

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (Bursa Malaysia) has not perused the contents of this Circular prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia.

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pharmaniaga

PHARMANIAGA BERHAD

(Company Registration No.: 199801011581 (467709-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolution pertaining to the above Proposal will be tabled as Special Business at the Twenty-Fifth Annual General Meeting (25th AGM) of the Company. **The 25th AGM will be conducted entirely through live streaming from the broadcast venue at Amphitheatre, Level 23, The Bousteador, 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on 12 June 2023 at 2.30 p.m.** The Notice of the 25th AGM of the Company together with the Proxy form can be downloaded from the Company's website at www.pharmaniaga.com or Bursa Malaysia's website at www.bursamalaysia.com, once available.

The 25th AGM will be conducted on a virtual basis through live streaming whilst the online remote voting will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's (Tricor) TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the 25th AGM in order to register, participate and vote remotely via the RPV facilities.

In view that the 25th AGM will be conducted on a virtual basis, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Proxy Form. Please complete, sign and deposit the Proxy Form at the office of the Company's Share Registrar, Tricor, located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than Saturday, 10 June 2023 at 2.30 p.m. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at <https://tiih.online> no later than the abovementioned date.

Last date and time for lodging the Proxy Form	: Saturday, 10 June 2023 at 2.30 p.m.
Date and time of the Twenty-Fifth Annual General Meeting	: Monday, 12 June 2023 at 2.30 p.m.

This Circular is dated 28 April 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	- Companies Act 2016 including all amendments made from time to time and any re-enactment thereof
“AGM”	- Annual General Meeting
“Integrated Report 2022”	- Integrated Report for the financial year ended 31 December 2022
“Board”	- Board of Directors of Pharmaniaga Berhad
“BHB”	- Boustead Holdings Berhad (196001000193 (3871-H))
“Boustead Travel Services”	- Boustead Travel Services Sdn Bhd (197201000101 (11708-P))
“Bursa Malaysia”	- Bursa Malaysia Securities Berhad
“CMSA”	- Capital Markets and Services Act, 2007, including all amendments made from time to time and any re-enactment thereof
“Director”	- Shall have the meaning given in Section 2(1) of CMSA and for the Proposal include any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Director of Pharmaniaga or any other company which is its subsidiary or holding company; or chief executive of Pharmaniaga, its subsidiary or holding company
“Listing Requirements”	- Main Market Listing Requirements of Bursa Malaysia including any amendments, modifications and additions made there to from time to time and any Practice Notes issued in relation thereto
“LPD”	- 31 March 2023, being the latest practicable date which shall not be more than 30 days prior to the date of Circular
“LTAT”	- Lembaga Tabung Angkatan Tentera, a statutory body established under the Tabung Angkatan Tentera Act 1973
“Major Shareholder”	<p>- A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in Pharmaniaga or any other company which is Pharmaniaga’s subsidiary or holding company, and the number or aggregate number of those shares, is :</p> <p>(a) 10% or more of the total number of voting shares in Pharmaniaga; or</p> <p>(b) 5% or more of the total number of voting shares in Pharmaniaga where such person is the largest shareholder in Pharmaniaga.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.</p>
“Mandate”	- The shareholders’ mandate obtained for Pharmaniaga Group to enter into Recurrent Related Party Transactions

DEFINITIONS (cont'd)

