

**SUMMARY OF KEY MATTERS DISCUSSED AT THE 26TH ANNUAL GENERAL MEETING
("AGM") OF PHARMANIAGA BERHAD ("PHARMANIAGA" OR "THE COMPANY")
CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE
AT THE AMPHITHEATRE, LEVEL 23, THE BOUSTEADOR, NO.10, JALAN
PJU 7/6, MUTIARA DAMANSARA, 47800 PETALING JAYA, SELANGOR DARUL EHSAN ON
WEDNESDAY, 5 JUNE 2024 AT 9.30 A.M.**

PRESENT:

1. Shareholders - As per the Attendance List.
2. Proxy Holders - As per the Attendance List.

DIRECTORS PRESENT AT BROADCAST VENUE:

1. YBrs. Encik Izaddeen Daud - Chairman / Non-Independent Non-Executive Director
2. YBrs. Encik Zulkifli Jafar - Executive Director
3. YBrs. Dr. Abdul Razak Ahmad - Senior Independent Non-Executive Director
4. YBrs. Cik Sarah Azreen Abdul Samat - Independent Non-Executive Director
5. YBrs. Encik Ahmad Shahredzuan Mohd Shariff - Non-Independent Non-Executive Director
6. YBrs. Encik Mohammad Ashraf Md Radzi - Non-Independent Non-Executive Director
7. YBrs. Dato' Mohd Zahir Zahur Hussain - Independent Non-Executive Director
8. YBrs. Dato' Dr. Faridah Aryani Md Yusof - Independent Non-Executive Director
9. YBrs. Drs. Imam Fathorrahman - Independent Non-Executive Director

MANAGEMENT PRESENT AT BROADCAST VENUE

1. Puan Norai'ni Mohamed Ali - Chief Financial Officer
2. Puan Wan Intan Idura Wan Ismail - Company Secretary

IN ATTENDANCE (VIRTUALLY):

1. Puan Nurul A'in Abdul Latif - Representing External Auditors, PricewaterhouseCoopers PLT
2. Puan Jasmine Mohd Jamil - Representing MIDF Amanah Investment Bank Berhad

1.0 Fully Virtual 26th Annual General Meeting Proceedings:

The 26th Annual General Meeting (“AGM”) was conducted virtually in accordance with the provision of Section 327 of the Companies Act 2016 and Clause 84 of the Company’s Constitution.

Pursuant to Securities Commission Guidance Note and FAQs dated 7 April 2022 in relation to the Conduct of General Meetings for Listed Issuers (“SC’s Latest Update”), the 26th AGM was held in a virtual manner, at the broadcast venue located at Amphitheatre, Level 23, The Bousteador, No.10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan.

The conduct of the 26th AGM complies with the SC’s Latest Update and Section 327 of the Companies Act 2016, as the main venue of the meeting is in Malaysia and the Chairperson is present at the main venue of the meeting. The online meeting platform can also be recognized as the meeting venue or place as stated under Section 327(2) of the Companies Act 2016 since the online platform is in Malaysia.

1. OPENING ADDRESS

The Chairman welcomed all members to the 26th Annual General Meeting of the Company.

The Chairman proceeded to remind all shareholders who joined the meeting remotely that all discussions are deemed confidential and only for the knowledge of shareholders of the Company and that any audio and visual recording are strictly prohibited unless with the Company’s written consent.

During his opening address, the Chairman highlighted to the shareholders that during the year, the Company undertook a bold move to reset the Group by rejuvenating its businesses, operations, systems and governance, focusing on its core strengths i.e. logistics, distribution and manufacturing businesses.

The Company also redirected its focus towards enhancing operational efficiency to attain long-term sustainable growth and profitability for the Group and its strategy to achieve this involved growing the Company’s revenue through strategic expansion, particularly by:

- first, enlarging its foothold in the vibrant Indonesian market,
- second, strive for higher profit margins by focusing on high value products and services, and
- third, emphasise on cost optimisation via implementing cost-saving measures and improving efficiencies.

The Chairman continued and stated that as part of the initiative to fortify the leadership of the Group, the Company has formed an Executive Committee which was led by a Board member, Encik Ahmad Shahredzuan Mohd Shariff and three senior members of the Management.

He also shared that early this year, the Board has appointed Encik Zulkifli Jafar as the Company’s Executive Director to lead and continue to implement the rejuvenation as well as cost optimisation initiatives developed under the Executive Committee. The appointment is a strategic decision based on the Company’s structure and reflects how the organisation wants to balance operational management with strategic oversight as well as governance.

The Chairman proceeded and shared the key highlights of the first quarter results as follows:

- Significant improvement in Q1 Profit After Tax of RM26.2 million, up from RM2.8 million in Q1 FY2023;
- EBITDA more than double to RM66.5 million, reflecting increased customer demand in its Logistics and Distribution Division, as well as its Indonesia Division; and
- Revenue rose 9.9% to RM968 million from RM880.5 million in the same quarter last year.

The Chairman then assured the shareholders that the Company is committed to fiscal discipline that fuels its focus on efficiency, cost optimisation, margin, and revenue growth. Through strategic initiatives, the Company is solidifying its foundation for long-term success, ensuring resilience and adaptability in the evolving pharmaceutical industry.

OUTLOOK

The Chairman informed the shareholders that the Company aims to strengthen its presence within the public sector by further improving service levels and ensuring efficient and timely delivery of critical medicines and medical supplies nationwide.

He also shared that the Group places great importance on diversifying its business and revenue streams, and this is driving the Company's investments in the field of biopharmaceuticals. The Company is establishing manufacturing facilities for vaccines and insulin to capitalise on the increasing needs in the therapeutic areas, primarily targeting vaccines under the National Immunisation Programme, with commercialisation planned in 2025 for vaccines and 2026 for insulin.

The Chairman continued and stated that the Company is also focusing on growing its market share in Malaysia's private generic pharmaceutical market. The Company anticipates local private market growth will be fueled by the introduction of new drug launches and the continued success of the Company's market-leading brands.

To tap into the immense potential of Southeast Asia's largest economy, the Chairman shared that the Company's subsidiary, PT Millennium Pharmacon International Tbk (MPI), is expanding its network in Indonesia by establishing new branches to strengthen logistics and distribution capabilities.

With a central warehouse in Jakarta and 35 branches throughout Indonesia, the Company is steadily gaining ground in both the pharmaceutical and over-the-counter product markets. The revenue generated from the logistics and distribution business under MPI is expected to grow at a compound annual growth rate (CAGR) of 14% from 2024 to 2028.

The Chairman concluded his opening speech by thanking former Board Members i.e. YB Senator Datuk Dr. Haji Azhar Ahmad, YBhg Datuk Lim Thean Shiang, Dr. Mary Jane Cardosa and Puan Dayana Rogayah Omar for their contributions to Pharmaniaga during their tenure with the Company. He also extended his appreciation to the Executive Committee headed by Encik Ahmad Shahredzuan, for their exceptional efforts in leading the Group's operations in its toughest period.

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2. **PRESENTATION BY THE EXECUTIVE DIRECTOR**

Vision of Recovery and Resurgence

The ED informed the shareholders that the Company concentrated on fortifying its current business while also continuing to capture new opportunities. By identifying key areas of focus, the Company was able to strategically direct its organizational resources, driving transformative change and achieving sustainable growth. These efforts have been crucial in paving the way for the Group's resurgence and recovery.

To drive the Company's way forward, the Company has established Vision 525 – a strategic plan comprising of five key results areas that translate the Group's broader organisational goals into actionable and measurable objectives.

These strategic objectives include strengthening the Company's public sector business, enhancing its biopharmaceutical capabilities, reducing costs, expanding the private market, and repositioning its Indonesia operations to drive sustainable growth.

The extension of the Company's concession agreement with the Ministry of Health (MOH) for seven years is a testament to the Group's strong fundamentals and renewed focus in support of these strategic pillars. The agreement, signed with MOH on 3rd January 2024, took effect retrospectively from 1st July 2023, ensuring the Group's earnings visibility in the mid-term.

