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CEO MORNING BRIEF

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LTAT cancels plan to take Boustead private

KUALA LUMPUR (Feb 2): Lembaga Tabung Angkatan Tentera (LTAT) has decided not to pursue the privatisation of Boustead Holdings Bhd at this juncture, after taking into consideration the current challenging economic environment arising from the Covid-19 pandemic and the reimplementation of Movement Control Order.

In view of this development, it was jointly agreed by both parties for the management of Boustead to focus on its newly crafted Reinventing Boustead strategy to rejuvenate the group, said diversified group Boustead in a statement today.

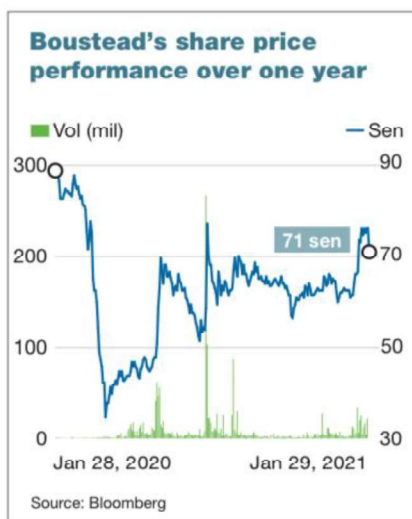
"This strategy will involve value creation within the group's existing core businesses, creatively changing business models, rationalising a few non-strategic assets, as well as venturing into the digital services and technology sector," Boustead noted.

Boustead group managing director Datuk Seri Mohammed Shazalli Ramly said in the statement that the need to reinvent Boustead is needed more than ever.

"Through enhanced creativity and continuous innovation of business models, anchored in the foundation of uncompromising governance and integrity, we commit to transform our brick-and-mortar businesses to become more robust, digitised and sustainable.

"Over the next few weeks, we will start unveiling our initiatives one by one to accelerate the reinvention of Boustead, and ultimately meet the expectations of our shareholders," Mohammed Shazalli said.

BY WONG EE LIN
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Boustead chairman Datuk Seri Mohamed Khaled Nordin said in the statement that after a thorough study and discussions with relevant stakeholders, LTAT and Boustead have landed on a mutual decision not to pursue the privatisation proposal at this juncture.

"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," Mohamed Khaled said.

Meanwhile, LTAT said today in a separate statement attached to one of Boustead's Bursa filings that the fund, as the controlling shareholder of Boustead, is supportive of Boustead's 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," LTAT said.

Boustead's share trade was suspended today pending the announcement on the mutual decision not to pursue the privatisation proposal, according to the group's Bursa filing on Friday (Jan 29).

Today, Boustead said its share trade will resume from 9am tomorrow.

Boustead shares were last traded at 71 sen for a market capitalisation of about RM1.44 billion based on the group's total number of issued shares at 2.03 billion.

According to Boustead's website, the group's diversified businesses include oil palm plantation, property development, and pharmaceutical manufacturing.

Boustead, which operates the BHPetrol stations across Peninsular Malaysia, also offers financial services via Affin Bank Bhd, according to the website.