"Pharmaniaga" or "the Company"	-	Pharmaniaga Berhad (199801011581 (467709-M))
"Pharmaniaga Group" or "the Group"	-	Pharmaniaga and its subsidiary companies
"Person Connected"	-	Shall be as defined in Chapter 1 of the Listing Requirements
"Proposal" or "Proposed Renewal of Shareholders' Mandate"	-	Proposed renewal of the 2023 Mandate
"Recurrent Related Party Transactions" or "RRPT(s)"	-	Recurrent related party transaction(s) of a revenue or trading nature which is necessary for the day-to-day operations and is entered into by the Company or its subsidiaries in the ordinary course of business which involves the interest, direct or indirect, of a Related Party(ies)
"Related Party(ies)"	-	A Director, Major Shareholder or a Person Connected with such Director or Major Shareholder
"Related Party Transaction(s)"	-	Transaction(s) entered into by Pharmaniaga or its subsidiaries which involve(s) the interest, direct or indirect, of Related Party(ies)
"2022 Mandate"	-	The shareholders' mandate obtained on 13 June 2022 for Pharmaniaga Group to enter into RRPTs
"2023 Mandate"	-	The shareholders' mandate to be obtained at the Company's forthcoming AGM for Pharmaniaga Group to enter into RRPTs during the Validity Period
"Validity Period"	-	<p>The validity period of the Proposal commencing from the passing of the ordinary resolution relating to the Proposal on 12 June 2023 until:</p> <ul style="list-style-type: none"> (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it shall lapse, unless the authority is renewed by a resolution passed at the said next AGM; or (c) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or (c) revoked or varied by resolution passed by the shareholders in a general meeting

whichever is earlier.

Words importing the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender, shall, where applicable, include the feminine gender and vice versa. Words importing persons shall include corporations.

Any reference to any enactment is a reference to the enactment as for the time being amended or re-enacted. Any word defined under the Act and used in this Circular shall have the meaning assigned to it under the Act.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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pharmaniaga

PHARMANIAGA BERHAD

(Company Registration No.: 199801011581 (467709-M))
(Incorporated in Malaysia under the Companies Act 2016)

Registered Office:

Level 23, The Bousteador,
No.10, Jalan PJU 7/6,
Mutiar Damansara,
47800 Petaling Jaya.

28 April 2023

The Board of Directors

1	Izaddeen Daud	Non-Independent Non-Executive Chairman	Appointed as Director on 1 March 2021 and redesignated as Chairman on 22 February 2023.
2.	Dr. Abdul Razak Ahmad	Senior Independent Non-Executive Director	Appointed as Director on 20 November 2020 and redesignated as Senior Independent Non-Executive Director on 22 February 2023.
3.	YB Senator Datuk Dr. Haji Azhar Ahmad	Independent Non-Executive Director	
4.	Sarah Azreen Abdul Samat	Independent Non-Executive Director	Appointed on 20 July 2022
5.	Dr. Mary Jane Cardosa	Independent Non-Executive Director	Appointed on 20 July 2022
6.	Datuk Lim Thean Shiang	Independent Non-Executive Director	Appointed on 22 February 2023
7.	Ahmad Shahredzuan Mohd Shariff	Non-Independent Non-Executive Director	

To: The Shareholders of PHARMANIAGA BERHAD

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (PROPOSAL)

1 INTRODUCTION

At the Twenty-Fourth AGM held on 13 June 2022, the Company obtained the 2022 Mandate for Pharmaniaga Group to enter into RRPTs. The 2022 mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

Accordingly, the Company had on 18 April 2023, announced its intention to seek shareholders' approval on the Proposal at the forthcoming AGM.

The purpose of this Circular is to provide you with information relating to the Proposal and to seek your approval on the ordinary resolution pertaining to the Proposal to be tabled at the forthcoming AGM.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS AND THE APPENDIX OF THIS CIRCULAR AND TO CONSIDER CAREFULLY THE RECOMMENDATIONS BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSAL.

Provisions under the Listing Requirements:

Pursuant to Part E, Paragraph 10.09 of the Listing Requirements, listed issuers with share capital of RM60 million and above must immediately announce a Recurrent Related Party Transaction as follows:

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
- (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more

whichever is higher.

Paragraph 2.4 of Practice Note 12 states that where a listed issuer has obtained a shareholders' mandate in respect of any Recurrent Related Party Transaction, the above disclosure obligation will not apply to the Recurrent Related Party Transactions which are comprised in the mandate.

In its ordinary course of business, Pharmaniaga Group has entered and is anticipated to enter into recurrent transactions of a revenue or trading nature with the Related Parties for its day-to-day operation, the particulars of which are set out in Section 2.2 below.

