMI continues to optimise the usage of Diligent One (previously known as Highbond) in managing the risk profiles and registers data across the Group. Diligent One is an enterprise governance software platform that strengthens security, risk management, compliance and assurance. This risk management system enables the Group to utilise a single risk repository to capture more accurate risk data, enhance the risk dashboard and facilitate access to real-time risk information. Throughout the year, various features within the system have been explored and implemented to add value in managing the risk data effectively.

Risk Awareness Sessions

During the year under review, several risk briefing sessions were conducted for onboarding employees, existing staff and project champions. 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 ERMF, they were also briefed on the Diligent One system where the risk data is registered.

A training programme on Key Risk Indicators ("KRIs") was conducted for internal key stakeholders. The training focused on the significance of KRIs in risk management, the benefits of implementation and its application.

The Risk team is committed to continuously enhancing its approach focusing on key areas outlined in the ERMF. The Risk team will engage with respective risk owners to address any gaps in their understanding on the subject. Additionally, the Risk team will continue to enrich the risk management resources and information in the Company's intranet and MyDuopharma Learning platform, including highlighting the development made to the Risk portfolios.

All the abovementioned key developments demonstrate the continuous initiatives undertaken by the Company in ensuring effectiveness of the risk management process and system that the Company has in place, including the credibility of the control measures and mitigation strategies implemented in avoiding the major pitfalls and all these shall be substantiated by the key risk indicators.

D. INTERNAL CONTROL SYSTEM

Key Elements of the Group's System of Internal Controls

(i) Oversight by the Audit Committee

The Audit Committee is responsible for the effective management of the Board's financial reporting, external and internal audits, and matters related to ad-hoc requests, including advisory, consulting and investigations, excluding whistleblowing related matters. Minutes from the AC meetings are presented to the Board on a quarterly basis.

The Board oversees the effectiveness of internal controls, while Management is accountable to the Board for establishing an internal control framework that gives the Board reasonable assurance that the control objectives are met. The AC reviews and approves the annual internal audit plan, with the frequency of audits determined by the assessed level of risk. The Group Internal Audit Department evaluates the effectiveness of the internal control system in managing key risks and reports its findings to the AC quarterly. It also 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 outlined in the Annual Internal Audit Plan, as well as the auditor's authority and access as defined in the Internal Audit Charter, ensuring that the Internal Auditor has adequate resources to perform effectively in accordance with the Global Internal Audit Standards.

The TOR of the AC regarding its oversight responsibilities are incorporated into the Board Charter, which is available 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 reviewed and selected TORs revised. During the year under review, the Board reviewed the RMC's TOR and approved an amendment to the investment oversight, namely

the post-expenditure review timeline for capital expenditures, projects and investment proposals to facilitate effective project management.

Our Governance

At present, the committees that have been established are the AC, RMC, Nomination and Remuneration Committee, Halal and Sustainability Committee and Medical and Research Committee.

(iii) Review of Compliance with the MCCG 2021 and the Recurrent Related Party Transactions ("RRPT") for the Financial Year Ended 31 December 2024

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 2024 was conducted in December 2024 and the outcome was reported to the AC.

(iv) Adoption of Conflict of Interest Framework

Pursuant to the amendment to Bursa Malaysia Securities Berhad's Main Market Listing Requirements that imposed the obligation on the AC to review and report to the Board any conflict of interest situation that arose, persist or may arise together with the measures taken to resolve, eliminate or mitigate such conflicts, the Board had on 15 August 2024 approved the adoption of a Conflict of Interest Framework with the objective to ensure that COI situations are handled appropriately, promoting transparency and foster a culture of honesty, accountability and good governance within the Group. Such COI situations (if any) together with the measures taken to resolve, eliminate or mitigate such conflicts would be disclosed in the AC report in the Company's annual report.

Revised Policy on Beneficial Ownership and **Revised Management and Monitoring Framework**

The Board of Duopharma Biotech Berhad had on 15 August 2024 approved the revisions to the Company's Policy on Beneficial Ownership Reporting. The revised policy incorporated the relevant amendments made to the Companies Act 2016 in relation to beneficial ownership reporting that came into force in 2024, as well as the requirements under the revised Guidelines for the Reporting Framework for Beneficial Ownership

of Legal Companies issued by the Companies Commission of Malaysia ("Suruhaniaya Syarikat Malaysia" or "SSM") in 2024. Pursuant thereto, the Company has updated its register of beneficial owners accordingly and submitted the required submissions to SSM within the time prescribed by SSM.

The Board had on 15 August 2024 also reviewed Duopharma Biotech Berhad's Management & Monitoring Framework and approved minor revisions to incorporate references to the Company's Directors' Code of Ethics and other relevant policies that had been adopted by the Company.

(vi) 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 AC conducts an annual review of the Group Finance Department. The most recent review, conducted in August 2024. 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.

(vii) Assignment of Authority and Responsibility

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

(viii) Insurance and Physical Safeguards

Appropriate safeguards and adequate annual takaful / insurance assessments 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.

(ix) Planning, Monitoring and 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.

(x) Policies & Procedures

Internal policies and procedures are in place to ensure compliance with internal controls. These policies and procedures are formalised and integral to the electronic Quality Management Systems. Periodic reviews ensure 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.

(xi) Information Technology ("IT") and Cybersecurity

Duopharma Biotech is committed to proactively managing IT risks through the robust ERMF that aligns with industry best practices and regulatory standards. This framework helps us identify, assess and mitigate risks related to technology, systems and data, including cyber threats, system failures and operational disruptions. Our risk management approach includes continuous monitoring, risk assessment and effective

mitigation strategies to ensure the security, availability and integrity of IT resources, while minimising the impact on business continuity.

Equally important is our internal control systems, which ensure the confidentiality, integrity and availability of our information systems. These internal control systems integrate measures like access management, system monitoring, change management, data integrity checks and regular audits. Duopharma Biotech adheres to international standards and regulatory requirements, including International Organization for Standardization ("ISO") 27001, IT Infrastructure Library, Guidance 10.2, Guidance 10.3 and Practice 13.3 of MCCG 2021, the Malaysia Cybersecurity Act 2024, and Good Manufacturing Practice. Duopharma Biotech continuously assesses and improves these controls to stay ahead of emerging threats and technology advancements, ensuring our IT operations remain secure, efficient and compliant.

In 2024, Duopharma Biotech made strategic investments in technology, infrastructure and cybersecurity, all aimed at enhancing operational efficiency, strengthening security, and driving productivity improvements.

1. Efficiency and Productivity Improvement Projects

a) SAP Automation of Routine Tasks

To streamline operations and reduce manual workloads, key tasks were automated within our SAP systems. Key initiatives include:

- E-Invoice Integration with Inland Revenue
 Board of Malaysia: Automating e-Invoice
 submissions for B2B, B2C and B2G
 transactions, ensuring real-time compliance
 with tax regulations.
- SAP Hybris Cloud (Customer Relation Management): Enabling sales teams to efficiently manage customer opportunities, particularly in contract manufacturing and export projects.
- SAP Hybris Cloud (Customer Relation Management): Integrating a helpdesk platform that automates service request routing, enforces Service Level Agreements, and provides real-time performance analytics.

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b) User Training Programmes

Training on SAP modules were conducted for employees to reduce the risk of human error and improve operational efficiency.

Our Governance

c) Virtual Dashboard Reporting with Tableau

Tableau for Data-Driven Decision-Making ("DDDM") was implemented, providing real-time insights to align with Duopharma Biotech's business objectives. Key projects include:

- IT: Tracking software licenses and SAP user authorisations.
- Manufacturing & Planning: Monitoring stock levels, production output and capacity utilisation.
- Sales & Marketing: Analysing sales performance and marketing effectiveness.

2. Infrastructure Upgrades

a) Hardware and Software

Investment in the latest hardware and software were made to maintain a high-performance, scalable and secure IT infrastructure.

b) Data Backup and Recovery

Data backup and recovery systems was enhanced to ensure business continuity, minimising downtime in the event of data loss or system failures.

3. Cybersecurity Enhancements

Aligned with Guidance 10.2 of MCCG 2021, Duopharma Biotech implemented the following cybersecurity enhancements:

- Regular Security Audits: Ongoing audits to identify vulnerabilities and strengthen our defence against evolving threats.
- Data Leak Protection: Real-time alerts for Heads of Department to flag sensitive data sent to external parties, reducing the risk of unauthorised exposure.

Statement on Risk Management and Internal Control

- Access Control: Enforcing role-based access control, multi-factor authentication, and regular audits of user access logs.
- Change Management: Ensuring that all updates to IT infrastructure are thoroughly reviewed, tested and documented to prevent system disruptions.
- Penetration Testing: Annual penetration testing to identify and resolve cybersecurity vulnerabilities.
- Operating System Upgrades: Regular upgrades to the latest versions of Windows and other operating systems, applying necessary patches and firmware updates to enhance security.
- User Training Programmes: Comprehensive cybersecurity awareness programmes to foster secure online behaviours and mitigate risks associated with human error.

These strategic initiatives in 2024 aimed to enhance operational efficiency, bolster cybersecurity defences, and support data-driven decision-making. Duopharma Biotech's investments underscore its ongoing commitment to secure reliable IT services while safeguarding the organisation from emerging risks.

Duopharma Biotech remains focused on improving its systems, strengthening security, and driving productivity. As the Company evolves, inquiries and feedback from stakeholders are welcomed regarding our IT initiatives.

(xii) Sustainability Management

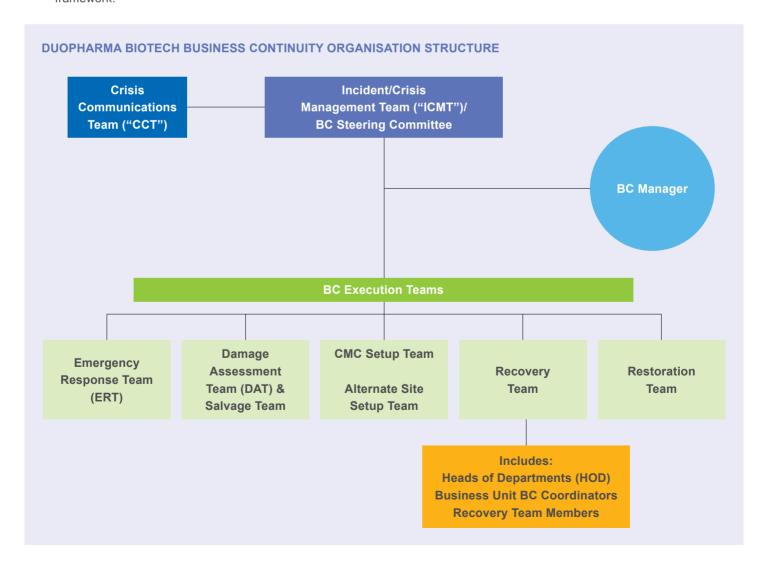
Duopharma Biotech Berhad is deeply committed to become a Responsible Pharmaceutical Company that delivers sustained, long-term value to our stakeholders. Sustainability at Duopharma Biotech is governed by our Board of Directors and dedicated Board Committee, namely the Halal and Sustainability Committee that plays a key role in overseeing the implementation and effectiveness of the strategy every quarter. Updates of ESG Strategy and initiatives were also reported to the GMC monthly, and deliberated at the Sustainability Management Council quarterly. At the operational level, the Sustainability Department is responsible for coordinating the implementation of the ESG Strategy, collaborating with all departments to monitor progress and performance.

Our sustainability commitments and initiatives are driven by our 5-Year ESG Strategy which is built around five (5) key focus areas; Climate Performance, Sustainable Supply Chain, Access to Medicine, Diversity & Inclusion, and Governance. Each key focus area addresses material sustainability issues, ensuring we effectively manage environmental, social and governance-related risks. We have strengthened our climate risk management by identifying potential physical and transition climate risks that may impact our operations, which are logged in our ERM system for quarterly monitoring and review. To further reinforce our commitment, ESG-related KPIs have also been incorporated into the performance metrics at the Group level.

Further information can be found in our standalone Sustainability Report 2024.

Business Continuity Management ("BCM")

BCM is a strategic framework designed to ensure the continuity of essential organisational functions during and after disruptions, including natural disasters or cyberattacks. At Duopharma Biotech, designated business units have established documented procedures to address continuity requirements, encompassing the Business Impact Analysis ("BIA") and Business Continuity Plan ("BCP"). In November 2024, Duopharma Biotech conducted a hybrid business continuity exercise to test and validate its response and recovery plans. The insights gained from this exercise will guide enhancements to Duopharma Biotech's BCM framework.



Statement on Risk Management and Internal Control

(xiii) Human Resource Management

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 and revises our salary band and 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 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 16 October to 29 October 2024 attracted a strong participation from 85.5% of the respondents and showed a result of 81% engaged workforce.

(xiv) Group Internal Audit

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 the GIA conducts follow-up audits 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.

(xv) Integrity Function and Anti-Corruption Culture

Duopharma Biotech has established an independent integrity function to manage corruption risks and assess the effectiveness of internal controls. The Company operates in line with ISO 37001:2016 Anti-Bribery Management System ("ABMS") to promote ethical practices and prevent bribery. Quarterly reports on integrity status are presented to the RMC.

