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**PHARMANIAGA CONTINUES TO EXPLORE OVERSEAS
EXPANSION OPPORTUNITIES FOR SINOVAC COVID-19
VACCINE SUPPLY**

SHAH ALAM, 26 August, 2021 – Pharmaniaga Berhad (Pharmaniaga) is looking at expanding its presence in the Southeast Asia and the African markets by supplying Sinovac COVID-19 finished vaccine manufactured by its own high-tech plant.

Pharmaniaga Group Managing Director Datuk Zulkarnain Md Eusope said with more than 700 million population in the Southeast Asia region and 1.3 billion population in the African continent, these markets have tremendous potential for growth and will be the Group's focus areas to supply the vaccine.

“Following our completion of distributing and supplying Sinovac COVID-19 vaccine to the Federal Government totalling 20.4 million doses, we are looking at further opportunities to export the vaccine overseas.

“Currently, we are in the midst of a discussion with Sinovac Life Sciences Co., Ltd. to facilitate the export of the vaccine to countries that face challenges in securing sufficient supply in various Southeast Asians countries as well as several African nations. Thus, this planning has allowed the Group to capitalise on these apt opportunities.

“Although there will be tough competition, we are focused on improving our operations in order to capture the immense potential in these countries,” he said.

Datuk Zulkarnain said with the global surge in the number of COVID-19 cases, the business expansion is also aimed to aid access to the vaccine supply and to ensure its timely arrival, as well as to expedite the national vaccination programme rollout in these countries.

In tandem, Datuk Zulkarnain said the Group will continue its production at its wholly-owned subsidiary high-tech plant, Pharmaniaga LifeScience Sdn Bhd (PLS), following the recent approval from the National Pharmaceutical Regulatory Agency (NPRA) to manufacture fill and finish Sinovac COVID-19 vaccine 2-dose per vial.

“This will immediately ramp up the plant's capacity from 2 million to 4 million doses per month, starting August 2021. We are ever ready to provide national stockpile support the Government in the event of delays in delivery by other vaccine manufacturers as well as to meet the demand from the state governments and private sector.”

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Datuk Zulkarnain said the Group has submitted relevant documents to NPRA for the use of Sinovac COVID-19 vaccine amongst children aged 12 to 17 in Malaysia, given the approval obtained in Indonesia and China. The Group is also expecting Sinovac to offer booster shots soon, particularly for vulnerable and high-risk groups of the population in order to maintain protection against the virus, especially from the new variants.

Moving forward, Datuk Zulkarnain said the Group remains cautiously optimistic for its third quarter ending September 2021 and expects to record sterling performance by focusing on operational efficiencies and fiscal discipline throughout its value chain, including the supply and distribution of Sinovac COVID-19 vaccines in the country and overseas market.

For the second quarter ended 30 June 2021 (Q2 FY2021), the Group has posted an improved performance across all business segments. Profit Before Zakat and Taxation (PBT) for the quarter rose to RM22.2 million, from RM14.3 million in the previous year's corresponding quarter. Profit After Taxation (PAT) for the quarter surged 45% to RM13.9 million from RM9.6 million compared to the same quarter last year.

The Group registered RM1.2 billion in revenue in the same quarter, a tremendous jump of 82% from RM646 million in the previous year's corresponding quarter. This was mainly due to higher demand from the concession, non-concession and Indonesian businesses. The significant increase in the non-concession business was attributable to the sales of the Sinovac COVID-19 vaccine to the Ministry of Health (MOH).

The Group's gearing ratio stood at 3.1 due to high borrowings to procure the COVID-19 vaccine in support of the nation's urgent need for the National COVID-19 Immunisation Programme. These borrowings were secured against government contracts and private sector purchasers. Once the Group received the payment from the Government, state governments and private sector, we expect to pare down our borrowings and the gearing ratio will be improved.

With the overall improved performance, the Group remains committed to delivering shareholder value and the Board of Directors declared a second interim dividend of 1.5 sen per share. The dividend will be paid on 30 September 2021 to shareholders on the register as of 8 September 2021.

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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.

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

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