



Condensed interim financial statements
For the six months ended 30 June 2022

BH GLOBAL CORPORATION LIMITED
Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 (“1H2022”)

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		% Change Increase/ (Decrease)
		1 st half ended		
		30-Jun-22 \$'000	30-Jun-21 \$'000	
Revenue	4	25,678	24,650	4%
Cost of sales		(14,525)	(13,775)	5%
Gross profit		11,153	10,875	3%
Other operating income		552	857	(36%)
Selling and distribution expenses		(6,233)	(4,215)	48%
Administrative expenses		(3,679)	(3,709)	(1%)
Finance costs		(284)	(316)	(10%)
Reversal of impairment loss on financial assets		616	512	20%
		2,125	4,004	(47%)
Share of results of joint ventures		221	310	(29%)
Share of results of associated companies		(549)	(666)	(18%)
Profit before tax	6	1,797	3,648	(51%)
Income tax expense	7	(543)	(729)	(26%)
Profit for the period		1,254	2,919	(57%)
Attributable to:				
Equity holders of the Company		1,711	2,924	(41%)
Non-controlling interests		(457)	(5)	N.M.
		1,254	2,919	(57%)
Other comprehensive income:				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation		41	(11)	N.M.
Share of other comprehensive income of associated companies		–	95	(100%)
Share of other comprehensive income of joint ventures		42	129	(67%)
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation		(4)	3	N.M.
Other comprehensive income for the period, net of tax		79	216	(63%)
Total comprehensive income for the period		1,333	3,135	(57%)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		1,794	3,137	(43%)
Non-controlling interests		(461)	(2)	N.M.
		1,333	3,135	(57%)
Earnings per share attributable to equity holders of the Company:				
Basic and diluted (in cents)	9	0.57	0.97	

Certain comparatives for expenses have been reclassified to conform with current year’s presentation.

N.M. Not meaningful

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B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	<u>Group</u>		<u>Company</u>	
		30-Jun-22 \$'000	31-Dec-21 \$'000	30-Jun-22 \$'000	31-Dec-21 \$'000
Non-current assets					
Property, plant and equipment	11	18,763	18,330	-	-
Investment in subsidiaries		-	-	11,663	11,663
Investment in joint ventures		2,659	2,390	949	949
Investment in associated companies		-	-	-	-
Deferred tax assets		834	481	253	163
Intangible assets	13	3,918	3,521	-	-
Financial assets at fair value through profit or loss	12	5	5	-	-
Loan to an associated company		3,451	4,000	4,000	4,000
Total non-current assets		29,630	28,727	16,865	16,775
Current assets					
Inventories		30,548	31,017	-	-
Contract assets		1,305	1,139	-	-
Trade receivables		12,805	10,253	-	-
Other receivables		4,199	3,829	4,065	3,546
Tax recoverable		-	65	-	-
Cash and cash equivalents		5,442	9,601	305	443
Total current assets		54,299	55,904	4,370	3,989
Total assets		83,929	84,631	21,235	20,764
Non-current liabilities					
Deferred tax liabilities		249	250	-	-
Borrowings	14	3,850	4,789	667	1,067
Lease liabilities		8,482	8,180	-	-
Total non-current liabilities		12,581	13,219	667	1,067
Current liabilities					
Contract liabilities		2,930	3,359	-	-
Trade payables		4,479	5,794	-	-
Other payables		3,365	3,995	12,227	9,394
Provisions		35	102	-	-
Borrowings	14	4,370	2,857	800	800
Lease liabilities		661	471	-	-
Tax payable		2,188	1,347	-	-
Total current liabilities		18,028	17,925	13,027	10,194
Total liabilities		30,609	31,144	13,694	11,261
Net assets		53,320	53,487	7,541	9,503

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B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	<u>Group</u>		<u>Company</u>	
		30-Jun-22 \$'000	31-Dec-21 \$'000	30-Jun-22 \$'000	31-Dec-21 \$'000
Equity					
Share capital	15	58,535	58,535	58,535	58,535
Currency translation reserve		(328)	(411)	-	-
Capital reserves		(1,977)	(1,977)	-	-
Accumulated losses		(3,117)	(2,980)	(50,994)	(49,032)
Equity attributable to equity holders of the Company, total		53,113	53,167	7,541	9,503
Non-controlling interests		207	320	-	-
Total equity		53,320	53,487	7,541	9,503

