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LTAT calls off proposal to take Boustead private

PETALING JAYA: Lembaga Tabung Angkatan Tentera (LTAT) has called off its proposed privatisation of Boustead Holdings Bhd, after taking into account the various risk factors in implementing the proposal, particularly the current challenging economic environment arising from the Covid-19 pandemic and the reimplementation of the movement control order.

The decision follows the lapse of the extension of time on Feb 2 afforded by the Securities

Commission (SC) for LTAT to announce its firm intention on the proposal.

"Meanwhile, as a controlling shareholder of Boustead Holdings, LTAT is supportive of Boustead Holdings' plan to actively pursue and successfully execute its turnaround plans and growth strategies. LTAT shall continue to review its options in line with LTAT's objective to preserve and enhance the value of the assets under its portfolio and to improve the long-term return to our contributors,"

it said.

"We welcome this decision as the management of Boustead will now have unwavering focus to capitalise on emerging opportunities and accelerate value creation. We are clear on the path we need to take to improve our business prospects and maximise the returns to our main stakeholders - the military contributors of LTAT," said Boustead chairman Datuk Seri Mohamed Khaled Nordlin.

The proposed privatisation was floated in May last year, when LTAT

said it would do so at an indicative price of 80 sen a share. In July 2020, the SC said it would give the fund board until Oct 27, 2020 to announce its firm intention on the proposal, which was subsequently extended to Feb 2.

In a separate Bursa filing, Boustead Holdings said in view of the development, it was jointly-agreed between both parties for the management of Boustead to focus on its newly crafted "Reinventing Boustead" strategy to rejuvenate

the group.

This strategy will involve value creation within the group's existing core businesses, creatively changing business models, rationalising a few non-strategic assets, as well as venturing into the digital services and technology sector.

Boustead group managing director Datuk Sri Mohammed Shazali Ramly said the new initiatives to accelerate the reinvention of Boustead will be unveiled over the next few weeks.