Accordingly, the Company now proposes to seek its shareholders' approval for the Proposal to enable Pharmaniaga Group to enter into transactions with the Related Parties which are of a revenue or trading nature and necessary for its day-to-day operations, on terms not more favourable to the Related Parties than those generally available to the public, not detrimental to the minority shareholders and made on arms' length basis and on normal commercial terms of the Pharmaniaga Group.

If approved at the forthcoming AGM, the Proposal will continue to be in force throughout the Validity Period.

2.1 Subsidiaries of Pharmaniaga and Principal Business Activities

Pharmaniaga is principally an investment holding company and the principal activities of its subsidiaries are as follows:

No.	Name of Subsidiaries	Principal Activities	Pharmaniaga's Effective Interest (%)
1	Pharmaniaga Logistics Sdn Bhd	Distribution of pharmaceutical and medical products	100
2	Pharmaniaga Manufacturing Berhad	Manufacture and sale of pharmaceutical products	100
3	Idaman Pharma Manufacturing Sdn Bhd	Manufacture and sale of pharmaceutical products	100
4	Pharmaniaga LifeScience Sdn Bhd	Manufacture and sale of pharmaceutical products	100
5	Pharmaniaga Research Centre Sdn Bhd	Conduct research and development of pharmaceutical products	100
6	Pharmaniaga Marketing Sdn Bhd	Trading and marketing of pharmaceutical products	100
7	Pristine Pharma Sdn Bhd (Pristine)	Retail Pharmacy	100
	Subsidiary of Pristine: Paradigm Industry Sdn Bhd	Manufacture and sale of food supplement	100

No.	Name of Subsidiaries	Principal Activities	Pharmaniaga's Effective Interest (%)
8	Pharmaniaga Biomedical Sdn Bhd	Supply, trading and installation of medical and hospital equipment	100
9	Pharmaniaga International Corporation Sdn Bhd (Pharmaniaga International) Subsidiary of Pharmaniaga International: - PT. Millennium Pharmacon International Tbk - PT. Mega Pharmaniaga - PT. Errita Pharma	Investment holding Distribution and trading of pharmaceutical products, food supplements and diagnostic products in Indonesia Dormant Manufacture and sale of pharmaceutical products	100 73.4 95 96
10	Bio-Collagen Technologies Sdn Bhd	Dormant	100
11	Pharmaniaga Pegasus (Seychelles) Co Ltd	Dormant	100

2.2 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Existing Recurrent Related Party Transactions for which approval is now being sought for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM are as follows:

Item	Transacting Related Parties		Interested Major Shareholders/ Directors and persons connected with them	Nature of Transactions	2022 Mandate [As per Circular dated 29 April 2022]			2023 Mandate
	Provider	Recipient			Estimated value of transactions covered in 2022 Mandate (RM)	Actual value transacted from last AGM to the LPD (RM)	Reason for deviation where the actual value of transactions exceeds the estimated value by 10% or more (if applicable)	Estimated value of transactions from forthcoming AGM to next AGM (RM)
1	BHB	Pharmaniaga Group	Major Shareholders <ul style="list-style-type: none"> ▪ BHB ¹ ▪ LTAT ² Directors <ul style="list-style-type: none"> ▪ ID ³ ▪ ASMS ⁴ ▪ DSZAMR ⁵ ▪ DSMSR ⁶ 	Provision of corporate and administrative support services, internal audit function and training to Pharmaniaga Group	2,500,000	1,204,000	N/A	3,000,000

