

PRESS CLIPPING

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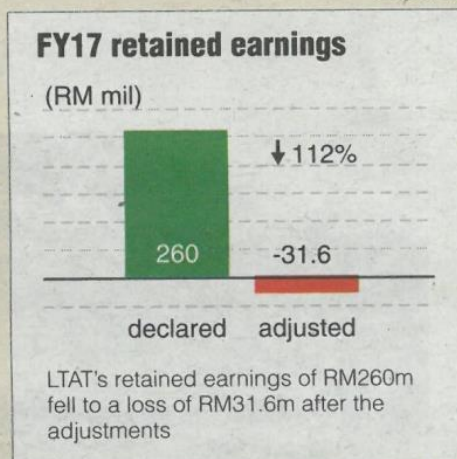
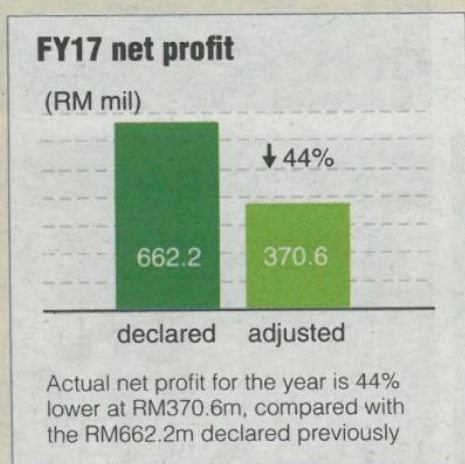


LTAT failed to
impair RM88.9m
in FY17 — CEO

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'LTAT failed to impair RM88.9m in FY17'

BY AHMAD NAQIB IDRIS

KUALA LUMPUR: The National Audit Department has highlighted an unrecognised impairment of RM88.9 million and proceeds of RM202.71 million from a land sale that should not have been recognised in the Armed Forces Fund Board's (LTAT) financial statements for financial year 2017 (FY17).

At a press conference in Parliament, LTAT chief executive officer Nik Amli-zan Mohamed said the unrecognised impairment arose from two of the fund's investments, namely Dayang Enterprise Holdings Bhd and Sapura Energy Bhd. "The fair value for the two shares as at end of FY17 amounted 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 for these two shares," she said.

Besides that, LTAT also recognised the RM202.71 million from sale of land located in Cochrane and Bukit Jalil,

which should not have been recorded in its financial statements, as the terms of the transaction were not completed at the time. It is unclear whether the transaction was completed after 2017. "As such, impact from these findings, as highlighted in the National Audit Department's qualified opinion, 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 positive retained earnings of RM259.99 million previously," she said. She also said the issuance of the FY18 accounts had been delayed due to the late submission of the FY17 accounts, adding the findings would have a significant impact on its FY18 accounts.

LTAT is in the midst of finalising its accounts for FY18 and expects to announce its financial statements by July.