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	Share capital	Currency translation reserve	Capital reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022							
At 1 January 2022	58,535	(411)	(1,977)	(2,980)	53,167	320	53,487
Profit for the financial period	-	-	-	1,711	1,711	(457)	1,254
<i>Other comprehensive (loss)/income</i>							
Currency translation differences arising on consolidation	-	41	-	-	41	(4)	37
Share of other comprehensive income of joint ventures	-	42	-	-	42	-	42
Other comprehensive income for the financial period, net of tax	-	83	-	-	83	(4)	79
Total comprehensive income/(loss) for the period	-	83	-	1,711	1,794	(461)	1,333
Change in ownership interest in subsidiaries that did not result in loss in control	-	-	-	(348)	(348)	348	-
Dividend (Note 8)	-	-	-	(1,500)	(1,500)	-	(1,500)
At 30 June 2022	58,535	(328)	(1,977)	(3,117)	53,113	207	53,320

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

<u>Group</u>	Share capital	Currency translation reserve	Capital reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021							
At 1 January 2021	58,535	(570)	(1,977)	(6,517)	49,471	816	50,287
Profit for the financial period	-	-	-	2,924	2,924	(5)	2,919
<i>Other comprehensive (loss)/income</i>							
Currency translation differences arising on consolidation	-	(11)	-	-	(11)	3	(8)
Share of other comprehensive income of associated companies	-	95	-	-	95	-	95
Share of other comprehensive income of joint ventures	-	129	-	-	129	-	129
Other comprehensive income for the financial period, net of tax	-	213	-	-	213	3	216
Total comprehensive income/(loss) for the period	-	213	-	2,924	3,137	(2)	3,135
Change in ownership interest in subsidiaries that did not result in loss in control	-	-	-	69	69	31	100
Deconsolidation of a deregistered subsidiary	-	(8)	-	-	(8)	6	(2)
Dividend (Note 8)	-	-	-	(1,500)	(1,500)	-	(1,500)
At 30 June 2021	58,535	(365)	(1,977)	(5,024)	51,169	851	52,020

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

<u>Company</u>	Share capital	Accumulated losses	Total
	\$'000	\$'000	\$'000
At 1 January 2022	58,535	(49,032)	9,503
Loss for the financial period	-	(462)	(462)
Dividend (Note 8)	-	(1,500)	(1,500)
At 30 June 2022	58,535	(50,994)	7,541
At 1 January 2021	58,535	(49,295)	9,240
Loss for the financial period	-	(108)	(108)
Dividend (Note 8)		(1,500)	(1,500)
At 30 June 2021	58,535	(50,903)	7,632

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		1 st half ended 30-Jun-22 \$'000	1 st half ended 30-Jun-21 \$'000
Cash flows from operating activities			
Profit before tax		1,797	3,648
Adjustments for:			
Amortisation of intangible assets		282	52
Depreciation of property, plant and equipment		893	864
Fair value (gain)/loss on financial assets at fair value through profit or loss		–	(2)
Foreign exchange difference		(69)	(85)
Gain on deconsolidation of a deregistered subsidiary		–	(69)
Gain on disposal of property, plant and equipment		–	(34)
Intangible assets written off		26	29
Interest expense		284	316
Interest income		(107)	(89)
Provision for warranty		38	105
Reversal of provision for liabilities		–	(514)
Reversal of provision for warranty		(105)	(369)
Share of results of associated companies		549	666
Share of results of joint ventures		(221)	(310)
Operating cash flows before working capital changes		3,367	4,208
Inventories		469	2,570
Contract assets and contract liabilities		(595)	(131)
Receivables		(2,922)	(4,833)
Payables		(1,945)	(160)
Currency translation adjustments		52	211
Cash (used in)/from operations		(1,574)	1,865
Income tax refund/(paid)		13	(532)
Net cash (used in)/from operating activities		(1,561)	1,333
Cash flows from investing activities			
Costs shared by third party for development costs		–	550
Development costs		(705)	(189)
Dividend received from joint venture		–	377
Government grant received for development costs		–	62
Interest received		107	89
Net cash outflow on acquisition of a subsidiary		–	(38)
Net cash outflow on deregistration of a subsidiary		–	(53)
Proceeds of disposal of property, plant and equipment		–	50
Purchase of property, plant and equipment		(478)	(554)
Net cash (used in)/from investing activities		(1,076)	294

