

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

**DISMISSING OVER-RELIANCE CLAIM, PHARMANIAGA  
ONLY MANAGES 35% OF GOVERNMENT'S  
PHARMACEUTICAL SPENDING**

**SHAH ALAM, 30 March 2023** - Pharmaniaga Berhad (Pharmaniaga) today vehemently dismisses claims by certain quarters that the Government is over-relying on the Group as its pharmaceutical logistics and distribution services provider.

Contrary to the claims, the Ministry of Health (MOH) spent approximately 35% of its pharmaceutical spending via Pharmaniaga, with the Group's role limited to managing the logistics and distribution of the products, as well as holding the drug stockpile in the tune of RM400 million as of 31 December 2022. The selection of suppliers, products and prices is all determined by the MOH after it concluded an open tender exercise.

Currently, the Group serves almost 2,000 Government health facilities throughout the country, including door-to-door deliveries to the remote areas of Sabah and Sarawak. The services are governed by stringent service standards and Key Performance Indexes (KPIs) with the imposition of penalties for any non-conformances.

Nevertheless, Pharmaniaga has consistently achieved more than 98% score of the KPIs which is made possible through a long-term commitment to the investment of extensive logistics infrastructure and network nationwide. That includes facilities provided by 14 pharma-grade warehouses and distribution centres located strategically in the Klang Valley, Penang, Sabah and Sarawak, as well as managing a fleet of more than 300 vehicles.

The Group also performs more than 450,000 deliveries via land, air, sea and rivers annually and all these deliveries have been successfully completed within the KPI set by MOH, supported by close to 500 logistics and distribution employees who are all locals.

Pharmaniaga remains committed to its obligations towards both businesses with MOH and the private sector despite experiencing challenges after announcing its Practice Note 17 (PN17) status recently due to the provision of COVID-19 vaccine stocks.

The Group's core business activities in research and development, manufacturing logistics & distribution, sales & marketing Indonesian operations are proceeding as usual. In this regard, Pharmaniaga would like to thank all its partners especially the suppliers and financial institutions for their understanding and continuous support.

As a responsible Government-Linked Company, Pharmaniaga has never defaulted any of its obligations to the financial institutions, but the Group acknowledges the recent unexpected delays in payments to its suppliers and assures the situation will be normalised soon. Most of the obligations have since been cleared, and the Group will continue to honour all obligations to ensure patients' access to medicine remains uninterrupted and continues to be intact.

-END-

**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/>.

**Issued for Pharmaniaga Group by Corporate Communications Department, Pharmaniaga Berhad. For media enquiries, please contact Dato' Zuhri Iskandar Kamarzaman, CARE and Media Director of Pharmaniaga Berhad at 03-3342 999 ext 434 or by email [zuhri@pharmaniaga.com](mailto:zuhri@pharmaniaga.com).**