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

a) Anti-Corruption and Integrity Programmes

Duopharma Biotech received ISO 37001:2016 ABMS certification across its subsidiaries without any major non-conformities for the surveillance audit conducted by a certification body, SIRIM QAS International Sdn. Bhd.

In completing its Organisational Integrity and Anti-Corruption Plan for 2024 Duopharma Biotech executed 23 initiatives aimed at reinforcing ethical operations and aligning with national anti-corruption frameworks.

The Company conducts regular corruption risk assessments and ensures compliance with anticorruption laws for all its functions across the Group, including its subsidiaries in Indonesia, Singapore and the Philippines.

b) Key Policies and Procedures

Among the key policies and procedures reviewed and referred together with the stakeholders for the year are as follows:

 Code of Conduct, which emphasises the core values of the Company namely, Passion, Excellence, Teamwork, Integrity, Responsible and Respect ("PETIRR"). Policies include Anti-Bribery and Corruption, Conflict of Interest, and Competition Law.

Statement on Risk Management and Internal Control

- Whistleblowing Policy, whereby employees can report unethical conduct through various secure channels, with protection against retaliation. The reports are handled confidentially. In addition to internal concerns, the policy also extends to third-party suppliers and supply chain partners, recognising the potential risks they pose. Given that some whistleblowing reports have involved third parties, we are committed to ensuring that any unethical conduct within the supply chain is thoroughly investigated. This includes monitoring thirdparty relationships closely, ensuring that suppliers adhere to our ethical standards, and mitigating risks associated with thirdparty conduct.
- iii) Integrity Pact, whereby suppliers and business partners must sign an Integrity Pact, committing to anti-corruption principles.

c) Education and Awareness

Regular awareness and refresher training on ethics and integrity are conducted for employees, including a mandatory briefing on the Malaysian Anti-Corruption Commission Act ("MACC"). The Company engaged and invited speakers from the MACC as well to deliver the talk programme appropriately. Meanwhile, new employees are required to complete an online Ethics, Integrity and Anti-Corruption module.

d) Business Associate Programmes

Duopharma Biotech runs integrity and anticorruption programmes for external business associates, guiding them on identifying and mitigating corruption risks.

e) Declaration of Interest

Employees are required to make submissions via the annual Declaration of Interest Forms to manage potential conflicts of interest and safeguard the organisation's integrity.

f) Integrity Champions

A group of employees from various locations and departments known as Integrity Champions are appointed to promote ethical conduct and serve as role models.

In summary, Duopharma Biotech has adopted a robust set of measures, policies and training programmes to ensure that its operations are conducted with the highest standards of integrity, creating a transparent and corruption-free business environment.

E. 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 2024 up to the date of approval of this statement.

For the financial year 2024, 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 2024.

F. 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 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 2024:

- (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 13 March 2025.

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

Duopharma Biotech had on 24 August 2023 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 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 from the Sukuk Wakalah as at 31 December 2024 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	290,862	-
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	393,000	-

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 2024, 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	72.0	33.0
Group Level	334.0	43.0

The non-audit services and fees for such services 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) Facilitate the online submission of Financial Statements for the financial year ended 31 December 2023 via the Malaysian Business Reporting System (MBRS);
- (ii) Review of Statement of Risk Management and Internal Control for the financial year ended 31 December 2024;
- (iii) Provision of In-house Training on Environmental, Social and Governance (ESG); and
- (iv) 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 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 BIMB from time to time.
Security provided:	NIL

As of 28 March 2025, 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 28 March 2025, 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 28 March 2025, 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, the 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 28 March 2025, EPF through several EPF-related accounts held via Citigroup Nominees (Tempatan) Sdn Bhd controls 8.736% 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 issued Sukuk Wakalah to date is AmBank Islamic Berhad ("Ambank Islamic").

The proceeds from the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme are 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 Permodalan Nasional Berhad 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, EPF is deemed as person connected to PNB pursuant to a commercial arrangement between EPF and PNB in a joint venture company.

As mentioned above, as of 28 March 2025, PNB controls 50.863% and EPF controls 8.736% 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 2024, 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 28 March 2025 and save for the following, 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.

KUALA LUMPUR HIGH COURT CIVIL SUIT NO. WA-22IP-15-02/2025

Description of the action

Sun Pharmaceutical Industries Limited (the "Plaintiff"), a company incorporated in India, commenced a civil suit in the High Court of Malaya against Duopharma Manufacturing (Bangi) Sdn Bhd ("DMfgB") (a wholly-owned subsidiary of Duopharma Biotech), alleging that DMfgB via their use of DMfgB's registered CRYSTORVAS trademark has purportedly infringed the Plaintiff's own registered STORVAS trademark and has also allegedly passed-off DMfgB's pharmaceutical preparation in a tablet form for the use of lowering cholesterol levels and reducing the risk of heart diseases which bears the CRYSTORVAS trademark as goods of the Plaintiff or being associated or connected therewith. The Plaintiff alleged that

DMfgB's registered CRYSTORVAS trademark is similar to the Plaintiff's STORVAS trademark such that it is likely to cause confusion on the part of the public and also that DMfgB has allegedly passed off DMfgB's pharmaceutical preparations bearing DMfgB's registered CRYSTORVAS trademark as goods of the Plaintiff or being associated or connected with the Plaintiff. In addition, the Plaintiff is seeking to invalidate DMfgB's registered CRYSTORVAS trademark. The Plaintiff is also seeking from the Court an injunction to restrain DMfgB (and its directors, officers and agents) from infringing the Plaintiff's registered STORVAS trademark and passing off DMfgB's goods as goods of the Plaintiff, an order for the withdrawal of all goods bearing the CRYSTORVAS trademark and cessation of all usage of CRYSTORVAS by DMfgB, and damages to be determined either by way of an inquiry as to damages or an account of profit of DMfgB.

Present status

The Writ of Summons and Statement of Claim dated 18 February 2025 was served on DMfgB on 19 February 2025. DMfgB filed the Memorandum of Appearance on 26 February 2025. At the Case Management on 10 March 2025, the High Court gave the following directions:

- 1. the Defendant to file its Defence by 4 April 2025;
- 2. the Plaintiff to file its Reply to Defence by 9 May 2025; and
- parties to file interlocutory applications (if any), by 16 May 2025.

The High Court has fixed the next Case Management on 19 May 2025. DMfgB has filed its Defence on 4 April 2025.

Effect of the claims

The Company and DMfgB firmly believe that the registration and use of DMfgB's registered trademark CRYSTORVAS is legitimate and, as such, the Defendant will vigorously contest the Plaintiff's claims to protect its rights.

The Company is of the view that in the event the Plaintiff is successful in its claims against the Defendant, the financial or operational impact resulting from the Plaintiff's claims will be the potential damages, losses and/or injunction arising from the litigation as mentioned above in relation to the use of the CRYSTORVAS mark and/or the manufacture and sale of the goods employing the CRYSTORVAS mark. Other

goods manufactured or sold by DMfgB that do not employ the CRYSTORVAS mark are not expected to be affected by the Plaintiff's claims.

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 6 June 2024. 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 28 March 2025 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 2026, 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 2024, 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 2024.

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, 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 Biotech;
- (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 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.

Driving Financial Strength for a Resilient Future

Through disciplined financial strategies and sustainable growth initiatives, we strengthen our foundation to navigate challenges and seize new opportunities, ensuring long-term value for all stakeholders.

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Our Governance

Directors' Report

For the Year Ended 31 December 2024

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 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 5 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	62,645	29,428

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 RM17,314,886 in respect of the financial year ended 31 December 2023 on 21 March 2024; and
- an interim ordinary dividend of 1.0 sen per ordinary share totalling RM9,619,425 in respect of the year ended 31 December ii) 2024 on 12 September 2024.

The second interim ordinary dividend declared by the Directors on 19 February 2025 in respect of the financial year ended 31 December 2024 is 2.0 sen per ordinary share totalling RM19,238,849. 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 2025.



For the Year Ended 31 December 2024

DIRECTORS OF THE COMPANY

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

Duopharma Biotech Berhad

Datin Paduka Kartini Binti Hj Abdul Manaf Leonard Ariff Bin Abdul Shatar Razalee Bin Amin Zaiton Binti Jamaluddin Dato' Eisah Binti A.Rahman Datuk Nik Moustpha Bin Haji Nik Hassan

Datuk Mohd Radzif Bin Mohd Yunus

Dato' Dr Zaki Morad Bin Mohamad Zaher

Nik Fazila Binti Nik Mohamed Shihabuddin (appointed on 7 June 2024)

Mohd Haris Bin Mohd Arshad (appointed on 20 March 2024)

Muhammad Shukri Bin Ismail

Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir (retired on 6 June 2024)

Amizar Binti Mizuar (resigned on 20 March 2024)

SUBSIDIARIES

Duopharma (M) Sendirian Berhad

Wan Amir-Jeffery Bin Wan Abdul Majid Mohd Idzwan Bin Mohd Malik

Duopharma Manufacturing (Bangi) Sdn. Bhd.

Shamsul Idham Bin A.lahad Seri Azalina Binti Mohd Ghazalli (appointed on 29 November 2024) Feizril Nor Bin Nurbi (resigned on 29 November 2024)

Duopharma Marketing Sdn. Bhd.

Noor Aida Binti Jaafar Mohd Fairuz Khan Bin Pret Khan

Duopharma Consumer Healthcare Sdn. Bhd.

Shamsul Idham Bin A.Iahad Krisnakumara-Reddi A/L Kesava-Reddi (appointed on 20 September 2024) Dato' Dr Anas Bin Alam Faizli (resigned on 20 September 2024)

Duopharma HAPI Sdn. Bhd.

Sabrina Binti Haron Mohamed Shazman Merican (appointed on 20 September 2024) Dato' Dr Anas Bin Alam Faizli (resigned on 20 September 2024)

Duopharma Innovation Sdn. Bhd.

Leonard Ariff Bin Abdul Shatar
Priya Darshini A/P Asokan (appointed on 20 September 2024)
Dato' Dr Anas Bin Alam Faizli (resigned on 20 September 2024)

For the Year Ended 31 December 2024

SUBSIDIARIES (CONTINUED)

Unique Pharmacy (Penang) Sdn. Bhd.

Krisnakumara-Reddi A/L Kesava-Reddi Sabrina Binti Haron

Sentosa Pharmacy Sdn. Bhd.

Chek Wu Kong Priya Darshini A/P Asokan (appointed on 20 September 2024) Dato' Dr Anas Bin Alam Faizli (resigned on 20 September 2024)

Our Governance

Duopharma Manufacturing (Glenmarie) Sdn. Bhd.

Leonard Ariff Bin Abdul Shatar Sabrina Binti Haron

Negeri Pharmacy Sdn. Bhd.

Chek Wu Kong Priya Darshini A/P Asokan

Duopharma (Singapore) Pte. Ltd.

Wan Amir-Jeffery Bin Wan Abdul Majid Shamsul Idham Bin A.lahad Owe Kok Liang

DB (Philippines) Inc.

Wan Amir-Jeffery Bin Wan Abdul Majid Chek Wu Kong Susan M. Chu

PT Duopharma Healthcare Indonesia

Shamsul Idham Bin A.lahad Mohd Idzwan Bin Mohd Malik

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 1.1.2024	Bought/ Received	Sold	At 31.12.2024	
Interests in Duopharma Biotech Berhad: Datuk Mohd Radzif Bin Mohd Yunus	25,293	_	(25,290)	3	

None of the other Directors holding office at 31 December 2024 had any interest in the shares of the Company and of its related corporations during the financial year.

For the Year Ended 31 December 2024

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 2024 are as follows:

	From the Company RM'000
Directors of the Company:	
- Fees	925
- Remuneration	2,821
- Estimated money value of any other benefits	18
	3,764

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

For the Year Ended 31 December 2024

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 RM61,241.

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
- any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount ii) which they might be expected so to realise.

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

Our Governance

- 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
- that would render the value attributed to the current assets in the financial statements of the Group and of the Company ii) misleading, or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the iii) 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:

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

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 2024 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.

For the Year Ended 31 December 2024

SIGNIFICANT EVENT

Refer to Note 27 of the notes to the financial statements.

SUBSEQUENT EVENT

Refer to Note 28 of the notes to the financial statements.