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

		Group	
		1 st half ended 30-Jun-22 \$'000	1 st half ended 30-Jun-21 \$'000
	Note		
Cash flows from financing activities			
Net drawdown / (repayment) of short-term borrowings		1,500	(3,060)
Dividend paid to shareholders	8	(1,500)	(1,500)
Repayment of bank borrowings		(926)	(400)
Repayment of lease liabilities		(374)	(326)
Interest paid		(284)	(316)
Decrease / (increase) in fixed deposits under pledge and restricted cash		2	(49)
Net cash used in financing activities		(1,582)	(5,651)
Net decrease in cash and cash equivalents			
		(4,219)	(4,024)
Cash and cash equivalents at beginning of financial period		9,398	11,836
Effects of exchange rate changes on cash and cash equivalents		62	117
Cash and cash equivalents at end of the period		5,241	7,929
Cash and cash equivalents comprise the following:			
Cash and cash equivalents		5,442	8,212
Less Restricted cash		(201)	(283)
Cash and cash equivalents as per statement of cash flows		5,241	7,929

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

BH Global Corporation Limited (the “Company”) is incorporated and domiciled in Singapore and is listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of investment holding. The Group has four main business segments, Electrical and Technical Supply, Green LED Lighting, Security and Integration Engineering.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand (\$’000) except otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 31 December 2021.

2.2 Use of judgements and estimates (Cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

For management purpose, the Group is organised into business segments, with each segment representing a strategic business segment that offers different products/services. The Group has four main business segments, Electrical and Technical Supply, Green LED Lighting, Security and Integration Engineering Segments.

These operating segments are reported in a manner consistent with internal reporting provided to Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM comprises the Group's Chief Executive Officer, the Group's Chief Operating Officer and the respective segments' Chief Executive Officer.

4.1 Reportable segments

	Electrical and Technical Supply \$'000	Green LED Lighting \$'000	Security \$'000	Integration Engineering \$'000	Cor- porate \$'000	Elimi- nations \$'000	Total \$'000
1 January 2022 to 30 June 2022							
Segment revenue:							
Sales to external customers	19,177	–	3,102	3,399	–	–	25,678
Intersegment sales	93	–	355	22	–	(470)	–
Total revenue	19,270	–	3,457	3,421	–	(470)	25,678
Segment results	5,117	–	(984)	(603)	(1,405)	–	2,125
Share of profit/(loss) from equity - accounted joint ventures and associates	221	(549)	–	–	–	–	(328)
Profit before tax							1,797
Income tax expense							(543)
Profit after tax							1,254
Depreciation and amortisation	518	–	261	396	–	–	1,175
Interest income	3	–	–	–	104	–	107
Finance cost	232	–	17	7	28	–	284
Other significant non-cash items	10	–	(66)	403	–	–	347
Segment assets	48,011	–	14,487	14,471	6,126	–	83,095
Unallocated assets							834
Total assets							83,929
<i>Segment assets includes</i>							
Investment in joint ventures and associates	2,659	–	–	–	–	–	2,659
Additions to non-current assets	393	–	156	1,491	–	–	2,040
Segment liabilities	18,261	–	4,676	2,734	2,501	–	28,172
Unallocated liabilities							2,437
Total liabilities							30,609

