

**PRESS RELEASE**  
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**PHARMANIAGA CONFIDENT OF FINANCIAL RECOVERY**

*Fuelled by robust business fundamentals and solid strategies*

**SHAH ALAM, 10 May 2024** – Pharmaniaga Berhad (Pharmaniaga) stands firm with its commitment to financial recovery amidst the opinion of its independent auditor PricewaterhouseCoopers (PWC) on the Group’s 2023 financial statement, dated 29 March 2024. The Group assures shareholders of its strong and steady progress, backed by resilient business fundamentals and well-defined strategies to exit its Practice Note 17 status (PN17).

Pharmaniaga Executive Director Zulkifli Jafar said this is evident from the detailed roadmap to financial recovery that was published via Requisite Announcement in November 2023, and subsequently with the submission of Regularisation Plan (RP) to Bursa Malaysia Securities (Bursa) in February this year.

“The RP, which is still pending approval from Bursa, outlines a holistic strategy to increase the equity of the Group and minimise our accumulated losses, favouring a proactive approach focused on capital reduction of approximately RM180 million issued share capital, fundraising of RM354.6 million via rights issuance for shareholders to strengthen their investments, and RM300 million in private placement for potential investors to participate in the Group’s growth plans moving forward.

“In line with the above, we have aggressively implemented various initiatives, which include but not limited to streamlining all business operations; ceasing non-core and underperforming businesses; improving operational efficiency and cost optimisation via stringent cost containment and manpower rightsizing; tightening the Group’s corporate governance; and improving margin by focusing on high value products and services.

“In addition, Pharmaniaga has also carried out a private placement exercise in July last year to fortify our cash flow,” he said.

In its pursuit of sustainable growth, Pharmaniaga has identified five strategic pillars that are the foundations of its operations. These pillars are strengthening the public sector business; building biopharmaceutical capabilities; reducing costs aggressively; growing the private market; and reinventing the Group’s Indonesia business.

Zulkifli reiterates that the financial situation has not affected the Group’s operational efficiency, particularly its subsidiary Pharmaniaga Logistics Sdn Bhd (PLSB) which holds the logistics and distribution concession with the Ministry of Health (MOH).

“We have consistently excelled in meeting the MOH’s service standards, achieving scores of 98.75% for 2023 and 99.26% for the first quarter of this year. These results stand as a testament to our undertake in delivering exceptional services and products to our clients. Our commitment to MOH remains strong and intact,” he said.

The Group perceives this as a challenge that will motivate the entire organisation to diligently pursue the implementation and attainment of the RP’s objectives, as well as the planned strategies. These efforts will propel Pharmaniaga towards rejuvenating its financial standing and successfully exit the PN17 status according to the schedule.

“We have the capabilities and resources to overcome the challenges and achieve the targets, especially when the Group has the unwavering support from our substantial shareholders, Lembaga Tabung Angkatan Tentera (LTAT) and Boustead Holdings Berhad,” he concluded.

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### **About Pharmaniaga Berhad**

Pharmaniaga is the pharmaceutical arm of Boustead Holdings Berhad Group of Companies, which together with the Armed Forces Fund Board, are the substantial 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. With a vision to be the premier Malaysian pharmaceutical company, its operations are strengthened by six manufacturing plants, as well as extensive logistics and distribution network in Malaysia and Indonesia, Pharmaniaga Group is positioned to be a regional player in the international pharmaceutical industry. For more information, please visit <https://pharmaniaga.com/>

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