The ED proceeded and stated that despite being weighed down by the challenges of the Company's current financial status, Pharmaniaga significantly narrowed its losses in FY2023 by 87% to RM78.7 million from a loss after tax of RM627.7 million in the previous financial year.

The loss was attributed to a provision for stock obsolescence from slow demand for pandemic-related consumables inventory, a write-off of new product development costs, and write-down of machinery equipment following the cessation of non-core and underperforming businesses.

Divisional Performance

The Logistics and Distribution Division has remained operationally resilient, meeting stringent MOH key performance indicator (KPI) requirements and complying with all performance standards for the timely provision of critical medical supplies to MOH with an impressive score of 98.75%. To further enhance its services to clients, the Company have also opened a new distribution centre in Penang during the year.

The Company's Manufacturing Division returned to profitability in FY2023 in an impressive improvement with business growth driven by an expanded product portfolio and international business segment, increased capacity including the commissioning of pre-filled syringe filling line at Pharmaniaga LifeScience, as well as line efficiency improvements with digitisation and idle time reduction leading to a 20% increase in operational equipment effectiveness (OEE).

The private sector business segment continues to be a priority for Pharmaniaga to grow and capitalise. Despite various challenges, the business segment maintained similar levels in operating profit compared to the previous year. Measures to manage operating expenditures included restructuring of business units to optimise resources as well as deferring big-ticket marketing campaigns.

The Indonesia Division returned to the black in FY2023 from a loss after tax in the previous year. This was attributed to enhanced operational efficiency through stock optimisation and assertive collection of payments.

The ED also stated that during the year, the Company have implemented numerous initiatives that have yielded total cost savings amounting to RM7.9 million. The major savings were achieved through the implementation of cost containment measures throughout the Group.

The initiatives were complemented by an 8.5% reduction in the cost of goods sold (COGS) through concerted value engineering and efficiency efforts, including a 3.7% headcount reduction, and the introduction of e-labeling to reduce physical information leaflet usage, with annual cost savings of RM1.2 million.

Environmental, Social and Governance

The ED shared with the shareholders that under the Pharmaniaga Decarbonisation Programme aimed at reducing the Company's carbon footprint, the Company has embraced the use of renewable energy. Pharmaniaga started the implementation of the Pharmaniaga Solar Project for two logistics and four manufacturing sites, and the installation is targeted to be completed by the fourth quarter of 2024.

Resilience Through Diversification

The ED proceeded and stated that based on the past year's lessons, the Company placed renewed emphasis on developing diverse streams of income within its core businesses to enhance resilience. This includes the Company's expansion into biopharmaceuticals to address the growing demand for vaccines and insulin, particularly focusing on substituting imported vaccines under the National Immunisation Programme.

Representing a significant investment over the past few years, this push aims to onshore vaccine and insulin production to reduce national dependence on imports. All products are currently under development and will be manufactured locally for both Government and private markets.

Regularisation and Rebuilding

As part of the requirement to exit the PN17 status, the Company has developed a Regularisation Plan and it comprises of three key components:

- a capital reduction exercise of approximately RM180 million issued share capital to reduce Pharmaniaga's accumulated losses;
- fundraising of RM354.6 million via rights issuance for existing shareholders to strengthen their investments; and
- RM300 million in private placement for potential investors to participate in our growth plans moving forward.

The ED informed the shareholders that the Company have submitted the Regularisation Plan to Bursa Malaysia in February, and are now waiting for approval. With the plan well in place for execution, the Group anticipates exiting PN17 status by the third quarter of 2025.

In the interim, the Company undertook a private placement exercise in July 2023, raising RM45.9 million to bridge the Group's working capital requirements.

Q1FY2024 Results

The ED proceeded and briefed on the financial performance of Pharmaniaga and its subsidiaries (“the Group”) for the financial year ended 31 December 2023.

The Group registered a strong performance in the first quarter of its financial year ending 31st December 2024 (Q1FY2024) with Profit After Zakat and Taxation (PAT) surged almost tenfold to RM26.2 million, up from RM2.8 million in the same quarter last year.

During the quarter, Pharmaniaga’s earnings before interest, taxation, depreciation and amortisation (EBITDA) also jumped double to RM66.5 million from RM32.5 million a year ago.

The Logistics and Distribution Division recorded a higher PAT of RM18.9 million, an increase from PAT RM5.2 million during the corresponding quarter. This was attributed to the higher revenue from the concession business due to new products introduced to the Ministry of Health’s Approved Product Purchase List, coupled with price revisions under the new concession agreement.

The Manufacturing Division displayed substantial improvement, registering PAT of RM6.2 million, up from RM0.2 million in the same quarter last year. This growth was driven by new tenders awarded by MOH and increased demand, coupled with enhanced manufacturing efficiency and cost containment measures.

The ED continued and shared that the Group’s Indonesia Division registered PAT of RM1.1 million, a noteworthy improvement from PAT RM0.021 million during the corresponding quarter last year. This was propelled by the surge in demand for products from the existing principals, as well as additional sales generated from two new distribution branches which commenced operations in February this year.

The first quarter’s significant performance underscores the Group’s recovery trajectory and resilience amidst a challenging economic landscape, driven by its improved operational capabilities and cost control measures.

The ED assured the shareholders that the Group is on the right track to a robust financial recovery, and the Company will continue to work hard to sustain good performance.

Outlook

The ED stated that moving forward, the Group remains committed to implementing prudent cost-saving measures, pushing for its strategic initiatives and pursuing viable revenue streams toward restoring the financial health of the Company.

He continued and stated that Pharmaniaga’s strategic roadmap leverages on its track record of unparalleled service delivery with Government contracts while steering its trajectory toward the private sector.

The renewal of the concession agreement with MOH affords strong earnings visibility for the Logistics and Distribution Division while the Manufacturing Division remains positive, driven by initiatives such as the expansion of the biopharmaceutical manufacturing business.

Indonesia’s dynamic business landscape presents immense potential for growth, with economic expansion projected at 5% in 2024. The Group is well-positioned to leverage this growth, with the onboarding of new principals and the opening of two new branches.

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Through the Company's strong foothold in this market, the Company will continue to broaden its horizons, expand warehouse capacity and enrich its portfolio to cater to the unique demands of Indonesian consumers, to capitalize on emerging opportunities from its new landscapes in the healthcare industry.

3. MATTERS RAISED BY THE MINORITY SHAREHOLDER WATCHDOG GROUP ("MSWG")

A copy of the letter dated 28 May 2024 from MSWG and the Company's response via letter dated 4 June 2024 are annexed hereto as **Appendix A**.

4. QUESTIONS RAISED BY SHAREHOLDERS

A copy of the questions and answers raised by shareholders (prior and during the AGM) is annexed hereto as **Appendix B**.

5. RESOLUTIONS PASSED

Details of the resolutions passed are as follows:

NO	RESOLUTIONS	VOTE FOR		VOTE AGAINST		RESULTS
		NO OF SHARES	%	NO OF SHARES	%	
1.	Ordinary Resolution 1 Re-election of Cik Sarah Azreen Abdul Samat	797,135,360	96.1998	31,489,525	3.8002	Carried
2.	Ordinary Resolution 2 Re-election of Encik Mohammad Ashraf Md. Radzi	828,141,226	99.9416	483,659	0.0584	Carried
3.	Ordinary Resolution 3 Re-election of Dato' Mohd Zahir Zahur Hussain	828,131,301	99.9407	491,084	0.0593	Carried
4.	Ordinary Resolution 4 Re-election of Dato' Dr. Faridah Aryani Md. Yusof	828,151,216	99.9434	468,669	0.0566	Carried
5.	Ordinary Resolution 5 Re-election of Drs. Imam Fathorrahman	828,129,491	99.9411	487,974	0.0589	Carried
6.	Ordinary Resolution 6 Re-election of Encik Zulkifli Jafar	828,133,801	99.9421	479,964	0.0579	Carried
7.	Ordinary Resolution 7 Payment of Directors' fees and meeting allowances for Pharmaniaga Berhad from 6 June 2024 until the conclusion of the next AGM of the Company	827,715,668	99.8933	883,717	0.1067	Carried