4.1 Reportable segments (Cont'd)

	Electrical and Technical Supply \$'000	Green LED Lighting \$'000	Security \$'000	Integration Engineering \$'000	Cor- porate \$'000	Elimi- nations \$'000	Total \$'000
1 January 2021 to 30 June 2021							
Segment revenue:							
Sales to external customers	16,659	–	6,744	1,247	–	–	24,650
Intersegment sales	146	–	258	–	–	(404)	–
Total revenue	16,805	–	7,002	1,247	–	(404)	24,650
Segment results	5,242	–	1,473	(987)	(1,724)	–	4,004
Share of profit/(loss) from equity - accounted joint ventures and associates	310	(666)	–	–	–	–	(356)
Profit before tax							3,648
Income tax expense							(729)
Profit after tax							2,919
Depreciation and amortisation	494	–	310	112	–	–	916
Interest income	3	–	–	–	86	–	89
Finance cost	254	–	16	11	35	–	316
Other significant non-cash items	(1,102)	–	(257)	534	(514)	–	(1,339)
Segment assets	52,121	60	14,627	11,219	6,036	–	84,063
Unallocated assets							76
Total assets							84,139
<i>Segment assets includes</i>							
Investment in joint ventures and associates	2,261	60	–	–	–	–	2,321
Additions to non-current assets	360	–	560	274	–	–	1,194
Segment liabilities	20,862	–	6,511	1,248	1,643	–	30,264
Unallocated liabilities							1,855
Total liabilities							32,119

4.1 Reportable segments (Cont'd)

	Group	
	1st half ended	
	30-Jun-22	30-Jun-21
	\$'000	\$'000
Significant non-cash items (other than depreciation and amortisation) consist of the following:		
Reversal of impairment loss on trade receivables	(616)	(512)
Reversal of provision for liabilities	–	(514)
Reversal of provision for warranty	(67)	(264)
Write down/(reversal of write-down) of inventories	1,004	(78)
Intangible assets written off	<u>26</u>	<u>29</u>
	347	(1,339)

4.2 Disaggregation of Revenue

	Electrical and Technical Supply \$'000	Security \$'000	Integration Engineering \$'000	Total \$'000
6 months ended 30 June 2022				
Timing of revenue recognition				
At a point in time	19,177	2,150	3,343	24,670
Over time	–	952	56	1,008
Total revenue	19,177	3,102	3,339	25,678
6 months ended 30 June 2021				
Timing of revenue recognition				
At a point in time	16,659	6,242	1,037	23,938
Over time	–	502	210	712
Total revenue	16,659	6,744	1,247	24,650

Geographical information

Revenue information based on the billing location of customers as follows:

	1st half ended	
	30.6.2022	30.6.2021
	\$'000	\$'000
Singapore	16,767	15,148
Japan	4,059	2,812
United States of America	846	691
Indonesia	781	283
Cyprus	608	7
Malaysia	576	275
United Arab Emirates	512	304
Vietnam	459	163
Qatar	457	111
Other countries	<u>613</u>	<u>4,856</u>
	25,678	24,650

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company at 30 June 2022 and 31 December 2021:

	Group		Company	
	30 June 22 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2022 \$'000
Financial assets				
Financial assets at amortised cost	23,906	25,790	8,339	7,955
Financial assets at fair value through profit or loss	5	5	–	–
Financial liabilities				
At amortised cost	24,965	25,426	13,593	11,136

6. Profit before taxation

6.1 Significant items

	Group 1 st half ended	
	30-Jun-22 \$'000	30-Jun-21 \$'000
Profit for the financial period is arrived after charging:		
Amortisation of intangible assets	282	52
Depreciation of property, plant and equipment	893	864
Intangible assets written off	26	29
Interest expense	284	316
Provision for warranty	38	105
Write down of inventories	1,004	–
and crediting:		
Fair value gain on financial assets at fair value through profit or loss	–	2
Foreign exchange gain – net	164	121
Gain on deconsolidation of a deregistered subsidiary	–	69
Gain on disposal of a property, plant and equipment	–	34
Government grant income	240	424
Interest income from associated company	107	89
Reversal of impairment loss on trade receivables	616	512
Reversal of provision for liabilities	–	514
Reversal of provision for warranty	105	369
Reversal of write down of inventories	–	78

