

PRESS RELEASE
FOR IMMEDIATE RELEASE

**PHARMANIAGA IMPLEMENTS AGGRESSIVE
TRANSFORMATION INITIATIVES TO EXPAND ITS
BUSINESSES IN INDONESIA**

Digitalisation contributes to Indonesian operations positive growth

SHAH ALAM, 19 AUGUST 2022 – Malaysia’s leading pharmaceutical company, Pharmaniaga Berhad (Pharmaniaga) will focus on aggressive various transformation initiatives, in line with the Reinventing Boustead strategy to improve operational efficiencies by embracing digitalisation and synergising core businesses within the Group.

Special attention is given to the Group’s Indonesian operations which has demonstrated encouraging growth, bolstered by huge opportunities to explore vast potential of untapped market in that country.

The Group recorded revenue of RM1.72 billion for the six months period ended 30 June 2022 (6M FY2022). This translated to Profit Before Taxation and Zakat of RM42.0 million and Profit After Taxation and Zakat of RM29.8 million. The Group also continued to record encouraging growth of 6% for its core divisions in 6M FY2022.

Pharmaniaga Group Managing Director Datuk Zulkarnain Md Eusope said, "We are pleased with the encouraging growth registered by the core divisions that reflect our effective and sustainable business strategies.

Transformation initiatives, especially on digitalisation in logistics and distributions for both of our operations in Malaysia as well as Indonesia will be the key drivers in improving operational efficiencies that contribute to the Group’s bottom-line.

The Indonesian operations’ revenue increased by 12.4% and with a population of approximately 280 million, the third largest nation remains a key market for the Group. The successful turnaround of the Indonesian business was achieved by enhancing operational efficiency by adopting digitalisation, and we aim to maintain the segment’s profitability for the foreseeable future."

Datuk Zulkarnain further added that the Group is also focusing on leveraging its business portfolio in the private market, especially for over-the-counter and ethical products to pharmacies, hospitals and clinics across the country.

"With the strategic investment on advertisement and promotional activities, we achieved a 30% growth in revenue contribution from the sales of generic pharmaceutical drugs to the private sector as at 31 July 2022, and we will continue to boost our sales initiatives further.



Currently, the Group has placed 16 units of its RoyalePharma 24/7 smart vending machine, which consist of Pharmaniaga's over-the-counter products at various locations in Kuala Lumpur and we are on track to place another 100 units by the end of this year.

Speaking on the Group's prospects, Datuk Zulkarnain said, "Moving forward, as the world transitions into the endemic phase, we have put in place well-executed strategies in all divisions and are heading towards the right direction in accordance with our business plan. We remain confident of achieving our business targets by year end," he said.

The Group declared its second interim dividend of 0.5 sen per share in respect of the financial year ending 31 December 2022 (FY2022), which will be paid on 4 October 2022 to shareholders on the register as of 12 September 2022.

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)

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 Pharmaniaga. Listed on the Main Market of Bursa Malaysia Securities Berhad, 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 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 is positioned to be a regional player in the international pharmaceutical arena.

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

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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