

'PHARMANIAGA BUY GOOD FOR BOUSTEAD'

KUALA LUMPUR: ECM Libra Investment Research has described Boustead Holdings Bhd's acquisition of Pharmaniaga Bhd as good for the company's business. "Albeit, not as profitable as palm oil plantations, the business still holds long-term potential and the concession agreement will provide recurring income," it said in a research note yesterday. Pharmaniaga is essentially the sole concessionaire for the supply of pharmaceuticals to government hospitals. On Friday, Boustead proposed the acquisition of UEM Group's 86.81% stake in Pharmaniaga for RM534 million which translated into RM5.75 per share. "We see it as good business to expand into given its inelastic demand and hence defensive nature," said ECM Libra Investment Research. – Bernama

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