6.2 Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group	
	1st half ended	
	30-Jun-22	30-Jun-21
	\$'000	\$'000
<u>With jointly controlled entities</u>		
Dividend income	-	377
Sales of goods	168	144
	<hr/>	<hr/>
<u>With associated companies</u>		
Sales of goods	1,271	517
Purchase of goods	1,189	1,244
Management fee income	14	14
Interest income	107	89
	<hr/>	<hr/>

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1st half ended	
	30-Jun-22	30-Jun-21
	\$'000	\$'000
Current income tax	902	768
Deferred tax	(353)	(14)
	<hr/>	<hr/>
(Over)/Under provision of income tax in prior years	549	754
	(6)	(25)
	<hr/>	<hr/>
	543	729
	<hr/>	<hr/>

8. Dividend

	Group	
	1st half ended	
	30-Jun-22	30-Jun-21
	\$'000	\$'000
Tax-exempt one tier final dividend of 0.5 cents (2021: 0.5 cents) per share paid in respect of the previous financial year	1,500	1,500
	<hr/>	<hr/>

9. Earnings per share (cents)

Basic earnings per share is calculated by dividing the net profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period:

	Group 1 st half ended	
	30-June-22 \$'000	30-June-21 \$'000
Net profit attributable to equity holders of the Company	1,711	2,924
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	300,000	300,000
Basic earnings per share (cents per share)	0.57	0.97
Diluted earnings per share (cents per share)	0.57	0.97

The Group has no dilution in its earnings per share at 30 June 2022 and 30 June 2021.

10. Net asset value per ordinary share

	Group		Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Net asset value per ordinary share based on existing share capital	17.7 cents	17.7 cents	2.5 cents	3.2 cents

Net asset value per ordinary share as at 30 June 2022 and 31 December 2021 are calculated based on the number of ordinary shares in issue of 299,999,987.

11. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$1,335,000 (30 June 2021 : \$905,000) and disposed assets amounting to \$Nil (30 June 2021 : \$16,000).

12. Financial assets at fair value through profit or loss

	Group	
	30-Jun-22 \$'000	31-Dec-21 \$'000
Quoted equity shares	5	5

13. Intangible assets

	Goodwill \$'000	Acquired technology \$'000	Main- tenance contracts \$'000	Develop- ment costs \$'000	License fee \$'000	Total \$'000
Group						
Cost						
At 1 January 2021	4,733	2,920	141	5,429	40	13,263
Additions	100	–	–	1,068	–	1,168
Written off	–	–	–	(35)	–	(35)
Costs shared from third party	–	–	–	(550)	–	(550)
Government grant	–	–	–	(182)	–	(182)
At 31 December 2021	4,833	2,920	141	5,730	40	13,664
Additions	–	–	–	705	–	705
Written off	–	–	–	(715)	–	(715)
At 30 June 2022	4,833	2,920	141	5,720	40	13,654
Accumulated amortisation						
At 1 January 2021	–	438	117	1,579	–	2,134
Charge for the year	–	–	–	120	–	120
At 31 December 2021	–	438	117	1,699	–	2,254
Charge for the period	–	–	–	282	–	282
At 30 June 2021	–	438	117	1,981	–	2,536
Accumulated impairment						
At 1 January 2021	4,548	2,482	24	801	40	7,895
Written off	–	–	–	(6)	–	(6)
At 31 December 2021	4,548	2,482	24	795	40	7,889
Written off	–	–	–	(689)	–	(689)
At 30 June 2022	4,548	2,482	24	106	40	7,200
Net carrying amount						
At 30 June 2022	285	–	–	3,633	–	3,918
At 31 December 2021	285	–	–	3,236	–	3,521

Impairment test for goodwill

Goodwill acquired in a business combination is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. There is no indication of impairment as at 30 June 2022. The carrying amount of goodwill is allocated as follows:

	Group	
	30-Jun-22 \$'000	31-Dec-21 \$'000
Security segment:		
Athena Dynamics Pte Ltd (“ADPL”)	185	185
Integration Engineering segment:		
Sea Forrest Engineering Pte Ltd (“SFE”)	100	100
	285	285