AUDITORS

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

The auditors' remuneration paid or payable to KPMG PLT and local affiliates of KPMG PLT for the financial year ended 31 December 2024 are as follows:

	Group RM'000	Company RM'000
Audit fees		
- KPMG PLT	334	72
Non-audit fees		
- KPMG PLT	16	16
- Local affiliates of KPMG PLT	27	17
	43	33

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

Datin Paduka Kartini Binti Hj Abdul Manaf

Director

Leonard Ariff Bin Abdul Shatar

Director

Kuala Lumpur

Date: 13 March 2025

Our Governance

Statements of Financial Position

Other Information

As at 31 December 2024

		Gro	oup	Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	2	567,521	582,365	4,196	2,784
Investment property	3	1,050	1,050	-	-
Intangible assets	4	44,867	38,802	6,615	6,872
Investments in subsidiaries	5	-	-	474,821	386,121
Other investments	6	22,665	36,907	22,665	36,907
Deferred tax assets	7	15,330	8,946	1,193	850
Trade and other receivables	8	-	-	-	58,102
Total non-current assets		651,433	668,070	509,490	491,636
Inventories	9	248,548	243,068	-	-
Current tax assets		18,104	16,320	2,028	1,817
Trade and other receivables	8	195,203	147,175	244,494	232,628
Cash and cash equivalents	10	264,545	270,502	142,804	211,450
Total current assets		726,400	677,065	389,326	445,895
Total assets		1,377,833	1,345,135	898,816	937,531
Equity					
Share capital	11.1	432,466	432,466	432,466	432,466
Reserves		(78,090)	(64,408)	(79,233)	(64,991)
Retained earnings		354,776	319,065	54,830	52,336
Equity attributable to owners of the Company	11	709,152	687,123	408,063	419,811
Liabilities					
Loans and borrowings	12	464,523	480,902	464,523	480,902
Trade and other payables	13	2,755	1,476	2,341	1,269
Deferred tax liabilities	7	23,418	8,906	_	_
Total non-current liabilities		490,696	491,284	466,864	482,171
Loans and borrowings	12	47,995	65,546	15,662	26,657
Trade and other payables	13	129,250	100,815	8,227	8,892
Current tax liabilities		740	367	-	-
Total current liabilities		177,985	166,728	23,889	35,549
Total liabilities		668,681	658,012	490,753	517,720
Total equity and liabilities		1,377,833	1,345,135	898,816	937,531

Statements of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2024

		Gro	up	Comp	any
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	14	813,695	704,727	70,432	59,002
Cost of sales		(512,157)	(436,401)	-	-
Gross profit		301,538	268,326	70,432	59,002
Other income		427	317	-	-
Distribution and marketing expenses		(118,878)	(103,855)	-	-
Administrative expenses		(83,137)	(78,860)	(35,666)	(34,457)
Reversal of/(Loss on) impairment of financial					
instruments		1,431	(4,099)	-	-
Other expenses		(730)	(3,115)	(418)	(914)
Results from operating activities	15	100,651	78,714	34,348	23,631
Finance income	16	5,965	2,750	19,580	17,836
Finance costs	17	(26,592)	(18,197)	(24,884)	(19,678)
Profit before tax		80,024	63,267	29,044	21,789
Tax expense	19	(17,379)	(10,622)	384	550
Profit for the year		62,645	52,645	29,428	22,339
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		(14,242)	(11,665)	(14,242)	(11,665)
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		560	(228)	-	
		(13,682)	(11,893)	(14,242)	(11,665)
Total comprehensive income/(loss) for the year		48,963	40,752	15,186	10,674
Basic earnings per ordinary share (sen)	20	6.51	5.49		

Our Governance

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2024

Other Information

	•	•	 Attributable to 	o owners of the	Company ——	
	 ■ Note	<u> </u>	on-distributable		Distributable	
		Share capital RM'000	Translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total 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
Contributions by and distributions to owners of the Company						
- Issuance of shares pursuant to Dividend Reinvestment Plan		13,099	-	-	-	13,099
- Dividends to owners of the						
Company	21	-		_	(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 11 1	Note 11.2	Note 11.3	,	

Note 11.1

Note 11.2

Note 11.3

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

		•	— Attributable t	to owners of the	e Company ——	
		← N	on-distributable		Distributable	
	Note	Share capital RM'000	Translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
Group						
At 1 January 2024		432,466	583	(64,991)	319,065	687,123
Foreign currency translation differences for foreign operations		-	560	-	-	560
Net change in fair value of equity instrument designated at FVOCI				(14,242)	-	(14,242)
Total other comprehensive loss for the year		-	560	(14,242)	-	(13,682)
Profit for the year		-	-	-	62,645	62,645
Profit/(Loss) and total comprehensive income/(loss) for the year		-	560	(14,242)	62,645	48,963
Contributions by and distributions to owners of the Company						
- Dividends to owners of the Company	21	-	-	-	(26,934)	(26,934)
Total transactions with owners of the Company		-	-	-	(26,934)	(26,934)
At 31 December 2024		432,466	1,143	(79,233)	354,776	709,152
		Note 11.1	Note 11.2	Note 11.3		

Our Governance

Statement of Changes in Equity For the Year Ended 31 December 2024

Other Information

	4	→ Attributable to owners of the Company → → → → → → → → → → → → → → → → → → →					
	4	■ Non-distri	butable ──►	Distributable			
	Note	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total 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		
Contributions by and distributions to owners of the Company							
- Issuance of share pursuant to Dividend Reinvestment Plan		13,099	-	-	13,099		
- Dividends to owners of the Company	21	-	-	(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 11.1	Note 11.3				

Statement of Changes in Equity For the Year Ended 31 December 2024

		→ Attri	ibutable to owne	ers of the Company	
		← Non-distr	ibutable —	Distributable	
	Note	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
Company					
At 1 January 2024		432,466	(64,991)	52,336	419,811
Net change in fair value of equity instrument designated at FVOCI		-	(14,242)	-	(14,242)
Total other comprehensive loss for the year		-	(14,242)	-	(14,242)
Profit for the year		-	-	29,428	29,428
Profit/(Loss) and total comprehensive income/ (loss) for the year			(14,242)	29,428	15,186
Contributions by and distributions to owners of the Company					
- Dividends to owners of the Company	21	-	-	(26,934)	(26,934)
Total transactions with owners of the Company		-	-	(26,934)	(26,934)
At 31 December 2024		432,466	(79,233)	54,830	408,063
		Note 11.1	Note 11.3		

Our Governance

Statements of Cash Flows

Other Information

For the Year Ended 31 December 2024

		Gro	up	Company		
	N	2024	2023	2024	2023	
	Note	RM'000	RM'000	RM'000	RM'000	
Cash flows from operating activities						
Profit before tax		80,024	63,267	29,044	21,789	
Adjustments for:						
Depreciation of property, plant and equipment	2	40,497	38,678	818	831	
Loss on derecognition of right-of-use asset		-	2,418	-	-	
Write-off of property, plant and equipment		6	8	-	-	
Gain on disposal of property, plant and equipment		(392)	-	-	_	
Amortisation of intangible assets	4	4,895	4,372	1,548	1,335	
Derecognition of intangible assets		10	-	-	_	
Dividend income		-	-	(38,410)	(25,984)	
Finance cost	17	26,592	18,197	24,884	19,678	
Finance income from						
- Cash and cash equivalents	16	(5,965)	(2,750)	(5,553)	(2,400)	
- Subsidiaries	16	-	-	(14,027)	(15,436)	
Impairment loss on/(Reversal of) trade receivables	23	(1,431)	4,099	-	-	
Net inventories written back	9	(99)	(3,369)		-	
Net inventories written off	9	9,968	8,596		-	
Net unrealised foreign exchange loss	15	1,245	130	-	455	
Operating profit/(loss) before changes in		4== 0=0	400.040	(4.000)		
working capital		155,350	133,646	(1,696)	268	
Change in inventories		(15,349)	(12,392)	- (0.000)	- (44.054)	
Change in trade and other receivables		(46,597)	(5,810)	(2,968)	(11,951)	
Change in trade and other payables		27,624	(28,101)	(606)	(1,040)	
Cash generated from/(used in) operations		121,028	87,343	(5,270)	(12,723)	
Interest paid		(27,023)	(21,710)	(24,664)	(19,678)	
Tax paid		(10,662)	(16,829)	(170)	(1,186)	
Net cash generated from/(used in) operating activities		83,343	48,804	(30,104)	(33,587)	

Statements of Cash Flows

For the Year Ended 31 December 2024

		Gro	Group Co		
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(23,573)	(32,946)	(766)	(387)
Acquisition of intangible assets	4	(10,319)	(6,614)	(1,291)	(2,212)
Proceeds from disposal of property, plant and equipment		501	-	-	-
Increase in investments in subsidiaries		-	-	(39,497)	(31)
Increase in other investments		-	(6,421)	-	(6,421)
Interest received from					
- Cash and cash equivalents		5,965	2,750	5,553	2,400
- Subsidiaries		-	-	14,027	15,436
Dividend received		-	-	38,410	25,984
Net cash (used in)/generated from investing					
activities		(27,426)	(43,231)	16,436	34,769
Cook flows from financing activities					
Cash flows from financing activities Dividends paid to owners of the Company		(26.024)	(8,851)	(26,934)	(8,851)
Payment of lease liabilities		(26,934) (1,350)	(845)	(450)	(444)
Proceeds from loans and borrowings		93,371	486,345	(430)	394,802
Repayment of loans and borrowings		(127,521)	(369,129)	(27,594)	(282,235)
Net cash generated from financing activities		(62,434)	107,520	(54,978)	103,272
The cash generated from mancing activities		(02,434)	107,320	(54,570)	105,272
Net increase in cash and cash equivalents		(6,517)	113,093	(68,646)	104,454
Exchange differences on translation of financial statement of foreign operations		560	(228)		-
Cash and cash equivalents at 1 January		270,502	157,637	211,450	106,996
Cash and cash equivalents at 31 December		264,545	270,502	142,804	211,450

Our Governance

Statements of Cash Flows

Other Information

For the Year Ended 31 December 2024

Cash and cash equivalents

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

		Gro	oup	Company		
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Deposits placed with licensed banks	10	32,500	9,861	-	-	
Cash and bank balances	10	103,297	98,846	14,056	49,655	
Highly liquid investment with financial institutions	10	128,748	161,795	128,748	161,795	
		264,545	270,502	142,804	211,450	

Cash outflows for leases as a lessee

		Gro	oup	Com	pany
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash from operating activities:					
Payment relating to leases of low value assets	15	212	172	4	-
Payment relating to short-term lease	15	3,867	2,872	1	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	15	2,617	2,100	-	-
Interest paid in relation to lease liabilities	17	107	77	77	71
Included in net cash from financing activities:					
Payment of lease liabilities		1,350	845	450	444
Total cash outflows for leases		8,153	6,066	532	515

Statements of Cash Flows

For the Year Ended 31 December 2024

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

		Net				At 31	Net				
		changes				December	changes				
	At 1	from	Foreign	Addition	Effect	2023/	from		Addition	Effect	At 31
	January	financing	exchange	of new	of lease	1 January	financing	Other	of new	of lease	December
	2023	cash flows	movement	lease	modification	2024	cash flows	changes	lease	modification	2024
Group	RM'000	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	-		-	-	391,991
Term loan	326,942	(222,859)	-	-	-	104,083	(15,889)		-	-	88,194
Revolving credit	87,561	(61,347)	490	-	-	26,704	(16,704)	220	-	-	10,000
Banker's acceptance	14,239	9,651	-	-	-	23,890	(1,557)	-	-	-	22,333
Lease liabilities	2,861	(845)	-	701	(317)	2,400	(1,350)	-	686	1,567	3,303
Total liabilities from											
financing activities	431,603	116,371	490	701	(317)	548,848	(35,500)	-	686	1,567	515,821

Company	At 1 January 2023 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 December 2023\ 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	Foreign exchange movement RM'000	At 31 December 2024/ RM'000
Islamic medium term notes (Sukuk Wakalah)	-	391,771	-	391,771	-	220	-	391,991
Term loan	326,942	(222,859)	-	104,083	(15,889)	-	-	88,194
Revolving credit	67,560	(56,345)	490	11,705	(11,705)	-	-	-
Lease liabilities	2,174	(444)	-	1,730	(450)	-	1,464	2,744
Total liabilities from financing activities	396,676	112,123	490	509,289	(28,044)	220	1,464	482,929

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 2024 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 2024 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 5. 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 13 March 2025.

BASIS OF PREPARATION 1.

Statement of compliance (a)

The financial statements of the Group and the Company have been prepared in accordance with Malaysian MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), 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 MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS Accounting Standards, 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

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures Classification and Measurement of Financial Instruments
- Amendments that are part of Annual Improvements Volume 11:
 - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
 - Amendments to MFRS 7, Financial Instruments: Disclosures
 - Amendments to MFRS 9, Financial Instruments
 - Amendments to MFRS 10, Consolidated Financial Statements
 - Amendments to MFRS 107, Statement of Cash Flows
- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures Contracts
 Referencing Nature-dependent Electricity

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

MFRS Accounting Standards, 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 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

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.

BASIS OF PREPARATION (CONTINUED)

Our Governance

(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	weasurement 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 MFRS Accounting Standards 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.

