

Boustead received RM363m from recent sale of insurance arm

FROM P1 Boustead

The source added that UEM had accepted Boustead's offer ahead of a competing bid of about RM470 million from Permodalan Nasional Bhd (PNB), the country's biggest unit trust fund manager.

Based on yesterday's closing price of RM5.10, UEM's stake in Pharmaniaga (issued shares of 106 million) carries a market value of RM473.79 million. This could mean that Boustead is paying a premium of between 22.4% and 26.6%.

The purchase could be funded by the company's internal funds as it had received RM363 million cash from the recent sale of its insurance unit, BH Insurance (M) Bhd, to AXA Affin General Insurance Bhd, which is controlled by its 20.7% associate Affin Holdings Bhd.

Both Boustead and Affin have Lembaga Tabung Angkatan Tentera as a major shareholder.

The deal comes on the heels of Bank Negara Malaysia declining request from Affin Holdings to start talks for a possible takeover of EON Capital Bhd while Khazanah Nasional Bhd, the owner of UEM, is in the midst of making a RM2.77 billion bid for another 28.5% stake in Singapore-based healthcare service

provider Parkway Holdings Ltd (Khazanah now has a 23% stake in Parkway).

Khazanah has announced in the past that it wants to divest its non-core assets such as Pharmaniaga and POS Malaysia Bhd.

Earlier this year, Pharmaniaga was in the spotlight after its manufacturing licence for 2010 was revoked by the Health Ministry for non-compliance issues. However, the company regained the licence after a satisfactory follow-up audit of its Bangi plant by the ministry on March 10.

The pharmaceutical business is not new to Boustead. The conglomerate is involved in the pharmaceutical line through its 51% subsidiary, Idaman Pharma Manufacturing Sdn Bhd based in Sungai Petani, Kedah.

Idaman trades and manufacturers pharmaceutical products and holds some 118 product licences that allow it to manufacture injections, tablets, capsules, liquids, ointments and creams, according to its website. It acquired Pharmaniaga's penicillin plant in Perak and is now the sole penicillin manufacturer in the country.

Boustead is also involved in finance, plantation, heavy industries, property, trading, manufacturing and services.

File :
Pharmaniaga

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