

Acquisition of Astacanggih 'without encumbrance'
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Public-listed Boustead Holdings Bhd's acquisition of an 80 percent stake in Astacanggih Sdn Bhd for RM30 million is without any encumbrances, the Boustead deputy chairperson said today.

Lodin Wok Kamaruddin, who is also Boustead managing director, acknowledged that Astacanggih had encumbrances earlier, but stressed the purchase was carried out with due diligence.

"Astacanggih is free of encumbrances and the company serves as a vehicle to purchase Awan Megah Sdn Bhd," he said.

Awan Megah was owned by Selangor Umno wanita senator Raja Ropiaah Raja Abdullah.

Lodin (left) stated that despite reports in the alternative media, whereby it was said that Astacanggih owed RM90 million to Kuwait Finance House, this has been resolved by the other party (carpet trader Deepak Jaikishian).

He emphasised that Boustead is not a party to Astacanggih liabilities and the deal was carried out with due diligence undertaken by Ernst and Young.

"Astacanggih is free from encumbrances and has signed an agreement with Awan Megah for the acquisition of the 200 acre piece of land," he said.

Lodin, had also earlier denied that the acquisition was a political bailout as suggested by the opposition which had been harping on the Boustead purchase of Astacanggih and also the land from Awan Megah.

He added Boustead took some time to come up with the deal as it had to negotiate with a few parties.

"This is a privatised project and initially they (Astacanggih and Awan Megah) wanted to do it on their own. They had some issues and they invited us to jointly develop the project with them. In the end it is also a question of price," he said.

"For us as a corporate body, to acquire it is one thing. To further develop it is another as it increases the value of the property," he said.

Lodin said it will take one to two years to develop the 200 acres of land which is located adjacent to another 700 acres the public listed company owns.

Profit of RM518 million

The company earlier announced a profit of RM518 million after tax for the year ending Dec 2012 and also RM10.2 billion in revenue for the whole of last year.

Boustead said all business units performed well, despite the impact of crude oil prices.

Lodin said that the company will concentrate on six areas namely plantations, finance and investment, trading, manufacturing, pharmaceutical, as well as heavy industries.

He was pleased to reveal that Boustead Heavy Industries Corp Bhd has a contract to build six littoral combat ships for RM6 billion from the Defence Ministry.

On its proposed disposal of HwangDBS, Lodin said Boustead has yet to receive approval from Bank Negara Malaysia to commence negotiations.

"Accordingly, the Affin group has not commenced any discussions with HwangDBS," he added.

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