8.	Ordinary Resolution 8 Payment of meeting allowances to Directors for directorship in Pharmaniaga Berhad subsidiaries in Malaysia from 6 June 2024 until the conclusion of the next AGM of the Company	827,697,906	99.8894	916,479	0.1106	Carried
9.	Ordinary Resolution 9 Payment of Directors' fees and meeting allowances to Directors for directorship in Pharmaniaga Berhad subsidiaries in Indonesia from 6 June 2024 until the conclusion of the next AGM of the Company, at a remuneration to be determined by Pharmaniaga Berhad subsidiaries in Indonesia	827,774,186	99.8987	839,199	0.1013	Carried
10.	Ordinary Resolution 10 Payment of benefits in kind payable to the Chairman and Directors from 6 June 2024 until the conclusion of the next AGM of the Company	827,678,471	99.8902	910,019	0.1098	Carried
11.	Ordinary Resolution 11 Re-appointment of Messrs.Pricewaterhouse Coopers PLT as External Auditors of the Company	828,372,998	99.9706	243,392	0.0294	Carried
12.	Ordinary Resolution 12 Approval on the authority for Directors to allot and issue shares	827,352,641	99.8458	1,278,144	0.1542	Carried
13.	Ordinary Resolution 13 Approval for authority to purchase own shares ("Share Buy-Back")	828,399,709	99.9663	279,076	0.0337	Carried
14.	Ordinary Resolution 14 Renewal of Shareholders' Mandate for Recurrent Related Party Transactions	36,284,219	99.1194	322,366	0.8806	Carried

Based on the aforesaid polling results, the Chairman declared all the Ordinary Resolutions as set out in the Notice of the 26th AGM of the Company dated 3 May 2024 were duly passed by the shareholders.

The Chairman then recorded appreciation to former Board members for their contributions to Pharmaniaga during their tenure with the Company.

The Annual General Meeting concluded at 11.30 a.m.



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

28 May 2024

BY EMAIL/FAX/HAND

The Board of Directors
PHARMANIAGA BERHAD
Level 23, The Bousteador,
No. 10, Jalan PJU 7/6, Mutiara Damansara
47800 Petaling Jaya,
Selangor Darul Ehsan.

Attention: Wan Intan Idura Wan Ismail
Syaruzaimi Yusof
Company Secretaries

Dear Directors,

Re: 26th Annual General Meeting (“AGM”) of Pharmaniaga Berhad (“Pharmaniaga” or “the Company” or “the Group”) to be held on Wednesday, 5 June 2024

In consideration of the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Operational & Financial Matters

1. MIDF Amanah Investment Bank Berhad (MIDF Investment) was appointed as the principal advisor for the proposed Regularisation Plan, favouring a proactive approach focused on (i) capital reduction of approximately RM180 million issued share capital to reduce Pharmaniaga's accumulated losses, (ii) fundraising of RM354.6 million via rights issuance for shareholders to strengthen their investments, and (iii) RM300 million in private placement for potential investors to participate in the company's growth plans moving forward. Pharmaniaga also has support from its substantial shareholders, Lembaga Tabung Angkatan Tentera (LTAT) and Boustead Holdings Berhad (BHB), to ensure that their combined entitlements to the rights issue, totalling RM190 million, will be fully taken up. Pharmaniaga has submitted the Regularisation Plan to Bursa Malaysia on 23 February 2024 and anticipate approval of the plan by the following quarter. With the plan well in place for execution, the Group anticipates exiting PN17 status by the third quarter of 2025. (Page 22 of IR2023)

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

Incorporated in Malaysia Registration No: 200001022382 (524989-M)

LEVEL 23, UNIT 23-2, MENARA AIA SENTRAL

No. 30, JALAN SULTAN ISMAIL

50250 KUALA LUMPUR

TEL: (603) 27320010

E-mail: mswatch@mSWG.org.my Website: www.mSWG.org.my

As at 31 December 2023, the Group reported accumulated losses and negative shareholders' equity of RM603.4 million and RM274.1 million respectively. Exiting PN17 status is dependent on successfully raising sufficient capital through the proposed rights issue and private placement which will ultimately improve the shareholders' equity.

- (a) How confident is the Company in securing the RM300 million private placement for potential investors?
 - (b) What is the Company's plan if it fails to raise the necessary capital as outlined in the proposed Regularisation Plan?
2. The loss before interest, taxation, depreciation, and amortisation (LBITDA) of RM22.3 million for FY2023 was primarily attributed to a one-off provision of RM63.9 million for stock obsolescence from the slow demand of pandemic-related consumables inventory such as personal protective equipment and a write-down of RM4.1 million of plant and equipment. (Page 25 of IR2023)

The Group has recorded consecutive provisions for stock obsolescence on pandemic-related inventories, following a substantial provision of RM552.3 million for slow-moving COVID-19 vaccine inventories in FY2022.

- (a) When were these pandemic-related consumables inventory purchased by the Group?
- (b) Are these pandemic-related consumables inventory related to back-to-back orders? If so, why were these items not sold to customers and does the Group have the right to claim for the loss? If not, does this indicate inefficiency in inventory management and what corrective actions have been taken?
- (c) What is the carrying amount of pandemic-related consumables inventory aged more than 3 years as at 31 December 2023?
- (d) At the previous AGM, the Company mentioned collaborating with strategic partners to facilitate the sale of vaccine stocks to other countries. Please provide an update on this collaboration and the amount recovered by the Group.

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50250 KUALA LUMPUR

TEL: (603) 27320010

E-mail: mswatch@mswg.org.my Website: www.mswg.org.my

3. The external auditor has determined that recoverability of property, plant and equipment carrying value of the Group's small volume injectable (SVI) plant as one of the key audit matters. The carrying values of property, plant and equipment other than land and buildings occupied by the Group's SVI production plant as at 31 December 2023 is RM87.5 million. An impairment assessment was performed by management for the Group's SVI plant as it has not been utilised to its optimum production capacity as most of the products are still in the development stage. (Page 187 of IR2023)

While no impairment was required as the recoverable amount of the SVI plant was in excess of the carrying amount of the assets, please share more insight of the products under the development stage (i.e., type of products, number of products, expected launching date, etc).

4. The Group had several discussions with Ministry of Health, Malaysia (MOH) from 4 March 2024 to 6 March 2024 to agree on the basis and parameters of an eligible waiver of penalties claimed. As a result of those discussions, the Group expects the total penalties claimed of RM124.9 million to be waived as these waivers have met the parameters agreed by both parties and will be tabled to Concession Management Committee within MOH for consideration. (Page 303 of IR2023)

When does the Group expect to table the waiver and obtain approval from MOH?

Sustainability Matters

1. The total energy intensity of the Group has gradually increased from 48.67 GJ/RM mil in 2021 to 70.92 GJ/RM mil in 2023. (Page 112 of IR2023)
 - (a) What are the reasons for the increasing energy intensity?
 - (b) Has the Group established energy consumption target in terms of energy intensity?
2. Pharmaniaga undertook a climate-related risk assessment to evaluate and identify the risks and opportunities that will most likely impact its business in the long term. The climate-related risk assessment and disclosures are in accordance with the recommendations of the TCFD. Pharmaniaga has identified 7 risks namely policy & legal, technology, market, reputation, acute and chronic. (Page 113 of IR2023)

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E-mail: mwatch@mswg.org.my Website: www.mswg.org.my

What approaches has Pharmaniaga adopted to manage or mitigate these identified risks?

Corporate Governance Matters

1. The Company has not adopted Practice 5.9 of the Malaysian Code on Corporate Governance 2021 (MCCG), which advocates that the Board comprises at least 30% women directors. The Board currently has 2 female directors among its 9 members, which represents about 22% of the Board composition.

