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MEDIA STATEMENT

CABINET APPROVAL OF LCS REVIVAL PLAN PROTECTS LTAT FUNDS FROM FINANCIAL DOMINO EFFECT

Kuala Lumpur, 21 April 2022: Lembaga Tabung Angkatan Tentera (LTAT) today expresses gratitude for the cabinet's decision to approve the LCS Project Revival Plan, which essentially protects the fund from being negatively impacted if the project is not quickly revived.

Chief Executive, Dato' Nazim Rahman confirmed that, "If this project fails to continue, the impending financial domino effect will result in an impairment of up to RM2.1 billion, which is 21 per cent out of the total amount of the retirement funds managed by LTAT. As a consequence, LTAT would not be able to continue to provide returns to contributors for at least the next six (6) years."

LTAT has a direct exposure through its majority stake in Boustead Holdings Berhad (BHB) of 59.4 percent as well as 61 per cent effective stake in Boustead Naval Shipyard Sdn Bhd (BNS).

The Cabinet approval on the LCS project recovery plan has effectively prevented a financial disaster on LTAT and will enable LTAT to continue to focus on its capital preservation and value enhancement, which in the long run will ensure that LTAT's financial position remains healthy. This in turn, would enable the fund to provide sustainable and competitive returns to its contributors, who are serving the Malaysian Armed Forces (MAF).

LTAT has taken a proactive step, in close collaboration with the Ministry of Defence, Ministry of Finance, Royal Malaysian Navy (RMN) and the Special Cabinet Committee to look into solutions to revive the project by taking into consideration all aspects including financial implications to the government as well as enhancing governance to ensure all LCS ships will be delivered based on the stipulated timeline.

LTAT is committed to providing full cooperation in ensuring that this recovery plan can be realised in the strategic interest of the country.

LEMBAGA TABUNG ANGKATAN TENTERA (LTAT)
21 APRIL 2022