

PRESS RELEASE

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**PHARMANIAGA COMPLETES REGULARISATION PLAN,
SETS COURSE TO EXIT PN17 BY Q1 2026**

SHAH ALAM, 6 August 2025 – Pharmaniaga Berhad (Pharmaniaga or the Group) has successfully completed its third and final critical milestone of its Regularisation Plan (RP), the Capital Reduction exercise, hence completed the RP and fully compliant with the Main Market Listing Requirements of Bursa Malaysia, a significant step that firmly sets the Group on course to exit Practice Note 17 (PN17) status latest by the first quarter of 2026.

The Capital Reduction exercise, which involved the cancellation of RM520 million in issued share capital, was completed after confirmation was received today from the Registrar of Companies that all statutory requirements have been fulfilled. Following the completion of this exercise, the issued share capital of the Group is RM249,615,449.30, comprising 6,557,025,388 shares.

This achievement followed the successful completion of other two critical milestones of the RP, the Rights Issue and Private Placement exercises, which were concluded on 31 July 2025. The renounceable Rights Issue saw a full subscription of 3,458,950,862 shares, with an oversubscription rate of 26.14%, reflecting strong shareholder confidence. Meanwhile, the Private Placement exercise attracted 19 new investors, involving 1,656,845,000 placement shares at a total value of RM223.7 million.

The Group will allocate 43.9% of the total proceeds raised towards paring down borrowings, a move projected to generate RM12.5 million in annual interest savings, thereby significantly improving Pharmaniaga's gearing ratio and financial flexibility. In addition, 39.0% will be channelled towards business expansion initiatives, including the acquisition of four new warehouses across Malaysia and investments into the development of human insulin, vaccines, and other generic medicines. The remaining

balance is earmarked for working capital and implementation expenses.

Pharmaniaga Managing Director, Dato' Zulkifli Jafar said "We are very pleased with the successful completion of our Regularisation Plan today. We believe Pharmaniaga is among the fastest PN17 companies to meet the requirements set by Bursa Malaysia which is a testament to the collective resolve of Pharmaniaga's Board, Management, employees, shareholders, financiers and stakeholders. This swift execution reflects disciplined planning, transparent engagement, and an unwavering commitment to restoring the Group's financial health.

"This is an important turning point for the Group and with consistent positive financial performances during the past quarters, we are now firm on track to exit PN17 latest by the first quarter of 2026," he said.

Dato' Zulkifli concluded that the Group will remain focused on achieving its growth targets for the remainder of 2025, while strengthening its financial position, expanding presence across key business segments, and delivering long-term value to stakeholders.

Backgrounder: Pharmaniaga's Journey to Financial Recovery

Pharmaniaga Berhad fell into PN17 status on 27 February 2023, after it had triggered the prescribed criteria under Paragraph 2.1(a) of PN17 whereby its shareholders' equity was less than RM40.0 million and represented less than 25% of its issued share capital as of 31 December 2022. This was largely attributed to a RM552.3 million impairment on slow-moving COVID-19 vaccine stocks, which significantly impacted the Group's financial position and shareholder equity.

In response, the Group immediately activated a structured and disciplined recovery strategy. On 29 November 2023, Pharmaniaga submitted its Requisite Announcement to Bursa Malaysia, followed by the submission of a Regularisation Plan (RP) on 23 February 2024 and a revised RP on 6 November 2024. The RP outlined a holistic roadmap to strengthen the Group's equity position, reduce accumulated losses, and rebuild long-term resilience.

Subsequently, Bursa Malaysia approved the RP on 29 November 2024 and to further enhance the plan's effectiveness, a proposed variation was announced on 4 February 2025 and approved by Bursa Malaysia on 17 February 2025. The revised RP received overwhelming support from shareholders during the Extraordinary General Meeting (EGM) held on 20 March 2025, signalling strong alignment between the Group and its stakeholders.

On 31 July 2025, the rights issue and private placement exercises were successfully completed, while the Capital Reduction exercise was achieved today.

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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/>.

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