The Company mentioned that it continues The Board acknowledges the call for gender diversity of at least 30% of women directors in companies and has been actively searching for the right candidate to fill in the directorship positions.

Of the 5 new directors appointed in the past year, there is only 1 female director. Does the Company face any challenges in searching for female directors?

Please present the questions raised herein and the related answers, to the shareholders present at the forthcoming AGM. At the same time, we await a written reply for our records as soon as possible.

Thank you.

Yours sincerely



Minority Shareholders Watch Group

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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LEVEL 23, UNIT 23-2, MENARA AIA SENTRAL

No. 30, JALAN SULTAN ISMAIL

50250 KUALA LUMPUR

TEL: (603) 27320010

E-mail: mwatch@mswg.org.my Website: www.mswg.org.my

Our Ref : PHARMA/SD/PB/MSWG/2024/039/FWM
Date : 4 June 2024

Minority Shareholders Watch Group
Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur.

(Attn : Dr. Ismet Yusoff, Chief Executive Officer)

26th ANNUAL GENERAL MEETING (AGM) OF PHARMANIAGA BERHAD (Pharmaniaga) TO BE HELD ON WEDNESDAY, 5 JUNE 2024

We thank you for your letter which was received via email on 28 May 2024. Our response to your enquiries are set out below:

Operational and Financial Matters

1. MIDF Amanah Investment Bank Berhad (MIDF Investment) was appointed as the principal advisor for the proposed Regularisation Plan, favouring a proactive approach focused on (i) capital reduction of approximately RM180 million issued share capital to reduce Pharmaniaga's accumulated losses, (ii) fundraising of RM354.6 million via rights issuance for shareholders to strengthen their investments, and (iii) RM300 million in private placement for potential investors to participate in the company's growth plans moving forward. Pharmaniaga also has support from its substantial shareholders, Lembaga Tabung Angkatan Tentera (LTAT) and Boustead Holdings Berhad (BHB), to ensure that their combined entitlements to the rights issue, totalling RM190 million, will be fully taken up. Pharmaniaga has submitted the Regularisation Plan to Bursa Malaysia on 23 February 2024 and anticipate approval of the plan by the following quarter. With the plan well in place for execution, the Group anticipates exiting PN17 status by the third quarter of 2025. (Page 22 of IR2023).

As at 31 December 2023, the Group reported accumulated losses and negative shareholders' equity of RM603.4 million and RM274.1 million respectively. Exiting PN17 status is dependent on successfully raising sufficient capital through the proposed rights issue and private placement which will ultimately improve the shareholders' equity.

- (a) How confident is the Company in securing the RM300 million private placement for potential investors?

Our response:

We are optimistic and confident in securing the RM300 million private placement from potential investors, both locally and internationally. The level of interest shown by potential investors during discussions is positive and is indeed a crucial indicator of the Company's confidence in securing the investment. The Company's proactive approach to regularising

its financial health, combined with strong demand in the pharmaceutical sector, underscores its attractiveness to investors.

- (b) What is the Company's plan if it fails to raise the necessary capital as outlined in the proposed Regularisation Plan?

Our response:

We remain optimistic and confident. Should the plan requires adjustments, we are prepared to conduct a comprehensive review to pinpoint necessary changes or develop alternative strategies.

2. The loss before interest, taxation, depreciation, and amortisation (LBITDA) of RM22.3 million for FY2023 was primarily attributed to a one-off provision of RM63.9 million for stock obsolescence from the slow demand of pandemic-related consumables inventory such as personal protective equipment and a write-down of RM4.1 million of plant and equipment. (Page 25 of IR2023)

The Group has recorded consecutive provisions for stock obsolescence on pandemic-related inventories, following a substantial provision of RM552.3 million for slow-moving COVID-19 vaccine inventories in FY2022.

- (a) When were these pandemic-related consumables inventory purchased by the Group?

Our response:

These pandemic-related consumables inventory, which include disposable particularly respirators, disposable boot covers, shoe covers, hood covers, and surgical latex rubber gloves, were mostly purchased in 2021. This period coincided with the spike during the pandemic, prompting the Group to acquire these items in response to the heightened demand for personal protective equipment.

- (b) Are these pandemic-related consumables inventory related to back-to-back orders? If so, why were these items not sold to customers and does the Group have the right to claim for the loss? If not, does this indicate inefficiency in inventory management and what corrective actions have been taken?

Our response:

These pandemic-related consumable inventories are not related to back-to-back orders, but reflects our strategic role as the Government's logistic and supply partner during the pandemic. This approach underscores the importance of maintaining the national stockpile for public health emergencies, showing a proactive stance rather than inefficiency in inventory management.

- (c) What is the carrying amount of pandemic-related consumables inventory aged more than 3 years as at 31 December 2023?

Our response:

The majority of these pandemic-related consumables were purchased in 2021, hence, the age of the inventories is less than 3 years. For those inventories aged over 3 years, the cost is approximately RM1.8 million and we have fully impaired them.

- (d) At the previous AGM, the Company mentioned collaborating with strategic partners to facilitate the sale of vaccine stocks to other countries. Please provide an update on this collaboration and the amount recovered by the Group.

Our response:

Ever since the World Health Organization (WHO) announced that the world has entered the endemic phase of the COVID-19 pandemic, the demand for COVID-19 vaccines has dropped significantly. Despite our efforts to collaborate with strategic partners to facilitate the sale of vaccine stocks to other countries, the reduced demand has impacted our ability to sell these stocks.

3. The external auditor has determined that recoverability of property, plant and equipment carrying value of the Group's small volume injectable (SVI) plant as one of the key audit matters. The carrying values of property, plant and equipment other than land and buildings occupied by the Group's SVI production plant as at 31 December 2023 is RM87.5 million. An impairment assessment was performed by management for the Group's SVI plant as it has not been utilised to its optimum production capacity as most of the products are still in the development stage. (Page 187 of IR2023)

While no impairment was required as the recoverable amount of the SVI plant was in excess of the carrying amount of the assets, please share more insight of the products under the development stage (i.e., type of products, number of products, expected launching date, etc).

Our response:

In view of confidentiality, we are unable to disclose the specific types of products under development. However, there are a total of 11 products in the pipeline. We plan to commercialise 5 products in 2024, 2 products in 2025, 3 products in 2026, and 1 product in 2027.

Additionally, we have successfully secured tender contracts with the Ministry of Health (MOH) for 16 products with contract value of approximately RM78 million for 3 years' contract, which further supports the viability and future utilisation of our SVI plant.

4. The Group had several discussions with Ministry of Health, Malaysia (MOH) from 4 March 2024 to 6 March 2024 to agree on the basis and parameters of an eligible waiver of penalties claimed. As a result of those discussions, the Group expects the total penalties claimed of RM124.9 million to be waived as these waivers have met the parameters agreed by both parties and will be tabled to Concession Management Committee within MOH for consideration. (Page 303 of IR2023)

When does the Group expect to table the waiver and obtain approval from MOH?

Our response:

The waiver of penalty was tabled to the Concession Management Committee within the Ministry of Health (MOH) on 24 April 2024. We expect to receive the waiver letter by latest in the third quarter of 2024. We are optimistic about the favorable consideration of our waiver request.

Sustainability Matters

1. The total energy intensity of the Group has gradually increased from 48.67 GJ/RM mil in 2021 to 70.92 GJ/RM mil in 2023. (Page 112 of IR2023)

(a) What are the reasons for the increasing energy intensity?

Our response:

The increase in energy intensity from 48.67 GJ/RM mil in 2021 to 70.92 GJ/RM mil in 2023 can be attributed to several factors:

I. Energy Intensity and Its Relationship to Company Revenue

Energy intensity is calculated by dividing the total energy consumption by an organization-specific metric. At Pharmaniaga, we use company revenue as the denominator in this calculation.

In 2021, the energy intensity recorded its lowest value at 48.67 GJ/RM million due to the significant increase in sales of COVID-19 vaccines. The high revenue from both Fill-and-Finish as well as Finished Goods vaccine which further lowered the intensity, as less energy consumption was required for supply through importation. Additionally, the focus on vaccines resulted in decreased demand for non-COVID-19 medicines, which in turn slowed down manufacturing and reduced overall energy consumption.