Item	Transacting Related Parties		Interested Major Shareholders/ Directors and persons connected with them	Nature of Transactions	2022 Mandate [As per Circular dated 29 April 2022]			2023 Mandate
	Provider	Recipient			Estimated value of transactions covered in 2022 Mandate (RM)	Actual value transacted from last AGM to the LPD (RM)	Reason for deviation where the actual value of transactions exceeds the estimated value by 10% or more (if applicable)	Estimated value of transactions from forthcoming AGM to next AGM (RM)
2	Boustead Travel Services, a wholly owned subsidiary of BHB	Pharmaniaga Group	<u>Major Shareholders</u> <ul style="list-style-type: none"> ▪ BHB ¹ ▪ LTAT ² <u>Directors</u> <ul style="list-style-type: none"> ▪ ID ³ ▪ ASMS ⁴ ▪ DSZAMR ⁵ ▪ DSMSR ⁶ 	Provision of travel agency services to Pharmaniaga Group	2,500,000	1,352,000	N/A	2,500,000

Note:

The estimated value of the 2023 Mandate may vary and subject to changes.

¹ BHB is a major shareholder of Pharmaniaga with direct shareholding of 51.84%.

² LTAT is a major shareholder in Pharmaniaga with direct shareholding of 8.6% and deemed interest of 51.84% by virtue of its shareholding in BHB pursuant to section 8 of the Act.

³ ID – Izaddeen Daud. He is a Non-Independent Non-Executive Chairman of Pharmaniaga, representing BHB on the Board of Pharmaniaga. He is also the Group Chief Executive Officer of BHB. As at LPD, he does not own any shares in Pharmaniaga.

⁴ ASMS – Ahmad Shahredzuan Mohd Shariff. He is a Non-Independent Non-Executive Director of Pharmaniaga, representing BHB on the Board of Pharmaniaga. He is also the Chief Reinvention & Strategy Officer of BHB. As at LPD, he does not own any shares in Pharmaniaga.

⁵ DSZAMR – Datuk Seri Zainal Abidin Mohd Rafique. He is the former Non-Independent Non-Executive Chairman of Pharmaniaga, representing BHB on the Board of Pharmaniaga. He had resigned on 31 January 2023, which was within 6 months prior to the LPD of this circular. As at LPD, he does not own any shares in Pharmaniaga.

⁶ DSMSR – Dato' Sri Mohammed Shazalli Ramly. He is the former Non-Independent Non-Executive Director of Pharmaniaga, representing BHB on the Board of Pharmaniaga. He was also the Group Managing Director of BHB. He had resigned on 30 November 2022, which was within 6 months prior to the LPD of this circular. As at LPD, he does not own any shares in Pharmaniaga.

2.3 AMOUNT DUE AND OWING TO PHARMANIAGA GROUP BY RELATED PARTIES

There is no amount due and owing by the related parties to Pharmaniaga Group pursuant to the RRPTs which exceeded the credit terms as at 31 December 2022.

2.4 ESTIMATED VALUES OF TRANSACTIONS

The estimated values of transactions are based on the current or estimated contract prices or rates agreed or to be agreed with the suppliers or customers. These prices and rates are negotiated on the normal level of transactions based on reasonable market-competitive prices, or actual cost incurred or to be incurred by the suppliers.

In the event the quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/ customers of similar products or services) the transaction price will be determined by and approved based on usual business practices by the respective Board of Directors of both the transacting entities to ensure that the price and terms of the RRPTs are not detrimental to the Group. In addition, the management of the transacting entities shall retain a proper documentation to support the basis in arriving at the relevant transaction prices.

The estimated values are further based on the assumptions that current level of operations will continue and all external conditions remain constant.

The frequency of the transactions will occur with some degree of frequency and could arise at any time.

