

PRESS RELEASE
FOR IMMEDIATE RELEASE

**INTERNATIONAL OPERATIONS AND PRIVATE
SECTOR CONTINUE TO BE THE GROWTH
DRIVERS FOR PHARMANIAGA**

Penetrates China healthcare market via JD.com, China's largest e-commerce platform

SHAH ALAM, 24 NOVEMBER 2022 – Malaysia's leading pharmaceutical company, Pharmaniaga Berhad (Pharmaniaga) maintains its focus to strengthen its international market and business portfolio in the private sector that have continued to become the key growth drivers for the Group.

Pharmaniaga's international business in Indonesia, PT. Millennium Pharmacon International Tbk (MPI), Jakarta and PT Errita Pharma, Bandung have registered an outstanding performance with a substantial increase in Profit After Taxation and Zakat (PAT) of RM5.53 million for the nine-month period ended 30 September 2022 (9MFY2022), against RM99,000 obtained in 9MFY2021.

The private sector business for Malaysian operations has also registered impressive revenue growth of 55% for 9MFY2022 from the corresponding period last year. This sector is expected to grow further as Pharmaniaga penetrates China healthcare market by partnering with JDMAS Commerce Sdn Bhd (JDMAS) to commercialise Pharmaniaga's over-the-counter (OTC) and subsequently pharmaceutical products in China through JD.Com, China's largest e-commerce platform.

Datuk Zulkarnain Md Eusope, Phamaniaga Group Managing Director said, "Our international market especially in Indonesia remains as our key driver and it is indeed encouraging to see our performance in that country thus far.

"Our subsidiary MPI recorded a steady growth, mainly driven by enhanced operational efficiency and digitalisation with an ongoing stock optimisation exercise, aggressive payment collection as well an increasing product portfolio," he said.

Datuk Zulkarnain said, "There is an improved contribution from the private sector for over the-counter (OTC) and ethical pharmaceutical products as a result from increased advertising and promotional efforts as well as new products launched during the period. We can see that the Group's revenue growth from the private sector rose by 57% quarter on-quarter and 55% year-on-year.

"We also registered a robust growth in the concession business as additional products were added by the Ministry of Health into the Approved Products Purchase List (APPL). The recent shortages of drugs have resulted in the Government's approval to release its

medicine stockpile to the private sector. Nevertheless, the Group is well-prepared by maintaining a steady amount of medicine stockpile and expects the shortage to normalise by the fourth quarter of 2022.

"The Group has intensified efforts to penetrate China's healthcare market by partnering with JDMAS to commercialise Pharmaniaga's OTC star products - Citrex Vitamin C, Citrex Gummies, Baraka, Habbatus Sauda, Sweet Royale and also other OTCs products through JD.com.

"The venture is scheduled to be launched by January 2023 and we will leverage on the extensive technology-driven platforms provided by JD.Com and its affiliates such as Douyin, Kwaishou and WeChat. China is the home to approximately 1.4 billion people, and with the potential re-opening of its borders in the coming months, we believe this strategic decision to enter China will pay off handsomely for the Group.

"The collaboration between Pharmaniaga and JD.Com is expected to increase the current revenue of the OTC star products by 100% to 150% in the first year, with expected revenue projection to reach an estimated of USD 30 million by 2025 with other products being introduced in the dynamic JD.Com platform," he said.

Datuk Zulkarnain also shared the Group's efforts to establish its presence in the Gulf countries received a boost when its largest manufacturing plant, Pharmaniaga Manufacturing Berhad in Bangi, has successfully obtained the Manufacturing Site Registration Certificate from the UAE Ministry of Health, effective 7 October 2022.

"With this Site Registration approval, we are now able to embark on the pharmaceutical product registration and to penetrate UAE's robust pharmaceutical market with ease and chart the Group's journey for global growth," he added.

For the third quarter ended 30 September 2022 (Q3FY2022), the Group recorded revenue of RM924.7 million representing a 21.5% increase compared to the preceding quarter in the same year (Q2FY2022). In addition, the Group clocked in Profit Before Taxation and Zakat (PBT) and PAT of RM15.6 million and RM9.4 million respectively, a surge from RM4.5 million and RM0.9 million in Q2FY2022.

For 9MFY2022, the Group recorded revenue of RM2.65 billion, while PBT and PAT stood at RM57.5 million and RM39.1 million respectively. Overall, the Group's core divisions performed steadily.

The Group declared its third interim dividend of 0.6 sen per share in respect of the financial year ending 31 December 2022 (FY2022), which will be paid on 22 February 2023 to shareholders on the register as of 9 December 2022.

Pharmaniaga is the 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 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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