In 2021, Pharmaniaga's energy consumption was 234,355.48 GJ. By 2023, this figure had increased to 239,488.99 GJ, representing only a 2.19% increase in energy consumption. However, in terms of energy intensity, which is calculated as energy consumption per RM million of revenue, 2023 recorded 70.92 GJ/RM mil, an increase of approximately 45.7% compared to 2021.

Based on our data, energy intensity over the past five years has fluctuated, reflecting the impact of revenue changes on our energy efficiency. Although the energy intensity in 2023 is higher compared to 2021, it remains approximately 20.1% lower than the 2019 baseline. This indicates a significant improvement in our energy efficiency over the longer term.

II. Operational Expansion

Operational expansion can lead to an increase in energy consumption which resulted to higher intensity. The Group has expanded its operational activities, including the following.

- a. Logistic and Distribution of Sek 23
- b. New manufacturing lines in PLS; Pre-filled Syringe (PFS) and Cartridge (insulin).

- (b) Has the Group established energy consumption target in terms of energy intensity?

Our response:

Yes, the Group has established energy consumption targets in terms of energy intensity. Our goal is to continuously improve our energy efficiency and reduce our environmental impact. Here are the key points regarding our energy intensity targets:

1. **Baseline and Monitoring:** We are using 2019 data as our baseline year for energy intensity targets and we monitor our energy consumption and revenue regularly to track our progress against this baseline. Our energy intensity metrics are reviewed quarterly, and results are reported to Board Sustainability Committee to ensure we are on track to meet our targets. Any deviations are analyzed, and corrective actions are implemented promptly.
2. **Strategies for Reduction**
 - **Efficiency Improvements:** We will continue to explore energy-efficient technologies and processes across our operations to reduce energy consumption. We have initiated retrofitting and upgrades our facilities with energy-efficient lighting, HVAC systems, and machinery to reduce energy consumption.
 - **Operational Optimisations:** We are optimizing our operational processes to ensure more efficient use of energy through automation in operation, digitalization, paperless initiatives, and Internet of Things (IoT)
 - **Renewable Energy:** We are exploring the integration of renewable energy sources to lower our dependence on traditional energy through installation of solar panels. 6 sites have been identified, to power our logistic and manufacturing operations. Currently we are at tender evaluation assessment with expectant installation by Q3/Q4 2024.

2. Pharmaniaga undertook a climate-related risk assessment to evaluate and identify the risks and opportunities that will most likely impact its business in the long term. The climate-related risk assessment and disclosures are in accordance with the recommendations of the TCFD.

Pharmaniaga has identified 7 risks namely policy & legal, technology, market, reputation, acute and chronic. (Page 113 of IR2023).

What approaches has Pharmaniaga adopted to manage or mitigate these identified risks?

Our response:

The Company undertook among others, the following initiatives to mitigate and manage the identified climate-related risks and opportunities in relation to the recommendations by the TCFD.

To ensure proper governance, the company has the Board Sustainability Committee (BSC) which assists the Board in performing its oversight responsibility over Pharmaniaga's sustainability objectives, policies, and practices.

Complying to ISO 14001:2015 Environmental Management System has also helped us to manage and mitigate the identified risk while continuous education and awareness play an important role to enhance our employees and other stakeholders on the importance of environmental stewardship.

Corporate Governance Matters

1. The Company has not adopted Practice 5.9 of the Malaysian Code on Corporate Governance 2021 (MCCG), which advocates that the Board comprises at least 30% women directors. The Board currently has 2 female directors among its 9 members, which represents about 22% of the Board composition.

The Company mentioned that it continues The Board acknowledges the call for gender diversity of at least 30% of women directors in companies and has been actively searching for the right candidate to fill in the directorship positions.

Of the 5 new directors appointed in the past year, there is only 1 female director. Does the Company face any challenges in searching for female directors?

Our response:

The Company has made various efforts to improve gender diversity on its board but there are several challenges faced by the Company in achieving the desired level of diversity, due among others, limited candidate pool and our PN17 status.

To address these challenges, the Company has adopted several strategies:

1. **Broadening Recruitment Networks:** Expanding search efforts to include diverse networks and organisations dedicated to female leadership in identifying more potential candidates.

2. **Fostering an Inclusive Culture:** Promoting a company culture that values and supports diversity at all levels to make the Company more attractive to top female talent.
3. **Diversity Goals and Accountability:** Set clear diversity goals for board composition and hold leadership accountable for achieving them.
4. **Inclusive Recruitment Practices:** Use executive search firms with a focus on diversity, and actively seek female candidates from both within and outside the industry.

Should there be any further enquiries or clarification, please do not hesitate to contact our Puan Wan Intan Idura Wan Ismail (idura@pharmaniaga.com) or Encik Syaruzaimi Yusof (syaruzaimi@pharmaniaga.com) at 03-3342 9999 ext. 262.

Thank you.

Yours faithfully,
For and on behalf of,

PHARMANIAGA BERHAD


ZULKIFLI JAFAR
Executive Director

PHARMANIAGA 26TH AGM : RESPONSE TO LIVE AGM QUESTIONS RECEIVED

A. OPERATIONAL & OUTLOOK

No.	Shareholder's Name	Question
1.	LAU CHUAN HOOI	i. May I know, what is the company's future outlook? ii. Will The Board consider giving door gift such e-voucher or e-wallets for those participating in this Agm as a token of appreciation?
RESPONSE		
In the next 12 months, we envision Pharmaniaga as a more financially resilient and strategically focused company upon the completion of Regularisation Plan. With our restructuring efforts and strategic initiatives bearing fruit, we expect to see improved profitability and strengthened cash flow. Our streamlined product portfolio, emphasis on high margin products and optimised operational efficiencies will position Pharmaniaga for sustainable growth.		

No.	Shareholder's Name	Question
2.	KHOO SUAN PHAIK	Are there any provisions for new covid outbreaks?
RESPONSE		
The provision for stock loss on Covid-19 has already been fully made in FY2022.		

No.	Shareholder's Name	Question
3.	LIM SAN KIM	Which sector make profit and which making loss
RESPONSE		
In 2023, the Logistics & Distribution and Manufacturing segments have not been profitable, significantly impacted by		
<ul style="list-style-type: none"> a) one-off provision for stock obsolescence from slow demand of pandemic-related consumables inventory such as personal protective equipment and needles; b) write down of machinery equipment and write off of new product development due to the closure of non-performing subsidiaries and non-core commercial viability products. 		
Conversely, our Indonesia operations recorded profits in 2023, showcasing a positive performance amidst the challenges faced by other segments.		
We are optimistic that the worst is over for Pharmaniaga. With a sound Regularisation Plan in place to exit PN17, and strong business fundamentals as proven by our first quarter ended 31 March 2024 (Q1FY2024) results, we are confident that Pharmaniaga will recover from the current position.		

No.	Shareholder's Name	Question
4.	AHMAD FARIZ BIN HAMZAH	Can you outline any cost-cutting measures or efficiency improvements that are being pursued to enhance profit margins?
RESPONSE		
In alignment with our strategic priorities and efforts to improve cost management and efficiency, we shut down Pristine Pharma Sdn Bhd, Paradigm Industry Sdn Bhd and Pharmaniaga Biomedical Sdn Bhd, as they were non-performing and non-core businesses in line with our strategic initiatives.		