14. Borrowings

	Group		Company	
	30-June-22 \$'000	31-Dec-21 \$'000	30-June-22 \$'000	31-Dec-21 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	3,300	1,800	800	800
Unsecured	1,070	1,057	–	–
	<hr/> 4,370	<hr/> 2,857	<hr/> 800	<hr/> 800
<u>Amount repayable after one year</u>				
Secured	667	1,067	667	1,067
Unsecured	3,183	3,722	–	–
	<hr/> 3,850	<hr/> 4,789	<hr/> 667	<hr/> 1,067
Total borrowings	<hr/> 8,220	<hr/> 7,646	<hr/> 1,467	<hr/> 1,867

The Group's banking facilities were secured by the following:

- Legal charge on the Group's leasehold properties with net book value of \$16.5 million (31 December 2021 : \$16.9 million);
- Corporate guarantee by the Company.

Included in the above borrowings is a term loan of \$1.47 million (31 December 2021 : \$1.87 million), which is also covered by corporate guarantee from its associated companies, GL Lighting Holding Pte Ltd and Arco Illumination Pte Ltd, fixed charge over the shares of GL Lighting Holding Pte Ltd and debenture over Arco Illumination Pte Ltd.

15. Share capital

	Group and Company			
	30 June 2022		31 December 2021	
	Number of issued shares '000	Total share capital \$'000	Number of issued shares '000	Total share capital \$'000
<u>Issued and fully paid up</u>				
Balance at 30 June 2022 and 31 December 2021	300,000	58,535	300,000	58,535

The Company did not hold any treasury shares as at 30 June 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

BH GLOBAL CORPORATION LIMITED
Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 (“1H2022”)

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed statements of financial position of BH Global Corporation Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

(A) Financial Performance of the Group (1H2022 vs 1H2021)

Revenue

	Group		
	1H2022	1H2021	%
	\$'000	\$'000	Change
Electrical and Technical Supply	19,177	16,659	15
Security	3,102	6,744	(54)
Integration Engineering	3,399	1,247	173
Total revenue	25,678	24,650	4

Electrical and Technical Supply

Revenue from the Electrical and Technical Supply Division increased by 15% (\$2.5 million) as the industry continues to recover in the level of activities, with the resumption of operations by shipyards in Singapore and in the region.

Security

The Security Division comprises Infrared and Thermal Sensing Technology and Cyber Security businesses. Revenue from this division declined by \$3.6 million (54%) mainly due to the drop in demand for its Mass Fever Screening Systems (“MFSS”) from the Infrared and Thermal Sensing Technology business by \$2.7 million, partially offset by higher sales of night vision cameras by \$0.3 million. The Cyber Security business also registered a decline of \$1.2 million in revenue due to delays in implementation for certain projects.

Integration Engineering

The significant increase in revenue for the Integration Engineering Division by 173% (\$2.2 million) is attributed to :

- Improvement in revenue of \$0.7 million for its Glass Reinforced Epoxy (“GRE”) pipes following the resumption of operations by shipyards in Singapore and in the region.
- Improvement in contribution from the afloat repair business of \$1.0 million
- Contribution from the newly established electric propulsion business of \$0.5 million.

2. Review of Performance of the Group (Cont'd)

(A) Financial Performance of the Group (Cont'd)

Gross profit

The Group's overall gross profit increased from \$10.9 million in 1H2021 to \$11.2 million in 1H2022 in line with the increase in turnover. The gross margin ratio declined slightly from 44% in 1H2021 to 43% in 1H2022.

Other operating income

The decrease in other operating income of \$0.3 million in 1H2022 was mainly due to the absence of government grant income on Jobs Support Scheme in 1H2022.

Operating expenses

Selling & Distribution expenses increased significantly by 48% or \$2.0 million, from \$4.2 million in 1H2021 to \$6.2 million in 1H2022, mainly due to :

- write down of inventories of \$1.0 million in 1H2022 as compared to a reversal of write down of \$78,000 in the corresponding period;
- increase in personnel related costs of \$0.2 million mainly due to the newly established electric propulsion business within the Integration Engineering Division;
- in 1H2021, there was a reversal of provision for liabilities of \$0.5 million made previously, which was no longer required as the liquidation of Gulf Specialty Steel Industries LLC ("GSSI"), a 51% owned joint venture of the Group, was completed.

