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BHB

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Boustead hopes to improve financial performance with new strategy



by ANIS HAZIM / pic by TMR FILE

BOUSTEAD Holdings Bhd (BHB), the 59.42%-owned investment arm of Lembaga Tabung Angkatan Tentera (LTAT), has re-established its growth strategy to maximise value creation by strengthening and improving the performance of the existing core businesses, introducing new business models for new revenue generations, as well as launching several strategic initiatives to identify and explore new opportunities.

Its three-prong approach called 'Rejuvenated Transformation Programme (Rejuvenated EDGE20)' will focus on a new performance improvement programme of its core businesses, and explore and venture into new business opportunities by embracing innovative and relevant technological services.

The group intends to adopt relevant and synergistic digital businesses to support the core businesses and to enhance new value creation for the future, it added.

BHB added that its traditional brick-and-mortar businesses will be incubated through the newly established Boustead Technology Services (BTS) and Boustead Digital Services (BDS).

“BTS will be exploring technologies such as championing renewable energy, digitising defence solutions and Internet of Things and unmanned aerial vehicle.” the company stated in a release yesterday.

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

BHB has embarked on a smart debt management initiative which will focus on reducing borrowing to an optimal level through sale of non-strategic assets and monetisation of property inventories, reprofiling and rebalancing funding structure with financial institutions, as well as further strengthen the financial position and increasing the group’s value.

BHB MD Datuk Seri Mohammed Shazalli Ramly said the group will be focused on developing and utilising data analytics to make business decisions.

“We need to rethink the way we do business and how we engage our customers. Our brick-and-mortar businesses are continuously exposed to disruptions. Through reimagination of the status quo, we could overcome the disruptions or even create our very own and strengthen our position,” Shazalli said during BHB’s 59th virtual AGM yesterday.

Shazalli said the group should also rationalise non-strategic assets to strengthen the standing of its reinvented core businesses and leverage on new ventures within the technology and digital space.

BHB’s overall performance for financial year 2020 (FY20) improved significantly with a lower loss before tax and zakat of RM420 million compared to a loss of RM1.3 billion in FY19.

The company’s share closed the trading day 8.5 sen or 11.5% lower at 65.5 sen yesterday.