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 5 Investments in subsidiaries
- Note 7 Recoverable amount of deferred tax assets
- Note 9 Net realisable value of inventories
- Note 14 Revenue
- Note 8 and 23.4 Measurement of expected credit loss ("ECL")

2. PROPERTY, PLANT AND EQUIPMENT

	•			Own use -					
	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	Total RM'000
Group									
Cost									
At 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/ 1 January 2024	65,682	265,860	414,069	19,043	2,066	3,077	8,475	95,168	873,440
Additions	-	1,234	10,777	1,757	182	77	9,546	686	24,259
Reclassification	-	-	5,835	-	-	-	(5,835)	-	-
Write off	-	-	(973)	(202)	-	-	-	-	(1,175)
Disposals	-	-	(10)	-	(13)	-	-	(180)	(203)
Effect of lease modifications	-	-	-	-	-	-	-	1,567	1,567
Effect of exchange									
rate	-	-	-	(127)	(17)		-	(54)	(215)
At 31 December 2024	65,682	267,094	429,698	20,471	2,218	3,137	12,186	97,187	897,673

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Our Governance

•	◀			Own use —					
	Freehold land RM'000	Freehold buildings RM'000	Plant and machineries RM'000	Office equipment, furniture	Motor vehicles RM'000	Renovations RM'000	Capital work-in- progress RM'000	Right-of- use assets RM'000	Total RM'000
Group									
Depreciation									
At 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 2023/1 January 2024	-	29,700	223,865	12,379	1,754	2,429	-	20,948	291,075
Depreciation for the									
year	-	5,081	29,813	1,894	113	95	-	3,501	40,497
Write off	-	-	(973)	(196)	-	-	-	-	(1,169)
Disposals	-	-	(10)	-	(13)	-	-	(71)	(94)
Effect of exchange									
rate	-	-	-	(122)	(12)	(5)	-	(18)	(157)
At 31 December 2024	-	34,781	252,695	13,955	1,842	2,519	-	24,360	330,152
Carrying amounts									
At 1 January 2023	69,882	99,461	156,919	4,802	188	544	172,646	75,477	579,919
At 31 December 2023/1 January									
2024	65,682	236,160	190,204	6,664	312	648	8,475	74,220	582,365
At 31 December 2024	65,682	232,313	177,003	6,516	376	618	12,186	72,827	567,521

Note 2.3

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

-	◀	Own use —	-		
	Office equipment, furniture and fittings RM'000	Renovation RM'000	Capital work-in- progress RM'000	Right-of- use asset RM'000	Total RM'000
Company					
Cost					
At 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 2023/1 January 2024	2,130	1,108	-	3,850	7,088
Additions	766	-	-	1,464	2,230
At 31 December 2024	2,896	1,108	-	5,314	9,318
Depreciation					
At 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 January 2024	1,005	1,108	-	2,191	4,304
Depreciation for the year	354	-	-	464	818
At 31 December 2024	1,359	1,108	-	2,655	5,122
Carrying amounts					
At 1 January 2023	1,442	37	3,311	2,112	6,902
At 31 December 2023/1 January 2024	1,125	-	-	1,659	2,784
At 31 December 2024	1,537	-	-	2,659	4,196
				Note 2.2	

Note 2.3

2.1 Reclassification from/(to) intangible assets

In the previous the financial year, the Group has reclassified RM11,540,000 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 to intangible assets to reflect its nature.

50 years

10 years

Notes to the Financial Statements

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Our Governance

2.2 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

· freehold buildings

· renovations

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:

· plant and machineries 5 - 20 years 5 - 20 years · office equipment, furniture and fittings

· motor vehicles 4 -10 years

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

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Notes to the Financial Statements

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2.3 As a lessee

Right-of-use assets

	Land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 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 2023/1 January 2024	18,103	77,065	95,168
Additions	-	686	686
Disposals	-	(180)	(180)
Effect of lease modifications	-	1,567	1,567
Effect of exchange rate	-	(54)	(54)
At 31 December 2024	18,103	79,084	97,187
Depreciation			
At 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 2023/1 January 2024	2,244	18,704	20,948
Depreciation for the year	292	3,209	3,501
Disposals	-	(71)	(71)
Effect of exchange rate	-	(18)	(18)
At 31 December 2024	2,536	21,824	24,360
Carrying amounts			
At 1 January 2023	14,531	60,946	75,477
At 31 December 2023/1 January 2024	15,859	58,361	74,220
At 31 December 2024	15,567	57,260	72,827

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Notes to the Financial Statements

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Our Governance

2.3 As a lessee (continued)

Right-of-use assets

	Buildings RM'000
Company	
Cost	
At 1 January 2023/31 December 2023/1 January 2024	3,850
Effect of lease modifications	1,464
31 December 2024	5,314
Depreciation	
At 1 January 2023	1,738
Depreciation for the year	453
31 December 2023/1 January 2024	2,191
Depreciation for the year	464
At 31 December 2024	2,655
Carrying amounts	
At 1 January 2023	2,112
At 31 December 2023/1 January 2024	1,659
At 31 December 2024	2,659

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

2.3.1 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.

2.3.2 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.

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2.3 As a lessee (continued)

2.3.2 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.

3. INVESTMENT PROPERTY

	Gre	Group	
	2024 RM'000	2023 RM'000	
At 1 January /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	

3.1 Fair value information

Level 3 fair value

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

3. **INVESTMENT PROPERTY (CONTINUED)**

3.1 Fair value information (continued)

Our Governance

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	Recent transactions of similar properties at or near reporting date with similar land usage, land size and location. The characteristics, merits and	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 approach is price per square foot.	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.	

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.

3.2 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.

4. INTANGIBLE ASSETS

	Marketing rights RM'000	Development costs RM'000	Computer software RM'000	Total RM'000
Group				
Cost				
At 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 January 2024	1,349	38,455	10,339	50,143
Additions	-	9,028	1,291	10,319
Derecognition	-	(10)	-	(10)
Borrowing costs capitalised at 5.48% per annum	-	651	-	651
At 31 December 2024	1,349	48,124	11,630	61,103
Amortisation				
At 1 January 2023	486	4,686	2,120	7,292
Amortisation for the year	81	2,956	1,335	4,372
Reclassification	-	(335)	12	(323)
At 31 December 2023/1 January 2024	567	7,307	3,467	11,341
Amortisation for the year	82	3,265	1,548	4,895
At 31 December 2024	649	10,572	5,015	16,236
Carrying amount				
At 1 January 2023	1,520	40,139	2,321	43,980
At 31 December 2023/1 January 2024	782	31,148	6,872	38,802
At 31 December 2024	700	37,552	6,615	44,867
				Communitor

Computer software RM'000 Company Cost At 1 January 2023 4,441 Addition 2,212 Reclassification 3,686 31 December 2023/1 January 2024 10,339 Additions 1,291 11,630 31 December 2024

INTANGIBLE ASSETS (CONTINUED)

Our Governance

	Computer software RM'000
Company	
Amortisation	
1 January 2023	2,120
Amortisation for the year	1,335
Reclassification	12
At 31 December 2023/1 January 2024	3,467
Amortisation for the year	1,548
At 31 December 2024	5,015
Carrying amount	
At 1 January 2023	2,321
At 31 December 2023/ 1 January 2024	6,872
At 31 December 2024	6,615

4.1 Marketing rights

The carrying amount of marketing rights includes RM233,000 (2023: RM314,000) represents the sole and exclusive right to market and sell Insugen & Basalog One developed by Biocon SA, a company incorporated in India.

4.2 Development costs

The carrying amount of development costs represents costs incurred for the purpose of commercialisation of biosimilar, oncology, prescription drugs, consumer healthcare products as well as other in-house manufactured 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 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.

4.3 Computer software

The carrying amount of computer software amounting to RM6,615,000 (2023: RM6,872,000) represents the enterprise resource planning software and business intelligence and analytic software that are used to support the operations of the business.

4.4 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.

4. INTANGIBLE ASSETS (CONTINUED)

4.4 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
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.

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

In the previous financial year, the Group has reclassified RM11,540,000 cost to building production plant to property, plant and equipment (plant and machineries) to reflect its nature. The Group and the Company have also reclassified two computer software amounting to cost RM3,686,000 from property, plant and equipment to reflect its nature.

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	474,821	386,121

Details of the subsidiaries are as follows:

Eliootivo owiloi	omp meoroo	
and voting	interest	
2024	202	3

Effective ownership interest

				_
Name of subsidiaries	Principal place of business	Principal activities	2024 %	2023 %
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

Other Information

INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Our Governance

Effective ownership interest and voting interest

			and votin	g interest
Name of subsidiaries	Principal place of business	Principal activities	2024 %	2023 %
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	Dormant	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	100

Not audited by member firms of KPMG International.

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

5.1 Capital contribution

During the financial year, the Company made additional capital contributions to its two wholly-owned subsidiaries, namely Duopharma HAPI Sdn. Bhd. ("HAPI") and Duopharma Consumer Healthcare Sdn. Bhd. ("DCHC") by subscribing to newly issued ordinary shares.

Duopharma HAPI Sdn. Bhd. ("HAPI")

A total of 64,000,000 new ordinary shares at RM1 per share were issued by HAPI for a total consideration of RM64,000,000. Of this amount, RM43,742,000 was settled through the conversion of a portion of the outstanding balance owed by HAPI to the Company, while the remaining RM20,258,000 was settled in cash.

Duopharma Consumer Healthcare Sdn. Bhd. ("DCHC")

A total of 24,700,000 new ordinary shares at RM1 per share were issued by DCHC for a total consideration of RM24,700,000. Of this amount, RM5,461,000 was settled through the conversion of a portion of the outstanding balance owed by DCHC to the Company, while the remaining RM19,239,000 was settled in cash.

5.2 Material accounting policy information

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

6. OTHER INVESTMENTS

		Gro	oup	Com	pany
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current	,				
Fair value through other comprehensive					
income	6.1	22,665	36,907	22,665	36,907

Fair value at

Notes to the Financial Statements

OTHER INVESTMENTS (CONTINUED)

6.1 Equity investments designated at fair value through other comprehensive income

Our Governance

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	31 December RM'000
2024	TAIN 000
Quoted	
	40.040
PanGen Biotech Inc.	13,942
SCM Lifescience Co., Ltd.	3,142
Unquoted	
Alryxo Biotherapeutics Inc.	-
Naluri Pte. Ltd.	4,645
The Live Green Group, Inc	936
	22,665
2023	
Quoted	
PanGen Biotech Inc.	19,591
SCM Lifescience Co., Ltd.	7,313
Unquoted	
Alryxo Biotherapeutics Inc.	679
Naluri Pte. Ltd.	4,645
The Live Green Group, Inc	4,679
	36,907

6.2 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.

7. DEFERRED TAX ASSETS/(LIABILITIES)

7.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets Liabilities		N	Net		
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group						
Property, plant and equipment and intangible assets	_	-	(50,076)	(49,820)	(50,076)	(49,820)
Lease liabilities	1,091	152	(639)	-	452	152
Provisions	13,563	9,692	-	-	13,563	9,692
Unutilised capital allowance carry-forwards	6,611	17,630	-	-	6,611	17,630
Unutilised reinvestment allowance	11,242	17,341	-	-	11,242	17,341
Tax losses carry-forwards	11,846	7,406	-	-	11,846	7,406
Other items	572	-	(2,298)	(2,361)	(1,726)	(2,361)
Tax assets/(liabilities)	44,925	52,221	(53,013)	(52,181)	(8,088)	40
Set-off of tax	(29,595)	(43,275)	29,595	43,275	-	-
Net tax assets/ (liabilities)	15,330	8,946	(23,418)	(8,906)	(8,088)	40
Company						
Property, plant and equipment	_	_	(823)	(587)	(823)	(587)
Provisions	498	265	-	-	498	265
Unutilised capital allowance carry- forwards	1,498	1,155	-	-	1,498	1,155
Right of use assets	-	-	(639)	(398)	(639)	(398)
Lease liabilities	659	415	-	-	659	415
Tax assets/(liabilities)	2,655	1,835	(1,462)	(985)	1,193	850
Set-off of tax	(1,462)	(985)	1,462	985	-	-
Net tax assets	1,193	850	-	-	1,193	850

DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Our Governance

7.2 Unrecognised deferred tax assets

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

	Group		Com	pany
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Reinvestment allowance	-	2,741	-	_
Tax losses	23,746	20,632	-	-
	23,746	23,373	-	-

Reinvestment allowance

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 RM16,762,000 and the remaining RM2,741,000 remain unrecognised. During the financial year, the subsidiary has utilised RM2,131,900 reinvestment allowance against its taxable profit for YA 2024. The subsidiary has further recognised the remaining reinvestment allowance of RM2,741,000 as the management considered it probable that future taxable profits will be available against which they can be utilised.

At the end of the financial year, the Group has total reinvestment allowance of RM46,842,000 (2023:RM72,254,000) arising from two subsidiaries remained 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. Total RM17,367,000 reinvestment allowance will expire in YA 2025 and the remaining RM29,475,000 will expire in YA 2030.

Tax losses

One of the subsidiaries has tax loss carry-forwards of RM15,424,000 arose in YA 2023 which can be carried forward up to ten years and will expire in 2033. In the current financial year, the management has fully recognised the previously unrecognised unabsorbed tax losses arising from the subsidiary as the management considered it probable that future taxable profits will be available against which they can be utilised.

At the end of the financial year, there are another two subsidiaries that have unabsorbed tax losses amounting to RM230,000 (2023: RM230,000) and RM23,516,000 (2023: RM4,983,000) have not been recognised as deferred tax assets as the management considered it may not be probable that future taxable profits will be available against which they can be utilised before its expiry in YA 2028 and YA 2031 respectively.