2.5 REVIEW PROCEDURES FOR RECURRENT RELATED PARTY TRANSACTIONS

Pharmaniaga Group has the following review procedures to ensure that the recurrent related party transactions are based on the normal commercial terms consistent with Pharmaniaga Group's usual business practices and policies, and are undertaken on transaction prices and on terms not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the minority shareholders:

- (a) Pharmaniaga has limits of authority whereby different classes of transactions (based on the nature and amount) including those to be entered into with related parties, will be approved by different authority levels, for example, approval from the Board of Directors for certain transactions above RM1,000,000, approval from the Chief Executive Officer/Executive Committee up to RM1,000,000 and the Head of Division for transactions of RM300,000 and below. The approval process includes the setting up of tender evaluation committees, where necessary;
- (b) Wherever practicable and/or possible, at least two other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as a comparison to determine whether the prices and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/ services and/or quantities. This process ensures that Pharmaniaga obtains these items at the best price from the market.
- (c) A register will be maintained to record all recurrent related party transactions which are entered into pursuant to the shareholders' mandate;
- (d) All companies within the Group shall only enter into recurrent related party transactions after being satisfied that the pricing, level of service, quality of products are comparable to market and industry standards;
- (e) The annual internal audit plan shall include the review of all recurrent related party transactions entered into pursuant to the shareholders' mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (f) The Audit Committee of the Company (Audit Committee) will undertake periodic review of at least twice a year on all past recurrent related party transactions and in their review of such transactions, the Audit Committee may, as they deem fit, request for additional information pertaining to the transactions from independent sources or advisers; and

- (g) If a member of the Audit Committee has an interest, both direct and indirect, in any particular transaction, he or she will abstain from any deliberations (though may be requested to provide relevant information to the other Audit Committee members) and also abstain from voting on the matter at the Audit Committee meeting.

If after the review, the Audit Committee is of the opinion that the review procedures mentioned above are no longer sufficient to ensure all recurrent related party transactions are carried out on terms not more favourable to the Related Parties than those available to the public, and are not detrimental to the minority shareholders, it shall introduce new review procedures to be imposed on all recurrent related party transactions. However, to ensure its independence, the Audit Committee will not be involved in approving any transactions.

- (h) Tracking of the value of Related Party Transaction or Recurrent Related Party Transactions shall be done for the purpose of disclosure in the Integrated Report. Where the transaction value exceeds 10% or more of the mandated amount, the respective Head of operating units is responsible to notify and provide explanation to Group Secretarial so that immediate announcement to Bursa Malaysia can be made.
- (i) For Recurrent Related Party Transactions that are not included in the mandate but are expected to exceed percentage ratio of 1% or RM1 million (whichever is the higher) in a 12 months period, respective Head of operating units is responsible to track transaction values for immediate announcement to Bursa Malaysia.
- (j) The Group Finance shall compile the quarterly RRPT information for reporting to the Audit Committee.

2.6 DISCLOSURE

Disclosure will be made on the breakdown of the aggregate value of transactions conducted pursuant to the Proposal during the financial year in the Company's Integrated Report 2022 and in the integrated reports for the subsequent financial years that the shareholders' mandate continues to be in force.

Paragraph 3.1.5 of Practice Note 12 states that in making the disclosure of the aggregate value of Recurrent Related Party Transactions conducted pursuant to the Mandate in a listed issuer's integrated report, a listed issuer must provide a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:

- (a) the type of the Recurrent Related Party Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the listed issuer.

3 STATEMENT BY AUDIT COMMITTEE

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Paragraph 2.5 above and is satisfied that:

- (a) the Group has in place adequate procedures and processes to monitor, track and identify recurrent related party transactions in a timely and orderly manner and these procedures and processes are reviewed as and when required; and
- (b) the procedures above are sufficient to ensure the terms of the recurrent related party transactions are fair, reasonable and on normal commercial terms, are not more favourable to the Related Parties than those generally available to the public and the recurrent related party transactions are not detrimental to the minority shareholders and are in the best interest of the Group.

4 RATIONALE AND BENEFITS

4.1 RATIONALE FOR THE PROPOSAL

The Proposal is intended to enhance the Group's ability to pursue business opportunities, which are time-sensitive in nature, and will eliminate the need to announce, or to convene separate general meetings on each occasion to seek shareholders' prior approval for the entry by the relevant company in the Group into such transactions. This will substantially reduce the expenses associated with the convening of the general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

4.2 BENEFITS TO THE PHARMANIAGA GROUP FROM TRANSACTING WITH THE RELATED PARTIES

The Recurrent Related Party Transactions entered into by the Pharmaniaga Group are intended to meet business needs at the best possible terms. The Pharmaniaga Group should be able to have access to all available markets and products and services provided by all vendors including its Related Parties. Transacting with its Related Parties also enhances the ability to explore beneficial business opportunities within the Pharmaniaga Group, which will be of benefit to all the companies within the Pharmaniaga Group.

