



# OTHER DISCLOSURES

## UTILISATION OF PROCEED FROM CORPORATE PROPOSALS (If any)

The Company had raised a total of RM60.1 million under a placement exercise which was completed on 13 October 2017. The utilisation of the proceed from the placement exercise was as follow:

	Actual Utilisation (RM'million)
Partial repayment of bank borrowings	(32.5)
Partial payment for acquisition of minority interests in CCM Chemicals Sdn. Bhd.	(24.1)
Defrayment of expenses related to the proposal	(1.0)
TOTAL	(57.6)

## 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 2017, the following amount have been paid or payable to the auditors of the Company and Group for work performed:

	Audit Work (RM)	Non-Audit Work (RM)
Company level	86,000	65,000
Group level	673,000	122,000

## MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS, CHIEF EXECUTIVE OFFICER WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDER

There was no other material contract entered into by the CCM Group during the two (2) years immediately preceding the date of this Annual Report, other than contracts entered into in the ordinary course of business:

- (a) Debt Settlement Agreement ("DSA") dated 11 August 2017 entered into between CCM and CCM Marketing Sdn Bhd ("CCMM"), a wholly owned subsidiary of CCM. Upon the fulfillment of all the conditions precedent of the DSA, the transfer of 204,665,784 CCM Duopharma Biotech Berhad shares from CCMM to CCM arising from the DSA pursuant to the Internal Reorganisation exercise was completed on 25 September 2017.
- (b) Sale of Shares Agreement dated 19 September 2017 entered into by CCM with the following parties, in relation to the Proposed Acquisitions of:
  - (i) 10% equity interest in CCM Chemicals Sdn Bhd from Lanjut Setia Sdn Bhd ("Proposed Acquisition 1"); and
  - (ii) 10% equity interest in CCM Chemicals Sdn Bhd from Permodalan Nasional Berhad ("Proposed Acquisition 2")



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for a total purchase consideration of RM40,000,000. Save for the Interested Directors namely Dato' Hajah Normala binti Abdul Samad, Dato' Azmi bin Mohd Ali, Dato' Seri Ir. Dr. Zaini bin Ujang and Datin Paduka Kartini binti Hj Abd Manaf who are the directors nominated by Permodalan Nasional Berhad ("PNB") and PNB as the major shareholder of CCM, none of the directors or major shareholders of CCM or any persons connected to them have any interest, direct or indirect, in the Proposed Acquisition 2.

The Proposed Acquisitions were completed on 24 November 2017. As a result, CCM Chemicals Sdn Bhd is now a wholly-owned subsidiary of the Company.

### MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, neither CCM nor any of its subsidiaries are engaged in any material litigation, claims or arbitration proceedings, either as plaintiff or defendant, which will have a material effect on the financial position of the CCM Group and the Board is not aware of any proceedings pending or threatened against CCM and/or its subsidiaries or any facts likely to give rise to any proceedings which might materially affect the financial position and business of the CCM Group.

- a) PT CCM Indonesia, a subsidiary of CCM, had on 23 September 2014 submitted five (5) letters of appeal to the Indonesian Tax Court against the objection decisions of the Director-General of Tax, Indonesia on several tax adjustments/ corrections made by the tax auditor totalling IDR36.1 billion (or equivalent to RM9.7 million) in aggregate. The appeals have been heard and are now pending decision by the Indonesian Tax Court.

### REVALUATION POLICY OF LANDED PROPERTY

Land & Buildings are stated at cost or Director's valuation based on open market valuations by professional firms of valuer less accumulated depreciation. Additions to land and buildings subsequent to the valuations are stated at cost.

### RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

At an Annual General Meeting (AGM) held on 24 May 2017, the Company obtained the shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business with related parties. The said general mandate took effect from 24 May 2017 until the conclusion at the forthcoming AGM of the Group. The disclosure of the recurrent related party transactions conducted during the financial period ended 31 December 2017 is set out on page 206 of the Annual Report.