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

7.3 Movement in temporary differences during the year

		Recognised		Recognised	
	At	in profit or loss	At 31.12.2023/	in profit or loss	At
	1.1.2023	(Note 20)	1.1.2024	(Note 20)	31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Property, plant and equipment					
and intangible assets	(31,424)	(18,396)	(49,820)	(256)	(50,076)
Lease liabilities	699	(547)	152	300	452
Provisions	20,979	(11,287)	9,692	3,871	13,563
Unutilised capital allowance					
carry-forwards	10,773	6,857	17,630	(11,019)	6,611
Unutilised reinvestment					
allowance	2,151	15,190	17,341	(6,099)	11,242
Tax losses carry-forwards	6,697	709	7,406	4,440	11,846
Other items	(2,127)	(234)	(2,361)	635	(1,726)
Total	7,748	(7,708)	40	(8,128)	(8,088)
Company					
Property, plant and equipment	(395)	(192)	(587)	(236)	(823)
Provisions	458	(193)	265	233	498
Unutilised capital allowance					
carry-forwards	123	1,032	1,155	343	1,498
Right of use assets	(507)	109	(398)	(241)	(639)
Lease liabilities	522	(107)	415	244	659
Total	201	649	850	343	1,193

7.4 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.

DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Our Governance

7.5 Global minimum top-up tax

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.

TRADE AND OTHER RECEIVABLES 8.

		Gro	oup	Com	pany
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Non-trade					
Amount due from subsidiaries	8.1	-	-	-	58,102
Current					
Trade					
Trade receivables		184,325	135,038	-	-
Non-trade					
Amount due from subsidiaries	8.1	-	-	242,387	231,952
Other receivables and deposits		5,487	10,061	208	164
Prepayments		5,391	2,076	1,899	512
		10,878	12,137	244,494	232,628
		195,203	147,175	244,494	232,628
		195,203	147,175	244,494	290,730

8.1 Amount due from subsidiaries

The non-trade amount due from subsidiaries are unsecured, subject to interest at 5.31% - 6.00% per annum (2023: 4.00% - 6.29% per annum) and repayable on demand.

9. INVENTORIES

	Group		
	2024 RM'000	2023 RM'000	
Raw materials and consumables	61,482	57,930	
Work-in-progress	10,889	6,810	
Packing materials	28,582	21,181	
Finished goods	147,595	157,147	
	248,548	243,068	
Recognised in profit or loss:			
Inventories recognised as cost of sales	296,363	211,345	
Net inventories written back	(99)	(3,369)	
Net inventories written off	9,968	8,596	

9.1 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.

10. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits placed with licensed banks	,	32,500	9,861	-	-
Cash and bank balances		103,297	98,846	14,056	49,655
Highly liquid investments with financial					
institutions	10.1	128,748	161,795	128,748	161,795
		264,545	270,502	142,804	211,450

10.1 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.

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Notes to the Financial Statements

11. Capital and reserves

11.1 Share capital

		Group and Company				
	Note	Number of shares 2024 '000	Amount 2024 RM'000	Number of shares 2023 '000	Amount 2023 RM'000	
Issued and fully paid:	11010		TAIN COO		1111 000	
Ordinary shares At 1 January/31 December		961,942	432,466	961,942	432,466	

11.1.1 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.

11.1.2 Dividend Reinvestment Plan

In the previous financial year, the Company had implemented the Dividend Reinvestment Plan for its 2023 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.

11.2 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.

11.3 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.

12. 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 23.

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Islamic medium term notes (Sukuk Wakalah)					
- unsecured	12.1	391,991	391,771	391,991	391,771
Term loan - unsecured	12.2	72,532	89,131	72,532	89,131
		464,523	480,902	464,523	480,902
Current					
Term loan - unsecured	12.2	15,662	14,952	15,662	14,952
Revolving credit - unsecured	12.3	10,000	26,704	-	11,705
Banker's acceptance	12.4	22,333	23,890	-	-
		47,995	65,546	15,662	26,657
		512,518	546,448	480,185	507,559

12.1 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:

- 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 Shariahcompliant 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.

12. Loans and borrowings (continued)

12.1 Islamic medium term notes (Sukuk Wakalah) - unsecured (continued)

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- (b) On 29 September 2023 and 15 December 2023, the Company issued Sukuk Wakalah of RM363.0 million and RM29.0 million respectively, which comprises five (5) series of issuance and the details are as follows:
 - Series 1 comprises RM101 million with 3 years tenure and the first profit rate of 4.85% per annum;
 - 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:

- 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.

There is no new issuance of Sukuk Wakalah in the current financial year.

12.2 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.

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Notes to the Financial Statements

12. Loans and borrowings (continued)

12.2 Term loan - unsecured (continued)

(a) (continued)

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.

- (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 2024 is subject to interest at the average rate of 4.35% (2023: 4.35%).

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.

12.3 Revolving credit - unsecured

The Group's and the Company's revolving credit as at 31 December 2024 amounting to RM10,000,000 and RM Nil (2023: RM26,704,000 and RM11,705,000), respectively, are revolving credits maturing between one to twelve months.

12.4 Banker's acceptance

The Group's banker's acceptance as at 31 December 2024 amounting to RM22,333,000 (2023: RM23,890,000) are banker's acceptance maturing between one to three months.

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13. Trade and other payables

		Group		Company	
	-	2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Lease liabilities		2,755	1,476	2,341	1,269
Current					
Trade					
Trade payables		55,892	40,452	-	-
Accrued expenses		5,678	-	-	-
Refund liabilities	13.1	4,147	4,074	-	-
		65,717	44,526	-	-
Non-trade					
Amount due to subsidiaries	13.2	-	-	1,446	2,895
Other payables		21,747	21,579	4,320	1,342
Accrued expenses		41,238	33,786	2,058	4,194
Lease liabilities		548	924	403	461
		63,533	56,289	8,227	8,892
		129,250	100,815	8,227	8,892
		132,005	102,291	10,568	10,161

13.1 Refund liabilities

As at the end of the financial year, the Group recorded refund liabilities amounting to RM4,147,000 (2023: RM4,074,000). The Group allows sales return for sales made during the year in exchange with new goods and cash refunds.

13.2 Amount due to subsidiaries

The non-trade amount due to subsidiaries are unsecured, interest free and repayable on demand.

14. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers				
External	813,695	704,727	-	-
Related companies	-	-	32,122	33,018
Other revenue				
Dividend income	-	-	38,310	25,984
Total revenue	813,695	704,727	70,432	59,002

14.1 Disaggregation of revenue from contracts with customers

	Gre	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Primary geographical market					
Malaysia	754,184	650,548	30,661	31,714	
Other countries	59,511	54,179	1,461	1,304	
	813,695	704,727	32,122	33,018	
Type of market					
Public sector	409,910	311,828	-	-	
Private sector	403,785	392,899	-	-	
Others		-	32,122	33,018	
	813,695	704,727	32,122	33,018	
Timing and recognition					
At a point in time	813,695	704,727	32,122	33,018	
	813,695	704,727	31,122	33,018	

14. Revenue (continued)

14.2 Nature of goods and services

The following information reflects the typical transactions of the Group and the Company:

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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.

14.3 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.

15. Results from operating activities

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Operating profit is arrived at after charging/(crediting):					
Auditors' remuneration:					
Audit fees					
- KPMG PLT		334	294	72	62
- Other auditors		54	74	-	-
Non-audit fees					
- KPMG PLT		16	40	16	15
- Local affiliates of KPMG PLT		27	49	17	40
Material expenses/(income)					
Depreciation of property, plant and equipment	2	40,497	38,678	818	831
Write off on property, plant and equipment		6	8	-	-
Gain on disposal of property, plant and equipment		(392)	-	-	-
Loss on derecognition of right-of-use asset		-	2,418	-	-
Loss on derecognition of intangible assets		10	-	-	-
Amortisation of intangible assets	4	4,895	4,372	1,548	1,335
(Reversal of)/Loss on impairment on trade					
receivables	23	(1,431)	4,099	-	-
Net inventories written back	9	(99)	(3,369)	-	-
Net inventories written off	9	9,968	8,596	-	-
Net realised foreign exchange (gain)/loss		(647)	(772)	418	460
Net unrealised foreign exchange loss		1,245	130	-	455
Personnel expenses (including key management personnel):					
- Contributions to state plans		17,213	16,106	1,666	1,664
- Wages, salaries and others		126,824	119,829	11,707	11,760
Dividend income from:					
- A subsidiary in Malaysia (unquoted)		-	-	(37,000)	(24,960)
- A subsidiary in Singapore (unquoted)		-	-	(1,410)	(1,024)

15. Results from operating activities (continued)

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		Gro	Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Other expenses arising from leases						
Expenses relating to leases of low-value assets	а	212	172	4	-	
Expenses relating to short-term leases	а	3,867	2,872	1	-	
Expenses relating to variable lease payments not included in the measurement of lease						
liabilities	b	2,617	2,100	-	-	

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.

16. Finance income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- at amortised cost	414	704	14,029	15,790
- at fair value through profit or loss	5,551	2,046	5,551	2,046
	5,965	2,750	19,580	17,836

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Notes to the Financial Statements

17. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	25,665	17,603	24,802	19,602
Interest expense on lease liabilities	107	77	77	71
Other finance costs	820	517	5	5
	26,592	18,197	24,884	19,678
Recognised in profit or loss	26,592	18,197	24,884	19,678
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	-	-
- intangible assets	651	835	-	-
	27,243	21,710	24,884	19,678

18. Key management personnel compensation

The key management personnel compensation is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors				
- Fees	925	925	925	925
- Remuneration	2,821	2,963	2,821	2,963
- Other short-term employee benefits	18	83	18	83
	3,764	3,971	3,764	3,971
Other key management personnel				
- Remuneration	10,500	11,654	4,029	5,683
Total short-term employee benefits	14,264	15,625	7,793	9,654

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.

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19. Tax expense

	Group		Com	Company	
	2024	2023	2024	2023	
	RM'000	RM'000	RM'000	RM'000	
Recognised in profit or loss					
Current tax expense					
Current year	9,322	5,804	394	434	
Over provision in prior year	(71)	(2,890)	(435)	(335)	
Total current tax recognised in profit or loss	9,251	2,914	(41)	99	
Deferred toy eynones					
Origination and reversal of temperary differences	10.055	(05)	(227)	(200)	
Origination and reversal of temporary differences (Over)/Under provision in prior year	10,955	(95) 7,803	(327) (16)	(209)	
	(2,827)	-	. ,	(440)	
Total deferred tax recognised in profit or loss	8,128	7,708	(343)	(649)	
Total tax expense	17,379	10,622	(384)	(550)	
Reconciliation of tax expense					
Profit for the year	62,645	52,645	29,428	22,339	
Total tax expense	17,379	10,622	(384)	(550)	
Profit excluding tax	80,024	63,267	29,044	21,789	
				_	
Income tax calculated using Malaysian tax rate of 24%	19,206	15,184	6,971	5,229	
Non-deductible expenses, net of non-taxable income	3,625	4,259	2,567	1,543	
Tax exempt income	(57)	(65)	(9,218)	(6,236)	
Tax incentives	(2,442)	(17,130)	(253)	(311)	
Effect of deferred tax assets not recognised	90	3,528	-	-	
(Over)/Under provision in prior years	(2,898)	4,913	(451)	(775)	
Effect of tax rates in foreign jurisdictions	(145)	(67)	-		
	17,379	10,622	(384)	(550)	

20. Earnings per ordinary share

20.1 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2024 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Gro	Group		
	2024	2023		
	RM'000	RM'000		
Profit attributable to ordinary shareholders	62,645	52,645		
	Gro	oup		
	2024	2023		
	RM'000	RM'000		
Weighted average number of ordinary shares				
As at 1 January	961,942	952,239		
Effect of dividend reinvestment plan	-	6,274		
As at 31 December	961,942	958,513		
	Gro	NIID.		
	2024	2023		
	Sen	Zuza Sen		
	Jen	Jen		
Basic earnings per ordinary share	6.51	5.49		

20.2 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 2024.

21. Dividends

Dividends recognised by the Company:

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	Note	Sen per share	Total amount RM'000	Date of payment
2024				
Second interim dividend 2023 ordinary	21.1	1.8	17,315	21 March 2024
Interim 2024 ordinary		1.0	9,619	12 September 2024
Total amount			26,934	
2023				
Second interim dividend 2022 ordinary		1.8	17,140	9 May 2023
Interim 2023 ordinary		0.5	4,810	22 September 2023
Total amount			21,950	

- 21.1 Out of the total distribution of RM Nil (2023: RM17,140,314), a total of RM Nil (2023: RM13,098,727) was converted into Nil (2023: 9,702,761) new ordinary shares of the Company at the conversion price of RM Nil (2023: RM1.35) per ordinary share under the Dividend Reinvestment Plan.
- 21.2 After the end of the reporting period, the following dividend was declared by the Directors on 19 February 2025. This dividend will be recognised in subsequent financial period.

	Note	Sen per share	Total amount RM'000
Second interim 2024 ordinary	22.2	2.0	19,239

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

22. 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.

22. Operating segments (continued)

Geographical segments (continued)

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.

	Gro	up
	2024 RM'000	2023 RM'000
Revenue from external customers:		
Local	754,184	650,548
Export	59,511	54,179
	813,695	704,727
Trade receivables from external customers:		
Local	169,745	123,970
Export	14,580	11,068
	184,325	135,038

Major customers

Revenue from a major customer with revenue equal or more than 10% of the Group's total revenue amounts to approximately RM251,594,388 (2023: RM166,369,408), generated from local segment.

23. Financial instruments

23.1 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").