	<p>While for existing business:</p> <ul style="list-style-type: none"> a) Logistics & Distribution - Implementation of various advanced software solutions to optimise our operations such as Warehouse Management Systems (WMS) and Transportation Management System (TMS) to streamline processes, improve inventory tracking, and enhance delivery performance; b) Manufacturing - Improve sourcing of raw materials and continuously monitoring the overall equipment effectiveness (OEE) of the machines for all plants in ensuring operational efficiency; and c) Indonesia - Manage inventories and improve collection efforts coupled with digitalisation of manual processes.
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No.	Shareholder's Name	Question
5.	KEH YEOW HWEE	<p>What has caused the losses in Q3 & Q4 2003 amounting to 49.3mil & 33mil respectively? Any actions taken on this?</p> <p>As you are proposing rights issue, please enlighten shareholders to make correct decision.</p>
RESPONSE		
<p>The losses in third quarter ended 30 September 2023 (Q3FY2023) and fourth quarter ended 31 December 2023 (Q4FY2023) were primarily due to:</p> <ul style="list-style-type: none"> a) a one-off provision for stock obsolescence from the slow demand for pandemic-related consumables inventory such as personal protective equipment and needles. These stocks were purchased during the spike of Covid-19 cases, prompting the Group to acquire these items in response to the heightened demand for personal protective equipment; and b) write-down of machinery and equipment and write-off of new product development costs resulting from the closure of non-performing subsidiaries and non-core commercial viability products. This strategic move will result in improved cost management and efficiency. <p>All these are one-off provision as a result of the pandemic and we do not expect these provisions to recur in the future. Nevertheless, we will continue to improve our efficiency and cost management to regain the profitability of the group.</p>		

No.	Shareholder's Name	Question
6.	LUM PECK WAN	<p>MILLION DOLLAR QUESTION: WHEN WILL COY REGAI FINANCIAL STRENGTH?? =D</p>
RESPONSE		
<p>In the next 12 months, we envision Pharmaniaga as a more financially resilient and strategically focused company upon the completion of the Regularisation Plan. With our restructuring efforts and strategic initiatives bearing fruit, we expect to see improved profitability and strengthened cash flow. Our streamlined product portfolio, emphasis on high margin products and optimised operational efficiencies will position Pharmaniaga for sustainable growth.</p> <p>While the company is optimistic about completing the Regularisation Plan exercises in 2024, the upliftment of PN17 status by BURSA is contingent upon Pharmaniaga</p>		

	achieving two consecutive profitable quarters following the completion of the corporate exercises. This is expected in August 2025
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No.	Shareholder's Name	Question
7.	LIM SAN KIM	How much PROFIT this year
RESPONSE		
<p>We are optimistic that the worst is over for Pharmaniaga. With a sound Regularisation Plan in place to exit PN17, and strong business fundamentals as proven by our Q1FY2024 results, we are confident that Pharmaniaga will recover from the current position and record a commendable profitability this year.</p> <p>The recent Q1FY2024 performance were driven by various factors, namely :</p> <ul style="list-style-type: none"> a) Higher demand from the Concession orders as a result of new additional products have been added into the Approved Product Purchase Lists (APPL); b) Higher demand from PT Millenium Pharmacon in Jakarta Indonesia; c) Our restructuring plan, focusing on operational efficiencies for both Logistics & Manufacturing businesses resulting in cost reductions; and <p>Streamlining of our product portfolio, to put more emphasis on high margin products.</p>		

No.	Shareholder's Name	Question
8.	ARIFF BIN ADAM	Indonesia is a huge untapped market. Any effort on management part to increase market share there?
RESPONSE		
<p>The Management has crafted various initiatives to further enhance our presence in the Indonesia market. Amongst others:</p> <ul style="list-style-type: none"> a) Creating a synergistic effect by streamlining MPI & Errita operations such that MPI to focus on its core business which is Sales & Distribution, whereas PT Errita to concentrate on manufacturing and marketing activities; b) Reposition and strengthen in-house product portfolio and services; c) Developing B2B digital platform in Indonesia; d) Strengthening marketing capabilities to improve in-house product sales; e) Transfer manufacturing and product technology from Pharmaniaga and other foreign partners to PT Errita; and f) Acquire more principals with high margin products and expanding branches to cover larger geographical areas. 		

B. PN17

No.	Shareholder's Name	Question
9.	LEO ANN PUAT	Is the Company still in PN17 n if yes when will she comes out from it?

10.	MUHAMMAD HARIZ BIN SA'ID	Is there a likelihood that Pharmaniaga will come out from the PN17 status by Q4 of this year?
11.	WONG YOKE THO	When is the company coming out of PN 17?
	RESPONSE	
	<p>The Company is still in PN17. We are committed to complete the corporate exercises under the Regularisation Plan which includes a capital reduction of RM180 million, a rights issue of up to RM355 million, and a private placement of up to RM300 million. While the company is optimistic about completing these exercises in 2024, the upliftment of PN17 status by BURSA is contingent upon Pharmaniaga achieving two consecutive profitable quarters following the completion of the corporate exercises.</p> <p>Therefore, the target for the upliftment of PN17 status is in August 2025, after recording profitable quarters in first quarter ending 31 March 2025 (Q1FY2025) and second quarter ending 30 June 2025 (Q2FY2025).</p>	

C. VOUCHERS/DOOR GIFTS

No.	Shareholder's Name	Question
12.	DEVINDER SINGH A/L TEHAL SINGH	Kindly provide gift to those shareholders who voted. Thanks in adv
13.	HO THYE WAH	Mr Chairman, any token and door gift given to attend shareholder this moorning
14.	TAN MEI TENG	Got gift???
15.	TAN BOON AIK	got gift???
16.	TAN BOON LYE	Got gift???
17.	TAN KIM SING	Got gift?
18.	TEE QUE ENG	Got gift?
19.	TEE BENG NGO	Please give us some doorgifts/e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
20.	TEE BENG CHOO	Please give us some doorgifts/e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
21.	LOO YEO MING	Please reconsider giving doorgift as Token of appreciation.
22.	CHAN CHEE KONG	<p>Dear Honorable Chairman & Board of Directors, Noted it is stated no Doorgifts... AGAIN !! SIGH =(=(</p> <p>We appeal to your kindnesses & generosity to reward us your loyal shareholders with E-Wallets, E-Vouchers and /or Food Vouchers, for making the effort & taking the time to attend this AGM. GREATLY DISAPPOINTED NONE WERE GIVEN IN PREVIOUS YEARS !!! HOPE TO SEE YOU REVERT TO OLD PRACTICE OF GIVING GOOD DOORGIFTS LIKE THOSE PRE-COVID DAYS !!!!! DO RECONSIDER giving us doorgifts this year. Thanks.</p>
23.	SITI JANIAH DINATA	Dear directors, please kindly give door gift, thanks.
24.	LUM PECK WAN	<p>Dear Honorable Chairman & Board of Directors, Noted it is stated no Doorgifts... AGAIN !! SIGH ! =(=(</p> <p>We appeal to your kindnesses & generosity to reward us your loyal shareholders with E-Wallets, E-Vouchers and /or Food Vouchers, for making the effort & taking the time to attend this AGM. GREATLY DISAPPOINTED NONE WERE GIVEN IN PREVIOUS YEARS !!! HOPE TO SEE YOU REVERT TO OLD PRACTICE OF GIVING GOOD</p>