Administrative expenses decreased slightly by 1% mainly due to decrease in personnel related costs.

Finance costs decreased by \$0.03 million mainly due to lower balances for bank borrowings as compared to the corresponding period.

Reversals of impairment losses on financial assets

Reversal of impairment losses on financial assets increased by \$0.1 million in 1H2022 due to improvement in collections for doubtful trade receivables.

Share of results of joint ventures

The decrease in share of profits of joint ventures was due to lower profits recognized by the Group's joint ventures for 1H2022.

Share of results of associated companies

The decrease in share of losses of associated company was due to lower losses recognised by the Group's associated companies for 1H2022.

Net profit for the period

The Group registered a decline in net profit of \$1.7 million mainly due to the increase in selling and distribution expenses.

2. Review of Performance of the Group (Cont'd)

(B) Financial Position of the Group

Inventories

Inventories decreased by \$0.5 million from \$31.0 million as at 31 December 2021 to \$30.5 million as at 30 June 2022, mainly due to decrease of \$1.3 million for the Electrical and Technical Supply, and \$0.2 million for Integration Engineering Division, partially offset by higher inventory for Infrared and Thermal Sensing Technology of \$1.0 million.

Trade receivables

Trade receivables increased by \$2.5 million from \$10.3 million as at 31 December 2021 to \$12.8 million as at 30 June 2022, mainly due to higher billings made towards the end of 1H2022.

Cash and cash equivalents

Cash and cash equivalents decreased by \$4.2 million from \$9.6 million as at 31 December 2021 to \$5.4 million as at 30 June 2022, mainly due to higher working capital requirements and payment of dividend to shareholders of \$1.5 million during the period.

Trade payables

Trade payables decreased by \$1.3 million from \$5.8 million as at 31 December 2021 to \$4.5 million as at 30 June 2022 due to payments made during the period.

Borrowings

Borrowings increased by \$0.6 million from \$7.6 million as at 31 December 2021 to \$8.2 million as at 30 June 2022 mainly due to higher working capital requirements during the period.

(c) Cash flow review (1H2022 vs 1H2021)

As a result of higher working capital requirements, cashflow used in operating activities for 1H2022 was \$1.6 million, as compared to net cash flows from operating activities of \$1.3 million in 1H2021.

The net cash flows used in investing activities for 1H2022 was \$1.1 million, mainly due to higher development costs incurred. For 1H2021, cashflow from investing activities was \$0.3 million mainly due to costs shared by third party for development costs and dividend from a joint venture.

The net cash used in financing activities decreased from \$5.6 million for 1H2021 to \$1.6 million for 1H2022 mainly due to lower repayment of bank borrowings.

3. Variance from prospect statement

Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4. Outlook

A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As most countries in the world start to ease Covid-19 restrictions, business activities have started to increase. The supply chain disruptions caused by USA-China trade war and Covid-19 continue to impact the shortage of materials and components, delay in delivery as well as volatility in commodity prices. The lock downs and travel restrictions in China have further restricted our sales and marketing activities. Russia-Ukraine war has disrupted the energy supply chain globally. Shortage and high energy cost have restricted the production capacity, surge in product cost and longer lead time for our partners in Europe.

On the other hand, high oil price continues to stimulate more marine and offshore activities. The targets set by governments and various authorities on “Green Sustainability and Decarbonisation” have increased the electrification activities in local and overseas markets.

The global uncertainties will continue to be challenging and the group will be taking a cautious approach in continuing our transformation roadmap with focus on “Environmental – Electrification – Digitalisation” initiatives.

5. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b) (i) Amount per share

Not applicable.

(b) (ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

5. Dividend (Cont'd)

- (f) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the financial period ended 30 June 2022 in view of the Group's operational and financial cash needs.

6. Interested Person Transactions ("IPTs")

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a shareholders' mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results for the financial period ended 30 June 2022 to be false or misleading, in any material respect.

On behalf of the Board of Directors

Vincent Lim Hui Eng
Executive Chairman and
Chief Executive Officer
12 August 2022

Patrick Lim Hui Peng
Chief Operating Officer