

Other disclosures

Material contracts

Save as disclosed below, there were no other material contracts, which have been entered into by the Company and its subsidiaries involving directors', and major shareholders' interests during the financial year ended 31 December 2007:

- i. Sale and Purchase Agreement dated 2 April 2007 between CCM Pharma Sdn Bhd, a wholly-owned subsidiary of the Company, with Malayan Pharmaceutical Sdn Bhd [MPSB] in respect of the purchase of brands, product rights and fixed assets of MPSB for a total consideration of RM22.0 million.
- ii. Conditional Share Sale Agreement dated 25 January 2008 between the Company and Enersave Water Sdn Bhd, for the acquisition of 9,567,502 ordinary shares of RM1.00 each representing approximately 97.14% of the issued and fully paid up ordinary shares in Enersave Water Sdn Bhd for a total purchase consideration of RM38.28 million.

Employees Share Option Scheme [ESOS]

On 18 December 2002, the Group established an ESOS that entitles Directors and employees to subscribe for a total of 17,608,000 new ordinary shares of RM1.00 each in the Company at an option price of RM1.36 per ordinary share. The Executive Directors have opted not to participate in this ESOS scheme. The ESOS has expired on 18 December 2007.

For the financial year under review, 608,000 options have been exercised and a total of 15,740,000 options have been exercised during the option period from 18 December 2002 until 17 December 2007.

The Audit Committee has verified that the options granted were made in accordance with the By-laws of the ESOS.

Recurrent related party transaction of a revenue nature

As at the Extraordinary General Meeting held on 28 May 2007, the Company had obtained a shareholders mandate to allow the Company to enter into Recurrent Related Party Transactions of a revenue or trading nature.

In accordance to the Bursa Malaysia Securities Berhad Listing Requirements, details of the Recurrent Related Party Transactions audited during the year financial year ended 31 December 2007 pursuant to the shareholders mandate are as follows:

Transaction	Vendor/ Provider	Purchaser/ Recipient	Aggregate Value ¹ [in RM'000]	Interested Party
Purchase of raw material for pharmaceutical products	CCM Chemicals Sdn Bhd	Duopharma [M] Sdn Bhd	20	Dato' Hj Mizanur Rahman bin S. M Abdul Ghani ³
Purchase/Sale of raw materials	CCM Chemicals Sdn Bhd	CCM Fertilizers Sdn Bhd	77,000	Dato' Hj Mizanur Rahman bin S. M Abdul Ghani ³

Recurrent related party transaction of a revenue nature [contd.]

Transaction	Vendor/ Provider	Purchaser/ Recipient	Aggregate Value ¹ [in RM'000]	Interested Party
Purchase/Sale of chemicals	CCM Chemicals Sdn Bhd	CCM Singapore Pte Ltd	13,000	Yeoh Keat Chye ²
Purchase/Sale of chemicals	CCM Chemicals Sdn Bhd	P.T. CCM Indonesia	2,000	Yeoh Keat Chye ² Dato' Hj Mizanur Rahman bin S.M. Abdul Ghani ³
Purchase/Sale of fertilizers	P.T. CCM Agripharma	P.T. Multigambut Industri	47,000	Lembaga Tabung Haji
Sale of Nitric Acid	CCM Fertilizers Sdn Bhd	CCM Chemicals Sdn Bhd	8,000	Dato' Hj Mizanur Rahman bin S.M. Abdul Ghani ³
Purchase/Sale of chemicals	CCM Chemicals Sdn Bhd	Usaha Kimia [M] Sdn Bhd	12,000	Yeoh Keat Chye ² Dato' Hj Mizanur Rahman bin S.M. Abdul Ghani ³
Tenancy ⁵ of land at Lot PT 200, Persiaran Selangor, 40000 Shah Alam, Selangor. [Total area - 988,743 sq.ft.]	CCM	CCMF	RM3,315,000 [@RM276,156 rental per month]	LTH ⁴
Tenancy ⁵ of land at Lot PT 200, Persiaran Selangor, 40000 Shah Alam, Selangor. [Total area - 47,210 sq.ft.]	CCM	CCMC	RM275,000 [@RM22,912 rental per month]	Yeoh Keat Chye ² Dato' Mizanur Rahman bin S.M Ab. Ghani
Tenancy ⁵ of land at Lot PT 200, Jalan Asam Jawa, 16/15 Off Persiaran Kemajuan, 40000 Shah Alam Selangor. [Total area - 4,611 sq.ft.]	CCM	CCMC	RM90,000 [@RM7,377 rental per month]	Yeoh Keat Chye ² Dato' Mizanur Rahman bin S.M Ab. Ghani