		DOORGIFTS LIKE THOSE PRE-COVID DAYS !!!!! DO RECONSIDER giving us doorgifts this year. Thanks.
25.	LEOW AH NOOI	B.O.D IS ANY DOORGIFT OR E-VOUCHER IS GIVEN TO SHAREHOLDERS ATTEND THIS AGM..TQ
26.	LEE CHEW FOONG	We, as shareholders, have worked hard but our efforts have not been appreciated and valued in the past few years. We request our most respected Board of directors to give generous door gift to shareholders who had given a lot of time, efforts, participation, contribution, involvement during the past 3 years AGM and in this 2024 AGM. If not, we would propose that no directors fees and expenses should also be given to the Board of Directors for attending past and present AGM meetings.
27.	LOKE HSIAO LI	B.O.D ANY DOORGIFT IS GIVEN TO SHAREHOLDERS WHO ATTENDING THIS AGM...
28.	CHEANG HENG HUNG	Kindly distribute door gift to delight the shareholders. Tq
29.	MOHAMAD NAQUIDDIN BIN ROSDI	Is there any doorgift for today agm?
30.	WONG YOKE THO	Any e vouchers or door gifts for shareholders attending this agam since directors are all getting meeting allowances and shareholders got nothing?
31.	JUSTIN CHAN KEN YIP	Dear Honorable Chairman & Board of Directors, Noted it is stated no Doorgifts... AGAIN !! SIGH =(=(We appeal to your kindnesses & generosity to reward us your loyal shareholders with E-Wallets, E-Vouchers and /or Food Vouchers, for making the effort & taking the time to attend this AGM. GREATLY DISAPPOINTED NONE WERE GIVEN IN PREVIOUS YEARS !!! HOPE TO SEE YOU REVERT TO OLD PRACTICE OF GIVING GOOD DOORGIFTS LIKE THOSE PRE-COVID DAYS !!!!!!!! DO RECONSIDER giving us doorgifts this year. Thank
32.	TAN SIOK TIANG	Any door gift
33.	LEE TUCK FEONG	Hello BoD and management. Kindly distribute a Door gift or E-wallet to the shareholders attending this virtual AGM. Please revert to physical meeting or Hybrid for better personal interaction between members and management. It will be vindicated. Be transparent and responsible to the shareholders. Act with integrity and with clear conscience. What hybrid AGM are you talking about? I am ashamed of you. Chop of the dead woods and replace with more competent and capable personnel. Thank you.
34.	TAN MEI TENG	Got gift???
35.	LAW CHIN KIONG	Door gift?
36.	TEH SUE LENG	I am a long time shareholder I would like to request for e voucher as a token of appreciation for attending today's RPV meeting

37.	TEH PENG TIN	Can the BOD kindly give e- voucher to redeem the company's product as a token of appreciation for attending this RPV
38.	CHEAH YEW BOON	Kindly give eVoucher/eWallet to attendees as a token of appreciation for this annual event
39.	STEPHEN LYE TUCK MENG	Dear BOD - Now that you are in profit, kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad. Please be considerate to us shareholders during these trying times. TQ
40.	CHAN LAI YIN	Hope the board of directors will give us faithful n sincere shareholders shopping vouchers thanks
41.	LEE SUAN BEE	How much does the company spend on this virtual agm? Would the BOD kindly give e- voucher to redeem the company's products as a token of appreciation for attending this RPV I would like to request a printed hard copy of the company annual report
42.	LEE MUN HOE	Share price of the company had dropped by 28% for past 5 year and incurred huge retained loss. Kindly provide e-voucher to compensate the loss of shareholder. Aside from that, shareholder faced the consequences of senior management does not take liable and responsible for the bad decision make.
43.	LIM JIT THIN	Morning to the board, can u send me the printed annual report, thanks. Would the company be rewarding attending loyal shareholders a token of ewallet for the time, efforts & internet usage for this virtual AGM?
44.	LAU CHUAN HOOI	Question 1. May I know, what is the company's future outlook ? Q2 Will The Board consider giving door gift such e-voucher or e-wallets for those participating in this Agm as a token of appreciation?
45.	LEE CHONG SING	Good morning Mr.Chairman and board of directors. Kindly give us rm30 Touch-n-Go e-wallet for being loyal shareholders and attending this Agm.Thankyou.
46.	LEE MUN HOE	Share price of the company had dropped by 28% for past 5 year and incurred huge retained loss. Kindly provide e-voucher to compensate the loss of shareholder. Aside from that, shareholder faced the consequences of senior management does not take liable and responsible for the bad decision make.
47.	LIM SAN KIM	Reward participant to encourage support for VIRTUAL meeting
48.	LIM SAN KIM	Please provide REFRESHMENT via e wallet
49.	LIM SAN KIM	I spend time to attend meeting to approve your Resolutions and meeting ALLOWANCE so hope to be REWARDED.
50.	LIM SAN KIM	I lost so much in this company shares investments, please reward something as CONSOLATIONS
51.	LEE KWAI YOONG	Hello BoD and management. Have a clear mind of conscience. Value the

		shareholders support and trust and time in the company
	RESPONSE	
	Due to the Group's cash flow position as a result of the PN17 status, we are not in the position to give away any token this year. Once we are back financially strong, the Group shall consider to reward our loyal shareholders in future AGMs.	

D. REQUEST FOR ANNUAL REPORT

No.	Shareholder's Name	Question
52.	LEE SUAN BEE	How much does the company spend on this virtual agm? Would the BOD kindly give e- voucher to redeem the company's products as a token of appreciation for attending this RPV I would like to request a printed hard copy of the company annual report
53.	LEONG WAI LENG	Morning BOD please send a copy of annual report to me n please give ewallact or evouchers to those attending this neeting.Tq Annie goh
54.	LOO YEO MING	Please send printed annual report.
55.	LIM JIT THIN	Morning to the board, can u send me the printed annual report, thanks. Would the company be rewarding attending loyal shareholders a token of ewallet for the time, efforts & internet usage for this virtual AGM?
56.	CHEONG SIAN HOE	Kindly send me a copy of the latest annual report, tq
57.	TAN KIM KHUAT	Pls send me a printed report
	RESPONSE	
	The cost of organising virtual AGM is cheaper by almost 60% as compared to cost of conducting physical AGM. We will post the printed annual report to your registered address.	

E. VIRTUAL AGM

No.	Shareholder's Name	Question
58.	LEE SUAN BEE	How much does the company spend on this virtual agm ? Would the BOD kindly give e- voucher to redeem the company's products as a token of appreciation for attending this RPV I would like to request a printed hard copy of the company annual report
59.	LEE TUCK FEONG	Hello BoD and management. Kindly distribute a Door gift or E-wallet to the shareholders attending this virtual AGM. Please revert to physical meeting or Hybrid for better personal interaction between members and management. It will be vindicated. Be transparent and responsible to the shareholders. Act with integrity and with clear conscience.

		What hybrid AGM are you talking about? I am ashamed of you. Chop of the dead woods and replace with more competent and capable personnel. Thank you.
60.	CHOY YAU KEE	When are you going to hold physical AGM ??
61.	LIEW CHEE SENG	I kindly request that pharmaniaga considers holding a Hybrid Annual General Meeting (AGM) for the coming year. This format would enhance interaction, transparency, accessibility, networking, and regulatory compliance, benefiting both shareholders and the company. Thank you for considering this request.
62.	LOO YEO MING	Propose to have hybrid meeting.
RESPONSE		
We are committed to transparency and accountability. The cost of organising virtual AGM is cheaper by almost 60% as compared to cost of conducting physical AGM. Due to the Company's PN17 status, the Company will continue with virtual AGM as part of its cost savings initiatives. However, once the company has uplifted its PN17 status, we will reconsider conducting the AGM physically and/or hybrid manner.		

No.	Shareholder's Name	Question
63.	LIM SAN KIM	This AGM CRASH with other AGM, I can't make it to proxy to other so please schedule AGM away from PEAK MONTHS, peak day, PEAK HOURS, TQ
RESPONSE		
We take note on this matter will consider a more suitable timing for all our shareholders.		

F. QUESTIONS ON DIRECTORS AND MANAGEMENT

No.	Shareholder's Name	Question
64.	LUM PECK WAN	Company still in loss so how come can still pay Directors benefits & EVEN Meeting Fees !! ?? And can't afford to give us who BOTHER to attend your AGM etc ??? Not acceptable !!
65.	LIM SAN KIM	Why so many Resolutions for Director Fees and Benefit but the company don't perform?
66.	LIM SAN KIM	Share price reflect company performance, if not perform then better consider other Directors decisions
67.	LIM SAN KIM	Why when the company not perform but still taking so lucrative Fees, Benefit and Allowance?
68.	JUSTIN CHAN KEN YIP	YES AGREE 200% THAT DIRECTORS SHOULD NOT BE GIVEN MEETING FEES !!!
69.	JUSTIN CHAN KEN YIP	AS DIRECTORS THEY SHD HAVE THE COMPANY INTERESTS AS THEIR PRIORITY & SACRIFICE THEIR BENEFITS (INCLUDING THE MEETING FEES !!) WE SHAREHOLDERS ARE SUFFERING (NO DIVIDENDS & DOORGIFTS !!) SO SHOULD THEY !! THEY ARE DIRECTOTS NOT CLERKS !!
70.	JUSTIN CHAN KEN YIP	A PN 17 COMPANY PAYING SUCH MASSIVE DIRECTORS FEES ! HAHHAHAHAH ! REAL JOKE !

