



Citi Pharma Limited

Citi Pharma Limited is delighted to Announce Joint Venture with Hangzhou Newsea Technology Co., Ltd.

Citi Pharma Limited announces that it has entered into a Joint venture with Hangzhou Newsea Technology Co., Ltd, a renowned player in the pharmaceutical industry in China. The JV, named as ETACI LIMITED (Public limited company) will focus on producing the remaining portion of API's that are not currently manufactured by Citi Pharma Limited. This move comes as part of the company's ongoing commitment of and expanding its product portfolio.

Citi Pharm Limited currently manufactures approximately 20 to 22 APIs, catering to various medical needs. However, recognizing the evolving landscape of healthcare and the increasing demand for diverse pharmaceutical products, the company has embarked on a mission to enhance its product portfolio. Through the proposed joint venture with Hangzhou Newsea Technology Co., Ltd, Citi Pharm Limited plans to manufacture an additional 30 APIs, effectively expanding its range of offerings.

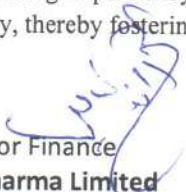
The decision to pursue this joint venture underscores Citi Pharma Limited's proactive approach towards sustainable growth and transfer of technology to Pakistan. Through this partnership, the company seeks to leverage the expertise and resources of its collaborator while capitalizing on emerging opportunities in the pharmaceutical landscape. This partnership brings together Citi Pharma Limited's expertise in API manufacturing with Hangzhou Newsea Technology Co., Ltd's technological prowess, fostering innovation and efficiency in API production.

Under the legal structure of ETACI LIMITED, Citi Pharma Limited retains a controlling interest of 65%, with Hangzhou Newsea Technology Co., Ltd holding the remaining 35%. By manufacturing a greater portion of APIs locally through ETACI LIMITED, Citi Pharma Limited will decrease its reliance on imported products, thereby improving cost efficiency, enhancing supply chain resilience and reduction in import bill.

This joint venture (JV) is expected to generate an annual turnover of more than PKR 15,000 million. From this, the projected cost of sale will be around PKR 10,500 million, resulting in a gross profit of PKR 4,500 million. Moreover, the joint venture is expected to benefit from Citi Pharma Limited's existing infrastructure and resources, minimizing operating costs and streamlining production processes. This will result in higher margins of net profits. This synergy will further reinforce the company's position as a trusted provider of high-quality pharmaceutical products.

This initiative underscores Citi Pharma Limited's commitment to innovation and growth in the pharmaceutical industry. By expanding its API manufacturing capabilities, the company aims to meet the evolving needs of the healthcare sector while contributing to the economic development of Pakistan also.

Moreover, this Joint Venture aligns seamlessly with our overarching vision for 2030. It is our steadfast ambition to cultivate self-reliance and contribute to the national economy by producing essential API materials within Pakistan. By reducing dependency on imports, we endeavor to bolster the resilience and autonomy of our pharmaceutical industry, thereby fostering a brighter future for our nation.


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