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## Privatisation move allows LTAT to restructure, enhance Boustead's value

Takeover offer enables minority shareholders to realise their investment at a 37% premium.

David Pillai – 03 Mar 2023, 7:43pm

PETALING JAYA: Lembaga Tabung Angkatan Tentera (LTAT) said its move to take Boustead Holdings Bhd (BHB) private via its proposed voluntary takeover offer will give the armed forces pension fund greater flexibility to restructure the group in order to enhance BHB's value.

“The reason for going private is it will give us flexibility to restructure the group more effectively and seize new opportunities that enhance BHB's value,” LTAT CEO Ahmad Nazim Abd Rahman told FMT Business today.

The move enables the fund to streamline the business to generate better income for Boustead, he said.

“So, enhancing BHB's value will generate better returns for the armed forces fund.

“By taking it private, the value of our investment will not be exposed to fluctuation of market price which may result in the impairment of funds. This will tie the value of BHB to its net asset value.

“We must safeguard the fund to protect our armed forces,” he said.

LTAT announced yesterday it had made a voluntary takeover offer for a 40.58% stake or 822.51 million shares in BHB that it does not already own, and plans to take it private.

LTAT, which holds a 59.4% interest in Boustead, is expected to pay out a total of RM703.2 million at 85.5 sen per share.

### Attractive premium for minority shareholders

Ahmad Nazim said the takeover offer of 85.5 sen enables minority shareholders the opportunity to realise their investment at an attractive premium.

“At 85.5 sen, they would divest at almost 37% premium over the last traded price of 62.5 sen on March 1, 2023, and 22% premium over the one-year average price,” he said, noting that BHB's share price has been relatively stagnant and its trading value hasn't been high in recent times.

Minority Shareholders Watch Group (MSWG) CEO Devanesan Evanson concurred that minority shareholders will have a chance to realise their investments in Boustead by taking up LTAT's offer.

“However, they should await advice from the professional independent adviser as to whether the offer is fair and reasonable. These professionals will provide much information and a basis for their recommendation which is essential for making an informed decision,” he said.

Meanwhile, LTAT's voluntary takeover offer seems to have gotten the thumbs up from investors. BHB's share price surged 20 sen or 30% to its 52-week high of 86 sen multiple times during the trading session. This is half-a-sen higher than LTAT's takeover offer.

It closed at 85.5 sen today, valuing the group at RM1.73 billion.