Other Information

23. Financial instruments (continued)

23.1 Categories of financial instruments (continued)

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The table below provides an analysis of financial instruments categorised as follows (continued):

2024	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI - EIDUIR RM'000
Financial assets				
Group				
Other investments	22,665	-	-	22,665
Trade and other receivables	189,812	189,812	-	-
Cash and bank balances	135,797	135,797	-	-
Highly liquid investments	128,748	-	128,748	-
	477,022	325,609	128,748	22,665
Company				
Other investments	22,665	-	-	22,665
Trade and other receivables	242,595	-	-	-
Cash and bank balances	14,056	14,056	-	-
Highly liquid investments	128,748	-	128,748	-
_	408,064	14,056	128,748	22,665
Financial liabilities				
Group				
Loans and borrowings	(512,518)	(512,518)	-	-
Trade and other payables	(124,555)	(124,555)	-	-
	(637,073)	(637,073)	-	-
Company				
Loans and borrowings	(480,185)	(480,185)		
Trade and other payables	(7,824)	(7,824)	•	•
Trade and other payables	(488,009)	(488,009)		-
	(400,009)	(400,003)		•

23. Financial instruments (continued)

23.1 Categories of financial instruments (continued)

	Carrying	4.0	E//IDI	FVOCI
2023	amount RM'000	AC RM'000	FVTPL RM'000	- EIDUIR RM'000
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)	_	-

23. Financial instruments (continued)

23.2 Net gains and losses arising from financial instruments

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	Gro	oup	Com	Company		
	2024 20 RM'000 RM'0		2024 RM'000	2023 RM'000		
Net gains/(losses) on:						
Equity instruments designated at fair value through other comprehensive income	(14,242)	(11,665)	(14,242)	(11,665)		
Financial assets at amortised cost	1,845	(3,395)	14,029	15,790		
Financial assets at fair value through profit or loss	5,551	2,046	5,551	2,046		
Financial liabilities at amortised cost	(26,055)	(17,555)	(25,192)	(20,592)		
	(32,901)	(30,569)	(19,854)	(14,421)		

23.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.4 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.

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.

23. Financial instruments (continued)

23.4 Credit risk (continued)

Trade receivables (continued)

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:

	Gr	Group		
	2024 RM'000	2023 RM'000		
Public sector	83,214	42,481		
Private sector	101,111	92,557		
	184,325	135,038		

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.

Other Information

23. Financial instruments (continued)

23.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

Our Governance

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024.

	Gross		
	carrying	Loss	Net
	amount	allowance	balance
	RM'000	RM'000	RM'000
2024			
Not past due	156,958	(909)	156,049
1-30 days past due	18,174	(50)	18,124
31-60 days past due	1,856	(152)	1,704
61-90 days past due	4,673	(124)	4,549
	181,661	(1,235)	180,426
Credit impaired			
More than 90 days past due	7,576	(3,677)	3,899
Individually impaired	169	(169)	
	189,406	(5,081)	184,325
	0		
	Gross carrying	Loss	Net
	amount	allowance	balance
	RM'000	RM'000	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	135,161	(496)	134,665
-	135,161 6,185		134,665
Credit impaired More than 90 days past due Individually impaired		(496) (5,812) (204)	

23. Financial instruments (continued)

23.4 Credit risk (continued)

Trade receivables (continued)

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 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 2023/1 January 2024	496	6,016	6,512
Net remeasurement of loss allowance	739	(2,170)	(1,431)
Balance at 31 December 2024	1,235	3,846	5,081

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.

23. Financial instruments (continued)

23.4 Credit risk (continued)

Inter-company loans and advances (continued)

Our Governance

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.

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.

23.5 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.

23. Financial instruments (continued)

23.5 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:

		Contractual interest rate/					
2024	Carrying amount RM'000	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
Group		1	,				
Non-derivative financial liabilities							
Trade and other payables	124,555	_	124,555	124,555		-	
Lease liabilities	3,303	5.00	3,610	805	1,401	1,403	
Islamic Medium Term Notes	391,991	4.85 – 5.38	505,098	20,041	135,072	160,401	189,584
Term loan – unsecured	88,194	4.35	98,902	19,245	38,491	41,166	-
Revolving credit – unsecured	10,000	4.82 – 4.90	10,120	10,120	_	-	
Banker's acceptance	22,333	3.57 - 4.84	22,634	22,634	_	_	
	640,376	_	764,919	197,400	174,964	202,970	189,584
Company							
Non-derivative financial liabilities							
Trade and other payables	5,483	_	5,483	5,483	-	-	
Lease liabilities	2,744	5.00	3,032	543	1,086	1,403	-
Islamic Medium Term							
Notes	391,991	4.85 - 5.58	505,098	20,041	135,072	160,401	189,584
Term Ioan – unsecured	88,194	4.35	98,902	19,245	38,491	41,166	-
	488,412	_	612,515	45,312	174,649	202,970	189,584

23. Financial instruments (continued)

23.5 Liquidity risk (continued)

Maturity analysis (continued)

Our Governance

		Contractual interest rate/					
2023	Carrying amount RM'000	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
Group							
Non-derivative financial liabilities							
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							
Non-derivative financial liabilities							
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

23. Financial instruments (continued)

23.6 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.

23.6.1 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:

	Denominated in USD		
Group	2024 RM'000	2023 RM'000	
Trade and other receivables	3,393	4,304	
Trade and other payables	(20,299)	(10,783)	
Bank balances	9,309	1,659	
Bank borrowings		(11,705)	
Net exposure in the statement of financial position	(7,597)	(16,525)	

	Denominated in EUR	
	2024 RM'000	2023 RM'000
Trade and other receivables	2,083	1,717
Trade and other payables	(182)	(42)
Net exposure in the statement of financial position	1,901	1,675

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Other Information

23. Financial instruments (continued)

23.6 Market risk (continued)

23.6.1 Currency risk (continued)

Trade and other receivables

Exposure to foreign currency risk (continued)

Our Governance

	Denominated in SDG		
Group (continued)	2024 RM'000	2023 RM'000	
Trade and other receivables	3,372	2,988	
Trade and other payables	(636)	(2,753)	
Bank balances	1,860	2,277	
Net exposure in the statement of financial position	4,596	2,512	
	Denominated in KRW		
	2024 RM'000	2023 RM'000	
Trade and other payable	-	(27)	
	Denominated	in PESO	
	2024 RM'000	2023 RM'000	
Trade and other receivables	7,970	4,591	
Trade and other payables	(6,480)	(2,107)	
Bank balances	4,738	2,274	
Net exposure in the statement of financial position	6,228	4,758	
	Denominated	in GBP	
	2024 RM'000	2023 RM'000	
Trade and other receivables	-	-	
Trade and other payables	(9)	-	
Net exposure in the statement of financial position	(9)	-	
	Denominated	in BND	
	2024	2023	
	RM'000	RM'000	

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Notes to the Financial Statements

23. Financial instruments (continued)

23.6 Market risk (continued)

23.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in IDR		
Group (continued)	2024 RM'000	2023 RM'000	
Trade and other receivables	1,158	11	
Trade and other payables	(1,180)	(223)	
Bank balances	326	734	
Net exposure in the statement of financial position	304	522	

Currency risk sensitivity analysis

A 10% (2023: 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.

	Profit or loss		
Group	2024 RM'000	2023 RM'000	
USD	577	1,256	
EURO	(144)	(127)	
SGD	(349)	(191)	
KRW	-	2	
PESO	(473)	(362)	
GBP	1	-	
BND	(1)	(13)	
IDR	(23)	(40)	

A 10% (2023: 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.

23. Financial instruments (continued)

23.6 Market risk (continued)

23.6.2 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

Our Governance

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		Com	pany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	32,500	9,861	52,266	71,439
Financial liabilities	(13,303)	(52,994)	(2,744)	(13,435)
	19,197	(43,133)	49,522	58,004
Floating rate instruments				
Financial assets	128,748	161,795	318,967	369,695
Financial liabilities	(480,185)	(495,854)	(480,185)	(495,854)
	(351,437)	(334,059)	(161,218)	(126,159)

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.

23. Financial instruments (continued)

23.6 Market risk (continued)

23.6.2 Interest rate risk (continued)

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.

	2024		2023	
	Profit or (loss) Profit or (loss)			loss)
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Group				
Floating rate instruments	(2,671)	2,671	(2,539)	2,539
Company				
Floating rate instruments	(1,225)	1,225	(959)	959

23.6.3 Other price risk

Equity price risk arises from the Group's and the Company's other investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

23.7 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.

Other Information

23. Financial instruments (continued)

23.7 Fair value information (continued)

Our Governance

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:

	Fair value of financial instruments		ıments	Fair value of financial instruments						
		carried at	fair value		n	ot carried	at fair valu	е	Total fair	Carrying
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	value	amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group and Company										
2024										
Financial assets										
Other investments	17,084	-	5,581	22,665	-	-	-	-	22,665	22,665
Highly liquid investments	128,748	-	-	128,748	-	-	-	-	128,748	128,748
	145,832	-	5,581	151,413	-	-	-	-	151,413	151,413
Financial liabilities										
Islamic Medium Term										
Notes	-	-	-	-	-	-	(391,991)	(391,991)	(391,991)	(391,991)
Term loan	-	-	-	-	-	-	(88,194)	(88,194)	(88,194)	(88,194)
	-	-	-	-	-	-	(480,185)	(480,185)	(480,185)	(480,185)
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)	, ,
		_	_	_	_	_		, ,	(495,854)	
								/	/	,

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Notes to the Financial Statements

23. Financial instruments (continued)

23.7 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 (2023: no transfer in either direction).

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	Gro	oup
	2024 RM'000	2023 RM'000
Unquoted shares	RM'000	RM'000
At 1 January	10,003	7,323
Purchases	- (4.422)	4,679
Loss recognised in other comprehensive income At 31 December	(4,422) 5,581	(1,999) 10,003

Financial instruments carried at fair value

Level 3 items principally comprise minority shareholdings in unquoted investments. Unquoted 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 2024.

Financial instruments not carried at fair value

Туре		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

23. Financial instruments (continued)

23.7 Fair value information (continued)

Valuation processes applied by the Group for Level 3 fair value

Our Governance

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.

24. 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 2024 and at 31 December 2023 were as follows:

		Grou	up	
	Note	2024 RM'000	2023 RM'000	
Loans and borrowings	12	512,518	546,448	
Lease liabilities	13	3,303	2,400	
Total debts		515,821	548,848	
Total equity		709,152	687,123	
Debt-to-equity ratios		0.73:1	0.80:1	

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.

25. Capital and other commitments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capital expenditure commitments				
Plant and equipment				
Contracted but not provided for	19,339	16,208	-	40

26. Related party transactions

Significant related party transactions

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 18. The balances related to the below transactions are shown in Note 8 and 13.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subsidiaries				
Management services fees and other services fees received		-	32,124	33,018
Dividend income received from subsidiaries	-	-	38,410	25,984
Interest income received from subsidiaries	-	-	14,027	15,436

27. Significant event

During the financial year, the Company has resolved to undertake a rationalisation exercise involving its local wholly owned marketing arms, namely Duopharma Consumer Healthcare Sdn. Bhd. ("DCHC") and Duopharma Marketing Sdn. Bhd. ("DMKT") primarily to enhance the Group's overall operational efficiency of the domestic market distribution.

Under the proposed rationalisation exercise, the distribution activities of the private local Ethical Classic business portfolio that is presently undertaken by DMKT will be realigned into DCHC. This realignment will streamline the Group's local private distribution operations, enabling greater synergy between the Consumer Healthcare and Ethical Classic businesses.

28. Subsequent event

On 19 February 2025, Sun Pharmaceutical Industries Limited ("SPIL") ("the Plaintiff") initiated legal proceedings in the High Court of Malaya against Duopharma Manufacturing (Bangi) Sdn. Bhd. ("DMB"), a wholly owned subsidiary of the Company. The Plaintiff alleges that DMB's use of a particular registered trademark infringes SPIL's own registered trademark.

DMB is contesting the claim, and the first case management was held on 10 March 2025. The Court directed DMB to file its defence by 4 April 2025, the Plaintiff to file its reply to defence by 9 May 2025, and both parties to file interlocutory applications by 16 May 2025. The next case management is scheduled for 19 May 2025.

Based on legal advice, DMB has a strong defence. Consequently, no provisions have been recognised, as an outflow of economic benefits is not considered probable, nor can the potential financial impact be reliably measured at this stage.

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 157 to 220 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting as issued by the International Accounting Standards Board 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 2024 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:

Our Governance

Datin Paduka Kartini Binti Hj Abdul Manaf

Director

Leonard Ariff Bin Abdul Shatar

Director

Kuala Lumpur

Date: 13 March 2025



Statutory Declaration

pursuant to Section 251(1)(b) 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 157 to 220 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.

From The Leadership

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 13 March 2025.



Before me:



68, JALAN BURHANUDDIN HELMI TAMAN TUN DR. ISMAIL 60000 KUALA LUMPUR

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 2024 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 157 to 220.

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 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting 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.

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 9 - Inventories.

The key audit matter

sells Group manufactures and 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 shortdated pharmaceutical products. Such judgements include Directors' expectations for future sales and inventory liquidation plans.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- 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
- Tested the provision calculations and determined that they appropriately took into account the expiry period and condition of inventories; and
- Assessed the appropriateness of management's inventory measurement under MFRS 102, Inventories.

