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**PHARMANIAGA STRENGTHENS FINANCIAL POSITION, SETS  
STAGE FOR PN17 EXIT AFTER EGM APPROVAL**

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**Key highlights:**

- **Approved resolutions on rights issue, private placement, and capital reduction to enable Pharmaniaga to exit from PN17 status**
- **Expansion into biopharmaceuticals strengthens local healthcare and grow the Group's market presence**
- **Majority funds raised will be allocated to reduce borrowings and for business expansion**

**PETALING JAYA, 20 March 2025** – Pharmaniaga Berhad (Pharmaniaga) is moving forward with the implementation of its Regularisation Plan (RP) to exit its Practice Note 17 (PN17) status, following shareholders' overwhelming approval of three key resolutions at the Group's Extraordinary General Meeting (EGM) today.

The details of the approved resolutions, aimed at strengthening the Group's financial position and supporting its business expansion were:

1. A rights issue to raise gross proceeds of up to RM353.5 million;
2. A private placement of up to RM300.0 million, with a minimum of RM215.0 million; and
3. A capital reduction through the cancellation of RM520.0 million in issued share capital.

The Group's largest shareholders, Boustead Holdings Berhad and Lembaga Tabung Angkatan Tentera, which hold 47.1% and 7.8% respectively, have given undertakings to subscribe to their entitlements to the rights issue.

A substantial 51.3% of the proceeds will be utilised to pare down borrowings, leading to estimated interest savings of RM16.8 million annually, a critical move aimed at strengthening the Group's balance sheet and improving financial resilience as it executes the RP. Additionally, 34.0% of the proceeds is earmarked for business expansion that includes acquiring four new warehouses across Malaysia. Allocation is also provided for the development of human insulin, vaccines and other generic drugs.

Pharmaniaga Managing Director, Zulkifli Jafar, commented, "We are pleased that all resolutions have been approved, marking one of key steps toward resolving the Group's PN17 status. This approval represents a major step in restoring financial stability, optimise our cost structure and strengthen our financial position for future sustainable growth."

Zulkifli added, "We have been actively engaging with various stakeholders on the Group's RP, and we believe that the rights and placement shares have garnered huge positive interest. We have also received encouraging feedback on the potential of our biopharmaceutical initiatives, particularly in the production of human insulin and vaccines.

"In September last year, we launched our human insulin manufacturing plant, and subject to regulatory clearances, we target the commencement of commercial production by Quarter 4 2025. This milestone will not only improve local healthcare accessibility but also reinforce our market position, driving growth and innovation in the sector.

"With the logistics and distribution concession service business from the Ministry of Health, as well as steady growth in Indonesia, the Group is on a strong path toward financial revitalisation," he said.

Since classified as PN17 in February 2023, Pharmaniaga has implemented various strategic initiatives to improve operational efficiency and cost optimisation across the Group. These efforts have significantly contributed to the Group's ability to sustain growth and deliver positive financial results for the financial year ended 31 December 2024 (FY2024), achieving a Profit After Zakat and Taxation (PAT) of RM133.8 million, marking a significant recovery from a Loss After Zakat and Taxation (LAT) of RM78.7 million in FY2023.

Zulkifli further stated, "The results reflect the success of our strategic realignment, under our Vision 525 that focuses on strengthening our public-sector business, expanding biopharmaceutical capabilities, implementing aggressive cost optimisation, growing private market presence, and reinventing our approach in the Indonesian market."

"We are proud to have successfully returned to profitability and built a stronger foundation for long-term value creation. With our strategic initiatives in place and progressing well, we are confident Pharmaniaga will exit PN17 as planned," he added.

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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 five 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/>.

**Issued by Imej Jiwa Sdn Bhd on behalf of Pharmaniaga Berhad**

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