In most instances, companies within the Pharmaniaga Group have a better understanding of each other's business needs, thus providing a platform where all parties can benefit from relatively cheaper transaction costs considering that certain procedures like the supplier pre-qualification procedures, need to be as extensive as if the transactions are conducted with independent third parties.

In respect of the provision of travelling services and provision of corporate and administrative support services to Pharmaniaga Group by Related Parties, the Group can expect prompt and better services than other independent service providers in addition to relatively cheaper costs.

5 CONDITION OF THE PROPOSAL

The Proposal is subject to and conditional upon approval of the shareholders of Pharmaniaga at the forthcoming AGM.

6 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors and/or Major Shareholders of Pharmaniaga and/or persons connected to them as defined in the Listing Requirements has any interest, direct or indirect in the Proposal.

6.1 MAJOR SHAREHOLDERS' INTEREST

The Major Shareholders interested in the Proposal are as disclosed below:

Name	Shareholdings as at 31 March 2023			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
BHB	679,152,075	51.84	-	-
LTAT	112,882,820	8.62	679,152,075 ¹	51.84

¹ Deemed interested by virtue of its shareholding in BHB pursuant to Section 8 of the Act

The abovementioned Major Shareholders, BHB and LTAT (Interested Major Shareholders) will abstain from voting, in respect of their direct and indirect shareholdings in Pharmaniaga, on the resolution relating to the Proposal at the Twenty-Fifth AGM to be convened. The Interested Major Shareholders have undertaken to ensure that the persons connected with them will abstain from voting in respect of their direct and indirect shareholdings in Pharmaniaga on the resolution relating to the Proposal at the Twenty-Fifth AGM to be convened.

6.2 DIRECTORS' INTEREST

The Directors interested in the Proposal are as disclosed below:

Name	Shareholdings as at 31 March 2023			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
ID	Nil	-	Nil	-
ASMS	Nil	-	Nil	-
DSZAMR (resigned on 31.1.2023)	Nil	-	Nil	-
DSMSR (resigned on 30.11.2022)	Nil	-	Nil	-

The abovementioned Directors, being representatives of BHB on the Board of Pharmaniaga, are interested in the Proposal (Interested Directors). As such, they have abstained from deliberations and voting at board meetings with regard to the Proposal. The Interested Directors (save for Datuk Seri Zainal Abidin Mohd Rafique and Dato' Sri Mohammed Shazalli Ramly) will also continue to abstain from deliberations and voting at board meetings with regard to the Proposal.

The Interested Directors will also abstain from voting in the resolution relating to the Proposal in respect of their direct and indirect interest in Pharmaniaga, if any, at the Twenty-Fifth AGM to be convened.

The Interested Directors have undertaken that they will ensure that the Persons Connected with them will abstain from voting on the resolution relating to the Proposal at the Twenty-Fifth AGM to be convened.

6.3 INTEREST OF PERSON(S) CONNECTED

As at the LPD, there is no person connected to Directors and/or Major Shareholders of Pharmaniaga (as defined in the Listing Requirements) having any interest, direct or indirect in the Proposal.

7 DIRECTORS' RECOMMENDATION

The Directors (except for the Interested Directors), after careful deliberation on the Proposal, are of the opinion that the Proposal is in the best interests of the Company. Accordingly, the Directors (except for the Interested Directors) recommend that you vote in favour of the resolution pertaining to the Proposal to be tabled at the Twenty-Fifth AGM.

