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**PHARMANIAGA BERHAD OPTIMISTIC OF
Q2 FY2021 AMID PANDEMIC CHALLENGES**

SHAH ALAM, 28 May, 2021 – Pharmaniaga Berhad (Pharmaniaga) remains cautiously optimistic for its second quarter ending June 2021 and expects to record better performance by focusing on operational efficiencies and fiscal discipline throughout its value chain, including the supply and distribution of COVID-19 vaccines in the country.

As announced by YB KJ yesterday, Pharmaniaga is poised to fulfil its contractual obligation towards the Government by distributing a total of 12 million doses in June and July consisting of 5,089,800 fill and finish and 6,910,200 doses of finished vaccines. This will help to speed up the Federal Government’s National Covid-19 Immunisation Programme (NIP) in order to achieve its 80% herd immunity target by year-end

Pharmaniaga Group Managing Director Datuk Zulkarnain Md Eusope said the Group has proposed to the Government to supply both finished as well as filled and finished vaccines to help it expedite the completion of NIP, and at the same time review the contract obligation, thus shortened the supply period.

“Upon completion of our obligation to the Government, we can start offering Sinovac COVID-19 vaccine to the private sector,” he said.

Datuk Zulkarnain added that Pharmaniaga intends to import 10 million doses of Sinovac COVID-19 finished vaccine from China.

“World Health Organisation is expected to approve Sinovac COVID-19 vaccine very soon and we foresee that once this happens, the global demand for Sinovac COVID-19 vaccine will spike and we may not be able to obtain it easily like now. Thus, we plan to place the order now before that occurs,” he said.

Concurrently, Datuk Zulkarnain said China Food and Drug Administration (CFDA) has approved the manufacturing of 2-dose per vial Sinovac COVID-19 vaccine and now waiting for documents from the manufacturer before submitting it to NPRA for variation process. Once approved, PLS will be able to ramp up production from 2 million to 4 million a month.

As part of its long-term sustainable growth plans driven by iconic initiatives in place, he said the Group aims to accelerate the growth of our vaccine manufacturing business by embarking on a Halal vaccine project. This will see the Group establish

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the world's first Halal vaccine facility, which is targeted for completion by 2024, creating a new stream of income for the Group.

For the Q1 FY2021, Pharmaniaga has proven its resiliency by posting an improved performance of a higher profit after taxation (PAT) RM23 million despite lower demand amidst the new waves of the COVID-19 pandemic.

The Group fared better than RM22 million PAT in the same quarter last year. The improved performance was supported by reduced finance cost resulting from Bank Negara Malaysia's lower overnight policy rate. It is further contributed by the reduction of operating cost from 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, Malaysian operations remain 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.

Pharmaniaga is the leading pharmaceutical Company of Boustead Holdings Berhad group of companies, and together with Lembaga Tabung Angkatan Tentera, are the major shareholders of the Company.

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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.

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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.

Issued for Pharmaniaga Group by Corporate Communications Department, Pharmaniaga Berhad.

For media enquiries, please contact Dato' Zuhri Iskandar Kamarzaman, Head of Corporate Communications Department, Pharmaniaga Berhad at 03 3342 999 ext. 434 or by email zuhri@pharmaniaga.com