

PRESS CLIPPING

DATE : APRIL 12, 2019
MEDIA : NEW STRAITS TIMES
SECTION : NEWS
PAGE : 5
COLOUR : FULL COLOUR
EXPOSURE VALUE : N/A

LTAT PROFIT FOR 2017 SHOULD BE RM370M, NOT RM662M

Amount reduced due to incomplete land deals, unrecognised impairments

NOR AIN MOHAMED RADHI
KUALA LUMPUR
cnews@nstp.com.my

THE Armed Forces Fund Board (LTAT) profit for the financial year ending Dec 31, 2017 (FY17) should be RM370.56 million and not RM662.17 million as announced before.

LTAT chief executive Nik Amlizan Mohamed said the amount was reduced due to incomplete land deals and unrecognised impairments.

"The proceeds from a sale pertaining to property in Cochrane and Bukit Jalil amounting to RM202.71 million should not have been taken into account in the financial statements of LTAT for FY17.

"This transaction does not comply with Financial Reporting Standards 118 relating to revenue and does not comply with the materiality level against net profit, income and total asset and non-compliance with the clauses in



Armed Forces Fund Board chief executive Nik Amlizan Mohamed speaking at a press conference at the Parliament building yesterday. With her are Defence Minister Mohamad Sabu (left) and his deputy, Liew Chin Tong. PIC BY MUHD ZAABA ZAKERIA

the property sale and purchase agreement," she said at Parliament yesterday.

Present were Defence Minister Mohamad Sabu and his deputy, Liew Chin Tong.

"As for unrecognised impairments, they involved purchase of two shares by LTAT.

"The fair value for the two

shares as at the end of FY17 amounts to RM18.46 million, compared with the purchase cost of RM107.36 million.

"Significant or prolonged decline in fair value below cost is consideration to determine impairment of these two shares.

"As such, impact from these findings, as highlighted in the Au-

ditor General's Department qualified opinion, has caused LTAT's profit for FY17 to be reduced from RM662.17 million to RM370.56 million.

"In addition, LTAT's retained earnings would drop drastically to negative retained earnings of RM31.6 million from RM259.99 million previously."