Our Strategic Review

Independent Auditors' Report to the Members of Duopharma Biotech Berhad

(Registration No. 200001021664 (524271-W)) (Incorporated in Malaysia)

Key Audit Matters (continued)

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.

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 MFRS Accounting 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.

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)

Our Governance

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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.



Independent Auditors' Report to the Members of Duopharma Biotech Berhad

(Registration No. 200001021664 (524271-W)) (Incorporated in Malaysia)

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 5 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.

me

KPMG PLT (LLP0010081-LCA & AF 0758) Chartered Accountants

Petaling Jaya, Selangor

Date: 13 March 2025

Ameenuddin Bin Khali Kasman Approval Number: 03470/11/2025 J

Chartered Accountant

ther Information

Building Trust Creating Lasting Value

Through transparent engagement and meaningful collaboration, we create synergies that drive innovation, enhance access to healthcare, and deliver sustainable value for all.

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Proxy Form



Analysis of Shareholdings As at 28 March 2025

Total Number of Issued Shares : 961,942,451 Class of Shares : Ordinary Shares

No. of Shareholders : 19,506

Voting Rights : One Vote per Ordinary Share

ANALYSIS BY SIZE OF HOLDINGS

as at 28 March 2025

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	2,986	15.308	120,685	0.012
100 - 1,000	2,974	15.246	1,331,374	0.138
1,001 - 10,000	9,832	50.405	37,184,330	3.865
10,001 - 100,000	3,306	16.984	87,745,115	9.121
100,001 to less than 5% of issued ordinary shares	407	2.086	411,279,833	42.755
5% and above of issued ordinary shares	1	0.005	424,281,114	44.106
Total	19,506	100.000	961,942,451	100.000

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS

	No. of Shares Held				
Name	Direct	%	Indirect	%	
Datin Paduka Kartini Binti Hj Abdul Manaf	-	-	-	-	
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	3	0.000	-	-	
Dato' Dr Zaki Morad Bin Mohamad Zaher	-	-	-	-	
Mohd Haris Bin Mohd Arshad	-	-	-	-	
Nik Fazila Binti Nik Mohamed Shihabuddin	-	-	-	-	
Muhammad Shukri Bin Ismail	-	-	-	-	
Total	3	0.000	-	-	

Analysis of Shareholdings As at 28 March 2025

DIRECTORS OF SUBSIDIARY COMPANIES' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS as at 28 March 2025

	No. of Shares Held					
Name	Direct	%	Indirect	%		
Leonard Ariff Bin Abdul Shatar	-	-	-	-		
Wan Amir-Jeffery Bin Wan Abdul Majid	-	-	-	-		
Chek Wu Kong	124	0.000	-	-		
Krisnakumara-Reddi A/L Kesava-Reddi	2,878	0.000	-	-		
Shamsul Idham Bin A.lahad	-	-	-	-		
Sabrina Binti Haron	-	-	-	-		
Priya Darshini A/P Asokan	-	-	-	-		
Noor Aida Binti Jaafar	-	-	-	-		
Mohd Fairuz Khan Bin Pret Khan ¹	-	-	533	0.000		
Mohd Idzwan Bin Mohd Malik	-	-	-	-		
Mohamed Shazman Merican	-	-	-	-		
Seri Azalina Binti Mohd Ghazalli	-	-	-	-		
Susan M. Chu	-	-	-	-		
Owe Kok Liang	-	-	-	-		
Total	3,002	0.000	533	0.000		

Notes:

SENIOR MANAGEMENT'S SHAREHOLDINGS

	No. of Shares Held					
Name	Direct	%	Indirect	%		
Leonard Ariff Bin Abdul Shatar	-	-	-	-		
Wan Amir-Jeffery Bin Wan Abdul Majid	-	-	-	-		
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	-	-	-	-		
Priya Darshini A/P Asokan	-	-	-	-		
Total	3,002	0.000	-	-		

^{1.} Shares held via Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd

Analysis of Shareholdings

As at 28 March 2025

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

as at 28 March 2025

N	n	of	SI	hai	res	н	ام	Ы

Name	Direct	%	Indirect	%		
Permodalan Nasional Berhad	424,281,114	44.106	-	-		
Yayasan Pelaburan Bumiputra	-	-	424,281,114	44.106		
Employees Provident Fund Board*	-	-	84,084,311	8.736		

^{*} held via multiple securities accounts with Citigroup Nominees (Tempatan) Sdn Bhd

TOP 30 SECURITIES ACCOUNT HOLDERS AS PER REGISTER OF DEPOSITORS

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	40,046,350	4.163
4.	LEMBAGA TABUNG HAJI	35,053,600	3.644
5.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Malaysia	22,293,333	2.317
6.	PUBLIC NOMINEES (ASING) SDN BHD Pledged Securities Account for Billion Victory Sdn Bhd (KLC)	15,068,798	1.566
7.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (ISLAMIC)	13,247,184	1.377
8.	HONG LEONG ASSURANCE BERHAD As Beneficial Owner (LIFE PAR)	10,017,200	1.041
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (AM INV)	8,103,000	0.842
10.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB for Prulink Equity Fund	7,905,375	0.821
11.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	7,390,454	0.768
12.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY for Norges Bank (FI 17)	7,251,100	0.753
13.	CARTABAN NOMINEES (TEMPATAN) SDN BHD Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	5,986,664	0.622
14.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB for Participating Fund	5,884,342	0.611
15.	AMANAHRAYA TRUSTEES BERHAD Public Islamic Treasures Growth Fund	5,680,897	0.590



Analysis of Shareholdings As at 28 March 2025

TOP 30 SECURITIES ACCOUNT HOLDERS AS PER REGISTER OF DEPOSITORS (CONTINUED)

Our Governance

No.	Name	Holdings	%
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD National Trust Fund (IFM EASTSPRING) (410140)	5,315,700	0.552
17.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (F TEMPLETON)	5,022,100	0.522
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Lembaga Tabung Haji (EASTSPRING)	4,834,054	0.502
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (CGS CIMB)	4,809,000	0.499
20.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD Exempt An for Petroliam Nasional Berhad	4,606,300	0.478
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (PHEIM)	4,151,000	0.431
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Syarikat Takaful Malaysia Keluarga Berhad (ORDPA)	3,860,900	0.401
23.	HONG LEONG ASSURANCE BERHAD As Beneficial Owner (UNITLINKED OP)	3,547,662	0.368
24.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	3,356,700	0.348
25.	OOI KENG TAN	2,900,909	0.301
26.	HONG LEONG MSIG TAKAFUL BERHAD As Beneficial Owner (FAMILY FUND)	2,827,038	0.293
27.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) Trustee Bhd For Manulife Investment Shariah Progress Plus Fund	2,647,200	0.275
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (ARIM)	2,408,777	0.250
29.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (CPIAM EQ)	2,000,000	0.207
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD National Trust Fund ESG (IFM EASTSPRING) (447646)	1,933,000	0.200
	Total	705,142,208	73.303

List of Properties of the Duopharma Biotech Berhad Group As at 31 December 2024

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. 32 years b. 22 years c. 13 years d. 2 years e. 2 years	191.54	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.	5 years	63.66	January 2016
3	Duopharma Manufacturing (Bangi) Sdn. Bhd. Lot No. 2, 4, 6, 8 & 10, Jalan P/7, Seksyen 13, Kawasan Perusahaan Bandar Baru Bangi, 43650 Bandar Baru Bangi, 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 2½-storey office, factory cum warehouse building with lift services, a pump block and two (2) guardhouse buildings.	Industrial land, factory and office	37 years	44.98	November 2014
4	Duopharma Marketing Sdn. Bhd. Lot No. 2, 4, 6, 8 & 10, Jalan P/7, Seksyen 13, Kawasan Perusahaan Bandar Baru Bangi, 43650 Bandar Baru Bangi, 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	37 years	27.59	November 2014

Our Governance

List of Properties of the Duopharma Biotech Berhad Group

As at 31 December 2024

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.	Freehold	-	5,904	Industrial land, factory and offices	Factory and offices	27 years	28.1	December 2024
	No. 2, Jalan Saudagar U1/16, Zon Perindustrian Hicom Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.								
6	Duopharma Marketing Sdn. Bhd.	Leasehold	99 years (1987 - 2086)	1,565	A plot of vacant residential detached building land	Vacant	-	1.05	December 2024
	No. 1, Jalan 4/3, Seksyen 4, Bandar Baru Bangi, 43650 Bangi, Selangor Darul Ehsan, Malaysia.		,						
7	Duopharma Marketing Sdn. Bhd	Freehold	-	362	An intermediate 1½-storey terraced factory building.	Warehouse	33 years	0.85	December 2024
	No. 64, Jalan Pernas 9/13, Bandar Baru Pernas Jaya, Masai, 81750 Johor Bahru, Johor Darul Takzim, Malaysia.								
8	Duopharma (M) Sendirian Berhad	Freehold	-	835	Two (2) units of 2-storey terrace light industrial building	Warehouse	28 years	0.70	January 2016
	No. 51 & 53, Jalan Rebana 3, Off Jalan Seruling 59, Kawasan 3, Taman Klang Jaya, 41200 Klang, Selangor Darul Ehsan, Malaysia.				January				



DUODHADMA

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Twenty-Fourth (24th) Annual General Meeting ("AGM") of Duopharma Biotech Berhad ("Duopharma Biotech" or the "Company") will be held at Grand Acmar Ballroom, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Jalan Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan, Malaysia (the "Meeting Venue") on Wednesday, 21 May 2025 at 9.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. Audited Financial Statements and Reports of the Directors and Auditors:

To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.

[Please refer to Explanatory Note 1.]

- 2. Retirement and Re-election
- 2.1 The following Directors are due to retire at the 24th AGM:-
 - Dato' Dr. Zaki Morad Bin Mohamad Zaher, who retires in accordance with Article 100 of the Company's Constitution;
 - (ii) Encik Razalee Bin Amin, who retires in accordance with Article 100 of the Company's Constitution, and Paragraph 4.2.9 of the Company's Board Charter;
 - (iii) Puan Zaiton Binti Jamaluddin, who retires in accordance with Article 100 of the Company's Constitution, and Paragraph 4.2.9 of the Company's Board Charter; and
 - (iv) Datuk Nik Moustpha Bin Haji Nik Hassan, who retires in accordance with Paragraph 4.2.9 of the Company's Board Charter.

All the aforesaid Directors have expressed their intention not to seek re-election, and will retain office until the close of the 24th AGM.

2.2 To re-elect Puan Nik Fazila Binti Nik Mohamed Shihabuddin who was appointed as Director after the 23rd AGM and retires in accordance with Article 106 of the Company's Constitution and who, being eligible, offers herself for re-election.

Ordinary Resolution 1

[Please refer to Explanatory Note 2.]

- 3. <u>Directors' Remuneration:</u>
- 3.1 To approve the payment of Directors' fees and Board Committee fees to each of the Non-Executive Directors for the period commencing 22 May 2025 until the conclusion of the next Annual General Meeting of the Company, as follows:-

Ordinary Resolution 2

DIRECTORS' FEES

Chairman of the Board Member of the Board (other than Foreign Director) Foreign Director RM125,000.00 per annum
RM100,000.00 per annum
the amount in United States Dollars
equivalent to RM100,000.00 per annum

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)

BOARD COMMITTEE FEES

Chairman of the Board Committee

Member of the Board Committee
(including where member is a Foreign Director)

RM10,000.00 per annum 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.

3.2 To approve the payment of benefits to the Non-Executive Directors up to an amount of RM768,000.00 for the period from 22 May 2025 until the conclusion of the next AGM of the Company. [Please refer to Explanatory Notes 3 and 4.]

Ordinary Resolution 3

4. Re-appointment of Auditors:

To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 4

[Please refer to Explanatory Note 5.]

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following Ordinary Resolution:-

Ordinary Resolution 5

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;



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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."

[Please refer to Explanatory Note 6.]

6. To transact any other business of which due notice shall have been received.

By Order of the Board

IBRAHIM HUSSIN SALLEH

License No.: LS 0009121

SSM Practising Certificate No.: 201908001032

Company Secretary

Kuala Lumpur Date: 21 April 2025

NOTES:

- 1. The mode of meeting for the Company's 24th AGM will be physical only whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) will have to attend physically in person at the Meeting Venue. Please follow the procedures provided in the Administrative Guide issued by the Company for the Company's 24th AGM which is available on the Company's website at https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/ in order to register, attend, speak and vote at the 24th AGM.
- During the 24th AGM, Members, proxies, corporate representatives and attorneys who are physically present at the Meeting Venue will be able to ask questions in person. The Board and Senior Management will be in attendance at the Meeting Venue to provide responses accordingly.
- 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 process and verify the results of the poll, respectively.
- 4. A member who is entitled to attend, speak and vote at the 24th AGM 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 attend the 24th AGM 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.



Integrated Annual

Report 2024

Notice of the 24th Annual General Meeting of Duopharma Biotech Berhad

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)

- 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. 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.
- The instrument appointing a proxy(ies) may be made in a hardcopy form or by electronic means as follows:-

a. <u>In Hardcopy Form</u>

The Form of Proxy 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, at the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

b. By Tricor Online System ("TIIH Online")

The Form of Proxy 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.

