



**MEDIA RELEASE**

**LTAT Addresses Key Issues Raised in Parliament  
Regarding PAC Report and Its Strategic Initiatives**

**KUALA LUMPUR, 6 DECEMBER 2024** – Lembaga Tabung Angkatan Tentera (“LTAT”) wishes to clarify that the restructuring plan, which was referenced in Parliament on 5 December 2024, has not been cancelled. Rather, it has been refined, evolving to better address both current challenges and emerging opportunities given the present market conditions. The new restructuring plan reflects LTAT and the Ministry of Defence’s dynamic and concerted efforts to stabilise finances, manage debt, diversify investments, and build a competitive, sustainable portfolio for the benefit of all stakeholders.

**Asset Divestment: A Portfolio Rebalancing Measure, Addressing Overconcentration and Debt Management.**

LTAT emphasises that the asset divestment initiative is a strategic effort, not a short-term solution. This approach aims to reduce overconcentration on Boustead-Affin and aligns with the Public Accounts Committee’s (“PAC”) recommendations for portfolio diversification. The transparent disposal process at respective entities ensures optimal value generation, with reinvestments in high-value, sustainable assets to enhance the resilience of LTAT’s finances to guarantee the welfare of LTAT members over the long term. Each disposal will be conducted with utmost transparency and integrity.

It must be stressed that all transactions undertaken by LTAT are aligned with national strategic interests in line with the aspirations outlined by the MADANI Economic Framework.

Furthermore, LTAT wishes to address the two transactions being referred;

**i. Batu Kawan Misstatement**

Regarding the Batu Kawan land, LTAT firmly clarifies that LTAT, along with its Group of Companies do not own any land in that area, and the statement concerning its disposal is false and misleading.

**ii. Clarifications on EcoWorld Transaction**

Boustead Properties (“BProp”) invited 19 companies, including government-linked companies (“GLCs”) and private firms, to participate in the request for proposal (“RFP”) process. While 10 expressed interest, only one company, Eco World Development Group Bhd (“EcoWorld”), a Bumiputera-majority-owned property developer submitted a proposal following a robust and transparent tender process. EcoWorld through its

joint venture company Mutiara Balau Sdn Bhd (“MBSB”) — in which BProp is a minority shareholder — was selected after a comprehensive evaluation. Key factors in the decision included EcoWorld’s competitive commercial offer, innovative development proposal, strong financial standing, and proven track record in Malaysia and international markets.

The disposal of Semenyih land to MBSB is intended to facilitate urban growth in emerging areas, generating value while contributing to Malaysia’s broader MADANI economic objectives. Furthermore, the cash proceeds generated will play a pivotal role in funding Boustead Plantation Berhad’s (“BPlant”) oil palm replanting programme, ensuring the rejuvenation of mature lands and enhancing operational efficiency. This strategic approach not only strengthens the company’s long-term sustainability but also aligns with national priorities by enabling land optimisation for economic growth.

Together with other GLCs, any corporate exercises of LTAT’s Group of Companies aims to support the growth of key strategic economic sectors, including the development of high-impact industries such as semiconductors and renewable energy, contributing significantly to Malaysia’s economic progress.

### **Commitment to Transparency and Accountability**

LTAT remains fully committed to upholding the highest standards of transparency and accountability. To ensure all actions align with stakeholder expectations, the restructuring plan will be presented to the Cabinet for comprehensive review and approval. This approach demonstrates LTAT’s dedication to fostering open and constructive engagement with key stakeholders, the Ministry of Defence, the Ministry of Finance, and other regulatory stakeholders, reinforcing its focus on responsible governance and strategic clarity.

The new restructuring plan is intended to achieve a better result by aiming to reduce the asset concentration down to 35%, versus the 50% target aimed by the previous plan. This will reduce LTAT’s portfolio exposure in Boustead-Affin investments, offering a more sustainable, long-term solution to LTAT’s portfolio challenges, in line with recommendations made by PAC.

LTAT remains dedicated to safeguarding the interests of its members and ensuring their financial security. By prioritising strategic growth, prudent asset management, and long-term sustainability, LTAT is taking responsible and considered steps to build a stable and resilient future that benefits all contributors.

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**About Lembaga Tabung Angkatan Tentera (“LTAT”)**

Established in August 1972 under the Armed Forces Fund Act (also known as Act 101), the Lembaga Tabung Angkatan Tentera (“LTAT”) is a statutory body which manages the pension fund for officers and members of other ranks of the Malaysian Armed Forces (“MAF”) and the veterans.

The latest amendment to the Act was made on 1 November 2022. As of 31 December 2023, LTAT had assets under management of close to RM11.54 billion. LTAT declared a 5% dividend for members in 2022 after paying 4.1% in 2021, 3.5% in 2020, 2.5% in 2019, and 2% in 2018.

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