8 ACTION TO BE TAKEN BY SHAREHOLDERS

In view that the Twenty-Fifth AGM will be conducted on a virtual basis, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Proxy Form. Please complete, sign and deposit the Proxy Form at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Tricor), located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than Saturday, 10 June 2023 at 2.30 p.m. You may also submit the proxy appointment electronically via Tricor's TIH Online website at <https://tiih.online> no later than the abovementioned date.

9 ANNUAL GENERAL MEETING

The forthcoming Twenty-Fifth AGM of the Company will be conducted entirely through live streaming from the broadcast venue at Amphitheatre, Level 23, The Bousteador, 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Monday, 12 June 2023 at 2.30 p.m. for the purpose of considering and if thought fit, passing the ordinary resolution as set out in Notice of AGM to approve the Proposal.

The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

10 FURTHER INFORMATION

Shareholders are advised to refer to **Appendix I** for further information.

Yours faithfully,
For and on behalf of the Board of Directors
PHARMANIAGA BERHAD

SARAH AZREEN ABDUL SAMAT
Independent Non-Executive Director

FURTHER INFORMATION

1 RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Directors of Pharmaniaga who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having taken due care and making all reasonable inquiries, to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading.

2 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Neither Pharmaniaga nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant or otherwise, nor are the Directors aware of any proceedings pending or threatened against Pharmaniaga and/or its subsidiaries, or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of Pharmaniaga and/or its subsidiaries, except for:

- (a) **Kuala Lumpur High Court Civil Suit No. WA-21NCvC-115-11/2022**
Mohammad Hafiz Bin Zulkarnain (the estate of Puteri Nur Afikah Binti Zulkarnain) & 42 others
("Plaintiffs")

-v-

1. Kerajaan Malaysia
2. Kementerian Kesihatan Malaysia
3. Menteri Kesihatan Malaysia
(held by Khairy Jamaluddin Bin Abu Bakar)
4. Ketua Pengarah Kesihatan Malaysia
(held by Noor Hisham Bin Abdullah)
5. Pfizer Malaysia Sdn Bhd
6. Pharmaniaga Lifescience Sdn Bhd
7. Astrazeneca Sdn Bhd

Pharmaniaga Berhad's wholly owned subsidiary, Pharmaniaga Lifescience Sdn Bhd ("PLS") was served with the Writ Summon & Statement of Claim by way of a class action in respect of among others, adverse effect of the COVID-19 vaccine. PLS has appointed Messrs Zul Rafique & Partners ("ZRP") to represent PLS in the said class action. It is to note that there was no amount pleaded in the Statement of Claim.

We have been advised by ZRP to request for Further and Better Particulars and Production of Documents from the Plaintiffs' solicitor, after consultation and mutual agreement with the solicitors of other Defendants. Pursuant thereto, ZRP had issued letter to the Plaintiffs' solicitor for Further and Better Particulars and Production of Documents and filed Notice to Produce Documents Referred to in Pleadings to court on 27 January 2023. Plaintiff's solicitor has responded by enclosing the particulars and/or documents requested by the Defendants but the same is found to be lacking.

In light of the above, we have been advised by ZRP to apply for a discovery of documents prior to filing our Defence and to include an "unless order" (which would result in the striking out of the Plaintiffs' claim in the event the Plaintiffs fail to comply with the discovery order). The Executive Committee of Pharmaniaga Berhad has given its mandate on 11 April 2023 to proceed with the discovery of documents application and "unless order" against the Plaintiffs. The case has been fixed for Case Management on 15 May 2023 for Defendants to file Defence.

3 MATERIAL CONTRACTS

Neither Pharmaniaga nor its subsidiaries have entered into any material contracts outside the ordinary course of business.

4 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company Secretary at Level 23, The Bousteador, No. 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya during normal business hours on any weekday (except public holidays) from date of this Circular up to the date of the forthcoming AGM:

- (a) the Constitution of the Company; and
- (b) the audited consolidated financial statements of Pharmaniaga for the past two (2) financial years ended 31 December 2021 and 2022.