Notes

1. The values are estimates based on the audited financial statements for the financial year ended 31 December 2007. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed above. Disclosure will be made in CCM's 2007 Annual Report of the actual breakdown of the aggregate value of transactions conducted as required under Paragraph 4.1.5 of Practice Note 12/2001 of the Listing Requirements, pursuant to the Proposed Renewal of Shareholders' Mandate.
2. Yeoh Keat Chye is a Director of CCMC, CCMSPL and PTCl. He has indirect interest in CCMC and PTCl, a wholly owned subsidiary of CCMC, by virtue of his shareholding in LSSB, which holds 10% of the issued share capital of CCMC. He also has direct interest of 346,000 ordinary shares in CCM or equivalent to 0.09%.
3. Dato' Haji Mizanur Rahman bin S.M Abdul Ghani is deemed interested in the proposal Shareholders' Mandate under the definition of Director of this Circular. He was the Managing Director of CCMD and Director of DMSB, UKSB, CCMF and PTCCMA, prior to cessation of his employment with effect from 1 January 2008. He has indirect interest of 242,800 ordinary shares in CCM or equivalent to 0.06% and indirect interest of 2,500 ordinary shares held through sons, Shazli Ghani and Shahreza Ghani by virtue of Section 122A of the Act.
4. LTH holds direct interest of 49.9% in the issued share capital of CCMF and 2.68% in the issued share capital of CCM. LTH also have interest in P.T. Multigambut Industri.
5. The duration of the tenancy of land is 3 years.

Share buy-back

There were no repurchase of its issued and paid up shares since 2003. During the year, the Company sold 2,890,000 of its treasury shares in the open market. The average resale price of the treasury shares was RM3.14 per share and the total consideration received was RM9,022,000.

As at 31 December 2007, the Company held 2,998,000 of the issued and paid up shares as treasury shares.

Non-audit fees

During the year ended 31 December 2007, the Group has paid a sum of RM24,000 being fee for non-audit work performed.

Variation in results

There is no material variance between the results for the financial period and the unaudited results previously announced by the Company.

Profit guarantees

There was no profit guarantee given by the Company during the year.

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.

Imposition of sanction and penalties

There were no sanctions and/or penalties imposed by the relevant authorities on the Company and/or its subsidiary companies, and Directors arising from any significant breach of regulations.

American Depository Receipt (ADR) / Global Depository Receipt (GDR) Programme

During the financial year, the Company did not issue any ADR or GDR programme.

Utilisation of bond proceeds

[in RM'000]	Amount	Utilised	Balance at 31 December 2007
Rationalisation of pharmaceutical manufacturing operations	70,000	35,201	34,799
Refinancing of existing term loans	82,360	82,360	-
Working capital requirements of the Group	47,640	47,640	-
	200,000	165,201	34,799

Options, warrants exercised during the year

[in RM'000]	Balance as at 1 January 2007	Exercised	Lapsed	Balance as at 31 December 2007
Warrant B	66,486	8,978	-	57,508
ESOS*	829	608	221°	-

* No options were offered to Non-Executive Directors of the Company.

° The ESOS expired on 18 December 2007. The unexercised number of shares as at 17 December 2007 is 221,115 shares.