

## Pharmaniaga explains licence revocation

**PETALING JAYA:** Pharmaniaga Bhd manufacturing licence was revoked due critical findings over the storage and segregation of reject and quarantine materials or products as well as the handling of reject and recalled materials or products, the company said in reply to Bursa Malaysia query yesterday.

"The critical findings also involved certain aspects of the premises and equipment," it said.

The revocation order was issued to its unit Pharmaniaga Manufacturing Bhd after an audit was carried out between Feb 2 and 4 by the Pharmaceutical Services Division of the Ministry of Health (PSD).

Pharmaniaga said it would present all corrective actions taken to date as well as a plan of action to address the remaining audit issues to PSD on March 8.

"With that, we plan to seek PSD's approval to conduct a follow-up audit on the plant," it said.

It said the percentage contribution of manufacturing to the group's profit before tax was 23% based on the unaudited results for the financial year ended Dec 31, 2009.

"For financial year 2009, the contribution of manufacturing division to the Pharmaniaga group's profit before tax was lower than previous financial year due to the

disposal of plant in Perak as well as gross profit margin achieved," it said.

Assuming the revocation is not withdrawn within the current financial year, the effects would be on the earnings per share (EPS) and net assets per share of the group.

"With the revocation, the EPS would be 41.60 sen instead of 56.26 sen," it said.

The impact on the net assets per share of the group, if there is a revocation, would be RM3.88 sen instead of RM4.03.

To address the issues raised by PSD, the group would resolve all the critical issues immediately, respond to all other findings and provide

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corrective action plan and have regular meetings with PSD to update the progress in addressing the issues raised.

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