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**PHARMANIAGA REMAINS RESILIENT
AMIDST NEW WAVES OF COVID-19 CASES**

First interim dividend of 4 sen per share declared

KEY HIGHLIGHTS

- Profit after taxation slightly higher at RM23 million.
- Revenue stood at RM793 million.
- First interim dividend of 4 sen per share declared.

SHAH ALAM, 21 May 2021 – Pharmaniaga Berhad (Pharmaniaga) is upbeat after posting a promising first quarter result ended March 2021 with a higher profit after taxation (PAT) of RM23 million despite lower demand amidst the new waves of COVID-19 cases .

The Group fared better than RM22 million PAT in the same quarter last year. The Group's better performance was supported by reduced finance cost as a result of Bank Negara Malaysia's lower overnight policy rate, coupled with reduced operating cost due to the ongoing cost containment exercise implemented throughout the Group.

Profit before zakat and taxation also increased to RM32 million while revenue stood at RM793 million. On the front end, the Group's Malaysian operations remained consistent, however there was a drop in demand from the Indonesian businesses due to the ongoing COVID-19 pandemic which impacted earnings.

Nevertheless, the Group remains committed to delivering shareholder value and the Board of Directors declared a first interim dividend of 4 sen per share. The dividend will be paid on 6 July 2021 to shareholders on the register as at 8 June 2021.

Pharmaniaga Group Managing Director Datuk Zulkarnain Md Eusope said, "Amidst the challenges brought about by COVID-19 which are expected to persist given new waves of cases around the world, Pharmaniaga is focused on the supply and distribution of COVID-19 vaccines. This is the priority for the Group and we are privileged to continue to be entrusted with this critical role in Malaysia's fight against the pandemic.

"We are making good progress on this front, with approval granted by the National Pharmaceutical Regulatory Agency for the fill and finish manufacturing of the Sinovac COVID-19 vaccine. The distribution of the vaccine to the Government has commenced in May 2021.

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“In addition, we have brought in 400,000 doses of the Sinovac COVID-19 finished product and successfully distributed them to the Government healthcare facilities. Building on this, we were honoured to be appointed to manage the logistics and distribution of AstraZeneca vaccines to Government facilities, which is currently in progress.

“Furthermore, as part of our long-term sustainable growth plans driven by iconic initiatives which we are implementing, we aim to accelerate the growth of our vaccine manufacturing business by embarking on a Halal vaccine project. This will see the Group establishing the world’s first Halal vaccine facility, which is targeted for completion by 2022, creating a new stream of income for the Group by 2024.

“This pioneer initiative will generate multiple positive spillover benefits which includes improving our nation’s pandemic preparedness towards cultivating a sustainable vaccine supply chain. In addition, it will provide opportunities for upskilling local talents, whilst increasing accessibility to affordable vaccines” he said.

In tandem, Datuk Zulkarnain added that the Group will continue to strengthen its private sector business via strategic advertising and marketing campaigns, with a strong focus on the consumer healthcare segment. With the strategic branding exposure, key products such as Citrex Vitamin C, Baraka, Actimol and Perozin are being well received by consumers.

“To further drive our growth, we are leveraging on digitalisation within our value chain and utilising advanced technologies in our logistics supply chain such as the newly implemented Oracle Transport Management System which will help to automate the end-to-end transportation business processes. All these initiatives will ultimately enable us to better serve the nation’s needs to the best of our ability.” concluded Datuk Zulkarnain.

Pharmaniaga Chairman Dato’ Sri Mohammed Shazalli Ramly said, “With strategic plans especially in technology and digitalisation already in motion, we expect the Group to record better revenue and profit in the next quarter.

“With that, we are confident that long-term prospects are positive for the Group, ensuring our resilience as we continue to tap on new opportunities to enhance our growth and unlock value,” he said.

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About Pharmaniaga Berhad

Pharmaniaga is the leading pharmaceutical company of Boustead Holdings Berhad Group of Companies, which together with the Armed Forces Fund Board, are the major shareholders of the Company. Listed on the Main Board of Bursa Malaysia, Pharmaniaga's core businesses are generic pharmaceuticals manufacturing; research and development; marketing and sales; warehousing and distribution of pharmaceutical and medical products; supply, trading and installation of medical and hospital equipment as well as community pharmacy.

With a vision to be the premier Malaysian pharmaceutical company, Pharmaniaga is guided by its philosophy of 'Do It Right Always' and is empowered by its motto of Passion for Patients. Strengthened by nine manufacturing plants, nationwide logistics and distribution in Malaysia and Indonesia as well as products registered in 15 countries, Pharmaniaga Group is positioned to be a regional player in the international pharmaceutical arena.

Forward-looking statements

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of Pharmaniaga Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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