

24 June 2021-06-15

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Boustead continues improving, to focus on new ventures: Shazalli Ramly



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KUALA LUMPUR: Boustead Holdings Bhd says it continues to improve its financial performance and will introduce new business models for new revenue generations.

The company plans to launch several strategic initiatives to identify and explore new opportunities as it reestablishes itself with "Reinventing Boustead" strategy.

The strategy will be driven by a three-prong approach - rejuvenated transformation programme for the core businesses driven by a new performance improvement programme, exploring and venturing into new business opportunities and sustainability by embracing innovative and relevant technological services.

Group managing director Datuk Seri Mohammed Shazalli Ramly said Boustead would focus on developing and using data analytics and business intelligence platform to bolster growth.

It would also continuously learn to set the path of its business plans and shape innovative decisions, Shazalli said after sharing the strategy with Boustead's shareholders at its 59th annual general meeting, held virtually today.

"We need to rethink the way we do business and how we engage our customers. In this day and age, our brick-and-mortar businesses are continuously exposed to disruptions. Through re-imagining of the status quo, we could overcome the disruptions or even create our very own and strengthen our position," he added.

Shazalli said Boustead would also rationalise non-strategic assets to strengthen its reinvented core businesses.

Boustead's overall performance for the year ended December 31, 2020 improved significantly with lower loss before tax and zakat of RM420 million, from a loss of RM1.3 billion in FY19.

This was largely due to better operating profit of RM249 million on the back of enhanced performance from the plantation division.

This was in addition to a one-off gain on disposal of an associate at RM44.5 million as well as lower impairment of property, plant and equipment, right-of-use assets and goodwill at RM207 million.

Boustead's FY20 revenue stood at RM7.9 billion from RM10.3 billion in FY19, mainly due to the drop in average fuel prices which was exacerbated by the negative impact of the Covid-19 pandemic.

Boustead chairman Datuk Seri Mohamed Khaled Nordin said the diversified nature of its businesses helped to mitigate the impact, despite the setbacks of the pandemic.

"The group continues to give unwavering focus in the Reinventing Boustead strategy to revamp our ways in executing businesses, capitalising on emerging opportunities and accelerating value creation to improve business prospects and maximise returns to our shareholders," he added.

Boustead will expand traditional brick-and-mortar businesses through the newly-established Boustead Technology Services (BTS) and Boustead Digital Services (BDS).

BTS allows Boustead to explore technologies such as championing renewable energy, digitising defence solutions and Internet of Things (IoT), and Unmanned Aerial Vehicle (UAV).

BDS will focus on developing and enhancing digital solutions within the group's ecosystem through co-creations, co-ownerships and prudent investments in digital companies.