All proxy forms (whether submitted in hardcopy form or by TIIH Online) must be received by the Company's Share Registrar not less than twenty-four (24) hours before the time appointed for taking of the poll as per Section 334(3) of the Companies Act, 2016. Further information on the requirements and procedures for the submission of proxy forms are set out in the Administrative Guide.

 Only depositors whose names appear in the Record of Depositors as at Tuesday, 13 May 2025 shall be regarded as members and entitled to attend and vote at the 24th AGM.

Explanatory Notes

 Audited Financial Statements for financial year ended 31 December 2024 and the Reports of the Directors and the Auditors thereon

The Audited Financial Statements for financial year ended 31 December 2024 and the Reports of the Directors and the Auditors thereon are set out on pages 151 to 226 of the Company's Integrated Annual Report 2024.

The Company's Integrated Annual Report 2024 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://tiih.online by selecting "Integrated Report Request 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 and 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. Retirement and Re-election of Directors

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 reelection. Pursuant thereto, three (3) Directors will be retiring in accordance with Article 100 of the Constitution, namely Dato' Dr. Zaki Morad Bin Mohamad Zaher, Encik Razalee Bin Amin and Puan Zaiton Binti Jamaluddin.

Paragraph 4.2.9 of the Company's Board Charter provides that the tenure of independent and non-independent non-executive directors shall not exceed a cumulative term of nine years in a consecutive service nor cumulative service of nine years with interval.

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Encik Razalee Bin Amin, Puan Zaiton Binti Jamaluddin and Datuk Nik Moustpha Bin Haji Nik Hassan [inclusive of his cumulative service 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] will complete nine years of cumulative tenure of service in June and September 2025. As such, they will also be retiring at the 24th AGM pursuant to Paragraph 4.2.9 of the Board Charter and have expressed their intention not to seek re-election.

Dato' Dr. Zaki Morad Bin Mohamad Zaher has also expressed his intention not to seek re-election at the 24th AGM. As such, none of the Directors retiring pursuant to Article 100 of the Company's Constitution will be seeking re-election.

Subsequent to the 23rd AGM of the Company that was held on 6 June 2024, Puan Nik Fazila Binti Nik Mohamed Shihabuddin ("Puan Nik Fazila") was appointed as an Independent Non-Executive Director of the Company on 7 June 2024. She will retire pursuant to Article 106 of the Constitution, which 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.

The Nomination and Remuneration Committee ("NRC") had assessed Puan Nik Fazila's eligibility to stand for reelection based on, among others, consideration of the Company's Fit and Proper Policy for the Board of Directors and Senior Management, and the Company's Diversity Policy for the Board of Directors and Senior Management, and recommended that Puan Nik Fazila was eligible to stand for re-election. The Board had approved the NRC's assessment and recommendation that Puan Nik Fazila is eligible to stand for re-election. Among the reasons for the Board's recommendation for the re-election of the aforesaid Director are as follows:-

- (a) the recommendation for re-election were based on objective criteria and merit, namely the said Director has met the following fit and proper criteria under the Fit & Proper Policy –
 - character and integrity (encompassing the qualities of probity, personal integrity, financial integrity and reputation);

- experience and competence (encompassing qualifications, training and skills; and relevant past performance or track record); and
- time and commitment (encompassing ability to discharge role having regard to other commitments, and participation and contribution in the Board);
- (b) Puan Nik Fazila had performed satisfactorily in terms of her contribution and performance as well as in terms of her calibre and personality:
- (c) the Board Performance Evaluation for financial year ended 31 December 2024 highlighted that the Board of the Company is well-established and composed Board members who are renowned for their diverse skills, extensive boardroom expertise and commanding gravitas;
- (d) based on Puan Nik Fazila's self-assessment, Puan Nik Fazila has declared her independence; and
- (e) Puan Nik Fazila's tenure of service calculated until the date of the 24th AGM does not exceed a cumulative term of nine years in a consecutive service nor cumulative service of nine years with interval as prescribed in the Company's Board Charter.

All these retiring Directors had abstained from deliberations and decisions on their retirement and, in Puan Nik Fazila's case, her own eligibility to stand for re-election at the relevant NRC and Board meetings.

The details of the Director seeking re-election are set out in her profile which appears in the Directors' Profiles on page 89 of the Company's Integrated Annual Report 2024. The details of her interest in the securities of the Company are set out in her profile as well as the Analysis of Shareholdings on page 228 of the Company's Integrated Annual Report 2024.

The NRC has developed a Succession Plan Framework and the Board will announce in due course the appointment of carefully selected candidates as new Directors of the Company to fill the vacancies arising from the retirement of the aforesaid Directors.



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Notice of the 24th Annual General Meeting of Duopharma Biotech Berhad

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Approval for the proposed payment of Directors' fees and Board Committee fees to each of the Non-Executive Directors for the period commencing from 22 May 2025 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 22 May 2025 until the conclusion of the next AGM of the Company in 2026 are 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.

The Board Committee fees to be paid to the Non-Executive Directors from 22 May 2025 until the conclusion of the next AGM of the Company in 2026 are 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	
Member of the Board (other than Foreign Director)	RM100,000.00 per annum	Approved at the 20th AGM held on
Foreign Director	the amount in United States Dollars equivalent to RM100,000.00 per annum	28 May 2021
BOARD COMMITTEE FEES		SHAREHOLDERS' APPROVAL
Chairman of the Board Committee	RM10,000.00 per annum	Approved at the 17th AGM held on
Member of the Board Committee (including where member is a Foreign Director)	RM8,000.00 per annum	31 May 2018

The shareholders also resolved that the aforesaid amount of the Directors' fees and Board Committee fees 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 22 May 2025 until the conclusion of the next AGM of the Company in 2026 to remain unchanged as they are still competitive.

The shareholders had at the 23rd AGM of the Company held on 6 June 2024 approved the payment of Directors' fees and Board Committee fees for the period commencing 7 June 2024 until the conclusion of the next AGM of the Company in 2025, based on the aforementioned fee structure.

This Ordinary Resolution 2, 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 2026.

Any Non-Executive Director who is a shareholder of the Company will abstain from voting on Ordinary Resolution 2 in respect of the proposed payment of Directors' fees and Board Committee fees.

Notes:

- The Group Managing Director does not receive any Directors' fees nor Board Committee fees other than those specified in his service contract.
- 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. Approval for the proposed payment of benefits to the Non-Executive Directors for the period commencing from 22 May 2025 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
Chairman of the Board	Nivi 1,300.00 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 Allowances 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 23rd AGM of the Company held on 6 June 2024 approved the payment of benefits to the Non-Executive Directors up to an amount of RM768,000.00 for the period commencing 7 June 2024 until the conclusion of the next AGM of the Company on 21 May 2025. The total Directors' benefits incurred were as follows:-

APPROVED AT LAST AGM (FROM 7 JUNE 2024 UNTIL CONCLUSION OF 24TH AGM)	ACTUAL (FROM 7 JUNE 2024 UNTIL 31 MARCH 2025)	FORECASTED (FROM 7 JUNE 2024 UNTIL CONCLUSION OF 24TH AGM)
,	,	,
RM768,000.00	RM312,000.00	RM400,000.00

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 establishment of a new Board Investment Committee, 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.

With respect to the proposed benefits for the Non-Executive Directors for the period commencing from 22 May 2025 until the conclusion of the next AGM of the Company in 2026 ("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 are 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.

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Notice of the 24th Annual General Meeting of Duopharma Biotech Berhad

[Registration No. 200001021664 (524271-W)] (Incorporated in Malaysia)

Ordinary Resolution 3, 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 3 in respect of the proposed payment of benefits to the Non-Executive Directors of the Company.

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;
- 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 2024 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 6 March 2025 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 13 March 2025 approved the AC's recommendation for the shareholders' approval to be sought at the 24th AGM on the reappointment of KPMG PLT as the external auditors of the Company for the financial year ending 31 December 2024.

6. 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 5, 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 24th Annual General Meeting

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Other than the Director standing for re-election, and as at the date of issuance of the Notice of the 24th Annual General Meeting, there are no individuals who are standing for election at the 24th 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 the Director standing for re-election, and as such, such details of the Director standing for re-election have not been included in this statement accompanying the Notice of the 24th Annual General Meeting. Nevertheless, the details of the aforesaid Director seeking re-election are set out in her profile which appears in the Directors' Profiles on page 89 of the Company's Integrated Annual Report 2024.

Proxy Form

DUOPHARMA BIOTECH BERHAD

[Registration No.: 200001021664 (524271-W)] (Incorporated in Malaysia)

	(Full name as per NRIC/Passport/Certificate of Incorpora	ntion)		
Passport No./Company No.	() all hame de per tittes a despot continuate of monpore	•		
		ereby appoint:		
ne (in Block)	NRIC/Passport No.	Proportion of Shareh	noldings	
		No. of shares	%	
pointing more than one (1) proxy)		I		
ne (in Block)	NRIC/Passport No.	Proportion of Sharel	noldings	
		No. of shares	%	
125 at 9.00 a.m. and at any adjournme oxy is to vote as indicated below ESOLUTION	nt thereof.			
	hamed Shihabuddin who retires in accordance	Ordinary		
		Resolution 1		
on-Executive Directors for the period of the next Annual General Meeting of the	commencing 22 May 2025 until the conclusion			
	RM125 000 00 per annum			
lember of the Board other than Foreign Director)	RM100,000.00 per annum			
oreign Director	the amount in United States Dollars equivalent to RM100,000.00 per annum			
OARD COMMITTEE FEES				
chairman of the Board Committee Iember of the Board Committee Including where member is a Foreign Including where member is a Foreign Including where member is a Foreign	RM10,000.00 per annum RM8,000.00 per annum			
	. ,			
o approve the payment of benefits to the M768,000.00 for the period from 22 M	ne Non-Executive Directors up to an amount of			
re-appoint Messrs. KPMG PLT as A rectors to fix their remuneration.	uditors of the Company and to authorise the	Ordinary Resolution 4		
	arma Biotech Shares pursuant to the Dividend	Ordinary		
	areholders of the Company with the Option to			
	him/her, the Chairman of the Meet 'AGM") of the Company to be hel siaran Bukit Raja 2/KU1, Bandar Bar 25 at 9.00 a.m. and at any adjournme oxy is to vote as indicated below SOLUTION RY BUSINESS re-elect Puan Nik Fazila Binti Nik Moth Article 106 of the Company's Constapprove the payment of Directors' fearn-Executive Directors for the period of the next Annual General Meeting of the IRECTORS' FEES hairman of the Board dember of the Board other than Foreign Director) or eign Director OARD COMMITTEE FEES hairman of the Board Committee dember of the Board Committee moluding where member is a Foreign irector) of further, to authorise the Directors approve the payment of benefits to the M768,000.00 for the period from 22 M the Company. re-appoint Messrs. KPMG PLT as A rectors to fix their remuneration. BUSINESS	Interpretation of the Meeting "my/our proxy to vote for "me/our behin/AGM") of the Company to be held at the Grand Acmar Ballroom, Level stars Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan 25 at 9.00 a.m. and at any adjournment thereof. Soxy is to vote as indicated below (Please in ESOLUTION RY BUSINESS The Company's Constitution. approve the payment of Directors' fees and Board Committee fees to each of the other han Foreign Director the amount in United States Dollars equivalent to RM100,000.00 per annum CARD COMMITTEE FEES hairman of the Board Committee RM100,000.00 per annum CARD COMMITTEE FEES hairman of the Board Committee RM100,000.00 per annum RM20,000.00 per annum RM3,000.00 per annum RM400,000.00 per annum RM50,000.00 per annum RM60,000.00 per annum RM760,000.00 per annum RM760,000.00 per annum RM100,000.00 per annum RM100,000	Interception of Sharel No. NRIC/Passport No. Proportion of Sharel No. of shares	Archolder/shareholders of DUOPHARMA BIOTECH BERHAD ("the Company") hereby appoint: te (in Block) NRIC/Passport No. Proportion of Shareholdings

NOTES

- 1. The mode of meeting for the Company's 24th AGM will be physical only whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) will have to attend physically in person at the Meeting Venue. Please follow the procedures provided in the Administrative Guide issued by the Company for the Company's 24th AGM which is available on the Company's website at https://duopharmabiotech.com/investor-relations/shareholders-meeting-and-reports/ in order to register, attend, speak and vote at the 24th AGM.
- During the 24th AGM, Members, proxies, corporate representatives and attorneys who are physically present at the Meeting Venue will be able to ask questions in person. The Board and Senior Management will be in attendance at the Meeting Venue to provide responses accordingly.
- 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 process and verify the results of the poll, respectively.
- 4. A member who is entitled to attend, speak and vote at the 24th AGM 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 attend the 24th AGM on behalf of that corporation.
- 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.

- 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.
- 3. 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.
- The instrument appointing a proxy(ies) may be made in a hardcopy form or by electronic means as follows:

a. <u>In Hardcopy Form</u>

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 Registrar, Tricor Investor & Issuing House Services Stofn 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, at the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

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 Only depositors whose names appear in the Record of Depositors as at Tuesday, 13 May 2025 shall be regarded as members and entitled to attend and vote at the 24th AGM.

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AFFIX POSTAGE STAMP

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



DUOPHARMA BIOTECH BERHAD

Registration No.: 200001021664 (524271-W)

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

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