

**PRESS RELEASE**  
**FOR IMMEDIATE RELEASE**

**PHARMANIAGA STRENGTHENS INDONESIAN MARKET  
PRESENCE, CONTINUES EXPANDING FOOTPRINT INTO  
GLOBAL POTENTIAL OPPORTUNITIES**

**SHAH ALAM, 13 JUNE 2022** – Pharmaniaga Berhad (Pharmaniaga) continues to strengthen its presence in the Indonesian market, whilst establishing the Group’s efforts to intensify its position as a major international biopharmaceutical player.

Pharmaniaga Group Managing Director Datuk Zulkarnain Md Eusope said the Indonesian Division has returned to the black with an increase of the Group’s bottomline through an effective reorganisation of operational strategies in place.

“Indonesian operation has successfully achieved a swift turnaround in the first quarter of the financial year 2022 (Q1 FY2022) and this result has reflected the effectiveness of the reorganisation of its enhanced operational efficiency through an ongoing stock optimisation exercise, as well as aggressive payment collection.

“Our business footprint in Indonesia has huge untapped potential to explore. We are in the midst of revamping the current business model of our public listed logistics and distribution arm, PT. Millennium Pharmacon International Tbk located in Jakarta and increasing the products portfolio of our manufacturing arm, PT Errita Pharma in Bandung.

“With strategic business and aggressive marketing plans in place, we aim to further enhance the profitability for the overall Indonesian division in the coming quarters,” he said during the Q1 FY2022 financial performance held today.

Datuk Zulkarnain said the Group is in the phase of an aggressive discussion with few countries around the world and eyes to expand to the United Kingdom, Turkey and Middle & North Africa (MENA) market.

“Our journey construction of being the world’s first Halal vaccine and insulin facilities progressing on track for commercialisation by 2025 and leveraging on our proven track record in handling and distributing vaccines, we are committed to bringing our experience and expertise to other developing countries. This would enhance and expedite these countries’ vaccination programmes,” he said.

Recently, the Group has sealed two Memorandum of Understandings (MoUs) through the collaboration with PRIME Healthcare Group (PRIME) to establishing the Group's market presence in MENA countries, Thailand's leading clinical research organisation Bio-Innova Co Ltd and Bionet-Asia Co Ltd to strengthen the Group's vaccine business and provide with another income stream in the future. Datuk Zukarnain said as the world has begun transitioning into the endemic phase amid its high vaccination rates, all economic sectors in Malaysia have now returned to their existing business operation back to pre-COVID-19 pandemic normalcy.

"We are also focusing on intensifying our manufacturing of generic pharmaceutical and consumer healthcare product portfolio in the next financial performance to elevate business sustainability.

"With a gradual shift to our existing operation and adapted to the current of changes, we continue on growing our manufacturing of generic pharmaceutical, biopharma and consumer healthcare products.

"This is part of the company strategy to boost and focus on our manufacturing range of niche product such as insulin, vaccines, over-the-counter and supplement portfolio products such as Citrex Vitamin C - flagship product with new formats as well as to launch vitality and gastro healthcare categories," he said.

Datuk Zulkarnain said that the Group is also finalising the logistics and distribution contract extension agreement with the Ministry of Health, slated to be completed by the end of 2022.

"We constantly work to improve the operational excellence in increasing efficiency of our logistical and distribution technology, including hi-tech operational tools, as well as a highly reliable warehouse management system for smooth operations and to ensure the utmost productivity.

"The Group has been investing heavily in high technology logistics automation systems and solutions development, with emphasis on digitalisation. In the view of COVID-19 pandemic, digitalisation has proven an important role to improve efficiency in terms of reducing human errors and operational costs," he said.

Last year, the Group has also collaborated with the Malaysia Healthcare Travel Council (MHTC) to supply and distribute the Hepatitis C drug, Ravidasvir, Sinovac COVID-19 vaccine as well as other vaccines to MHTC's participating hospitals and healthcare centres.

"We will assist in the development of the platform and system for the vaccination programme. This collaboration is expected to generate another recurring income

stream of RM100 million over 5 years period and it will contribute to the Group's bottom line going forward," said Datuk Zulkarnain.

Concurrently, the Group is actively discussing with interested parties to export Sinovac COVID-19 vaccine into countries with low vaccination rates by the second half of 2022 to hasten vaccination rates and play its part to achieve global immunisation against COVID-19.

During the Q1FY2022, the Group recorded an increase for its Profit After Taxation and Zakat by 26.4% to RM28.9 million from RM22.8 million a year ago. Profit Before Taxation and Zakat increased by 18.8% to RM37.4 million from RM31.5 million previously. The higher bottom-line came on the back of revenue rising by 21.3% to RM962.2 million from RM793.5 million in the previous corresponding quarter.

The improved results were mainly attributable to higher contribution by the Logistics and Distribution Division as new products were added into the Ministry of Health Malaysia's Approved Products Purchase List, and coupled with the Indonesian Division returning to the black. The accomplishment of both divisions was recorded due to the Group's reorganisation and restructuring plans and an increase in digitalisation to enhance operational efficiency.

In a separate event today, the Group has held its 24th Annual General Meeting (AGM). Datuk Zulkarnain said in line with the AGM's theme of Reinventing for A Sustainable Future, the Group remain committed to elevating its environmental, social and governance efforts despite the headwind in the economic situation due to the COVID-19 outbreak happening in the year 2020 and 2021.

"In ensuring sustainable growth and building a long-term resilience as well as to secure sustainability future, we are focusing on seven main pillars namely, establishing the premier integrated Logistics & Distribution dominance, Research & Development in nutraceutical and healthcare, building biopharmaceutical, pharmaceutical and traditional complementary medicine (TCM) capability, strengthen footprints in international ventures via focus countries, amongst others.

"With strong fundamentals in place, we have leveraged technology-driven solutions to optimise our operations and improve our existing offerings, as well as formulate new products and services."

During the AGM, the Group received a positive reception from its shareholders and thanks for the continuous support as well as their virtual presence. The shareholders approved all the ordinary resolutions proposed.



Pharmaniaga Berhad 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.

For more information, please log on to <https://pharmaniaga.com/>.

#### **Forward-looking statement**

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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