71.	LUM PECK WAN	SHAME ON THE BOARD OF DIRECTORS ! COMPANY IN LOSS & PN17 YET CAN HAVE THE NERVE TO GET SUCH HANDSOME FEES & BENEFITS !!
72.	LUM PECK WAN	WE STRONGLY VIEW THAT DIRECTORS SHD ALSO NOT RECEIVE THE FEES & BENEFITS UNTIL THE COY IS VIABLE & IN A POSITION TO PAY SUCH FEES !! WE ARE MOST UNHAPPY WITH THE CURRENT MANAGEMENT !!!
73.	LEE TUCK FEONG	Hello BoD and management. Kindly distribute a Door gift or E-wallet to the shareholders attending this virtual AGM. Please revert to physical meeting or Hybrid for better personal interaction between members and management. It will be vindicated. Be transparent and responsible to the shareholders. Act with integrity and with clear conscience. What hybrid AGM are you talking about? I am ashamed of you. Chop of the dead woods and replace with more competent and capable personnel. Thank you.
RESPONSE		
<p>Serving on a Board requires a significant commitment of time and effort. Board members attend meetings, review reports, participate in committees, make critical decisions, and are a crucial part of our governance framework.</p> <p>They also have significant responsibilities, including fiduciary duties to the organisation.</p> <p>Hence, compensation acknowledges their investment in the role. It will also ensure that they take their roles seriously towards improving the company's financial health, and are accountable for their decisions and actions.</p>		

No.	Shareholder's Name	Question
74.	LIM SAN KIM	No need FEMALE DIRECTOR unless they PERFORM
RESPONSE		
<p>The appointment of female directors is in accordance to Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG) by the Securities Commission Malaysia, which requires the Board to have at least 30% women directors. Hence, we are obliged to abide by this as MCCG is applicable to all listed companies in Malaysia.</p>		

No.	Shareholder's Name	Question
75.	CHOY YAU KEE	Any legal action taken against those responsible for the huge losses suffered by the company ??? If no, why ???

76	LEE MUN HOE	Any plan to recoup losses from former senior management?
77	CHOY YAU KEE	Any action taken to recover the salary and directors fee from those responsible for the hugh losses suffered by the company ???
RESPONSE		
No legal action was initiated as a result of the vaccine procurement because all decisions made at that time were in accordance with the necessary guidelines and standard operating procedures (SOPs). However, due to the pandemic that affected the whole world and change in policies, it was beyond our control despite the necessary precautions taken.		
Moving forward, the Company will ensure that decisions made during any pandemic must be cohesive and properly deliberated.		

No.	Shareholder's Name	Question
78.	LEE MUN HOE	How much is the salary of a company CEO? Did the CEO salary payout is lower than last year?
RESPONSE		
The total compensation for the Key Management Personnel is disclosed in our annual report, which includes the base salary, bonuses and other benefits. This information is transparently provided to ensure all shareholders are informed about executive remuneration. The total package will commensurate with the responsibility of a CEO.		

G. SHAREHOLDERS' CONCERNS

No.	Shareholder's Name	Question
79.	LIM SAN KIM	When to pay dividends and distribute TREASURY SHARES
RESPONSE		
Given Pharmaniaga's PN17 status and the financial challenges, unfortunately, the company will not be able to pay dividends this year. At the moment, the company's current priority is to navigate the PN17 requirements and restore financial health.		

No.	Shareholder's Name	Question
80.	CHOY YAU KEE	Have the directors think about the plight of LTLT and shareholders who have folk out more money to subscribe to the right issue. There is no dividend paid to the shareholders and yet we have to folk out more money for the right issue. All these araised from the action of few who make company suffered huge losses.
RESPONSE		
We understand and empathise with the difficulties faced by all shareholders, particularly regarding the additional financial commitment required for the rights issue and the absence of dividends. This matter was not taken lightly as a lot of thought and deliberation were carried out, especially before we decided to proceed with the rights issue.		

	<p>This move was driven by the need to strengthen our financial position and ensure the long-term sustainability as well as growth of the company.</p> <p>The company is committed to restoring it's profitability and ultimately delivering value to our shareholders. We are focused on rebuilding trust and working towards a future where we can resume to pay dividends and provide a more stable return on your investment.</p> <p>We appreciate your continued support and understanding during this challenging period. Rest assured, the interests of our shareholders are a top priority as we navigate through these times and work towards a more robust and resilient company.</p>
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No.	Shareholder's Name	Question
81.	KEH YEOW HWEE	Since company is in PN17 status, why propose to have resolution 13 of share buy back? Does company have sufficient funds to do so?
RESPONSE		
Depending on the financial capabilities and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant regulatory authorities, the Company may undertake a share buy-back if it believes this action will benefit the Company and its shareholders. This decision is typically made when the Company perceives that its share price is undervalued. While the PN17 status highlights certain financial challenges, the Company will only proceed with the share buy-back if it has adequate funds and if it aligns with the regulatory guidelines and long-term interests of the Company and its shareholders.		

No.	Shareholder's Name	Question
82.	LIM SAN KIM	Director Fees and benefit not specify in the Resolutions, please elaborate
RESPONSE		
We take note of the concern that, given the Company's PN17 classification, proposing a resolution for share buybacks (Resolution 13) raises several issues. Nevertheless, the Company will only proceed with the share buyback once we are financially resilient, upon the completion of the regularization plan, which is targeted for completion by the end of 2024. This indicates that the board and management are confident that the Company's financial situation will improve and intend to capitalize on the current low share prices.		

No.	Shareholder's Name	Question
83.	LEE MUN HOE	Share price of the company had dropped by 28% for past 5 year and incurred huge retained loss. Kindly provide e-voucher to compensate the loss of shareholder. Aside from that, shareholder faced the consequences of senior management does not take liable and responsible for the bad decision make.
RESPONSE		
We understand and empathise with the difficulties faced by all shareholders.		
The company is committed to restoring it's profitability and ultimately delivering value to		

	<p>our shareholders. We are focused on rebuilding trust and working towards a future where we can resume to pay dividends and provide a more stable return on your investment.</p> <p>We appreciate your continued support and understanding during this challenging period. Rest assured, the interests of our shareholders are a top priority as we navigate through these times and work towards a more robust and resilient company.</p>
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H. OTHERS - TECHNICAL

No.	Shareholder's Name	Question
84.	LEONG WAI LENG	Sound very soft.
RESPONSE		
We take note of this and will look into the technical aspects.		

No.	Shareholder's Name	Question
85.	CHIN SEE MIN @ CHIN KEONG MN	No picture????
RESPONSE		
We take note of this and will look into the technical aspects.		

No.	Shareholder's Name	Question
86.	CHIN SEE MIN @ CHIN KEONG MN	ok..
RESPONSE		
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No.	Shareholder's Name	Question
87.	LUM PECK WAN	MY QUESTIONS NOT READ OUT ! WHY ? SHORT OF TIME IS LAME REASON !! TOO EMBARRASSED FOR YOU FELLAS IS T ?
RESPONSE		
We appreciate very much your active participation in the recent hybrid proceeding. During the AGM, we received a significant number of questions by shareholders, and we earnestly tried to read out as many questions as possible within the stipulated time. We acknowledge the importance of your questions, hence we have addressed them and all the remaining questions, and post the answers on our website for your viewing.		

No.	Shareholder's Name	Question
88.	LIM SAN KIM	No need Moderator to save cost on Shareholder Fund
RESPONSE		
The moderators and the back-end crew that handles the virtual AGM didn't incur extra cost as all are existing full-time employees of the company and did not involve any additional third party personnel.		