



Condensed interim financial statements
For the six months and full year ended 31 December 2023

BH GLOBAL CORPORATION LIMITED
Condensed Interim Financial Statements
For the Six Months (“2H2023”) and Full Year ended 31 December 2023 (“FY2023”)

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BH GLOBAL CORPORATION LIMITED
Condensed Interim Financial Statements
For the Six Months ("2H2023") and Full Year Ended 31 December 2023 ("FY2023")

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 2 nd half ended			Group Full year ended		
		31-Dec-23 \$'000	31-Dec-22 \$'000	% Change	31-Dec-23 \$'000	31-Dec-22 \$'000	% Change
Revenue	4	30,009	29,508	2%	59,154	55,186	7%
Cost of sales		(17,534)	(17,525)	0%	(34,752)	(32,050)	7%
Gross profit		12,475	11,983	8%	24,402	23,136	7%
Other operating (expenses)/ income		(61)	(256)	(76%)	465	295	58%
Selling and distribution expenses		(6,246)	(7,723)	(19%)	(13,061)	(13,955)	(6%)
Administrative expenses		(4,253)	(4,358)	(2%)	(8,324)	(8,037)	4%
Finance costs		(319)	(335)	(5%)	(653)	(619)	5%
Reversal of impairment losses on financial assets		88	528	(83%)	56	1,144	(95%)
(Loss)/Profit from operations		1,684	(161)	N.M.	2,885	1,964	N.M.
Share of results of joint ventures		248	490	(49%)	615	711	(14%)
Share of results of associated companies		212	304	(30%)	115	(245)	N.M.
Profit before tax	6	2,144	633	N.M.	3,615	2,430	49%
Income tax expense/(credit)	7	(479)	233	N.M.	(947)	(310)	N.M.
Profit for the period/year		1,665	866	92%	2,668	2,120	26%
Attributable to:							
Equity holders of the Company		1,915	1,160	65%	3,456	2,871	20%
Non-controlling interests		(250)	(294)	(15%)	(788)	(751)	5%
		1,665	866	92%	2,668	2,120	26%
Other comprehensive income/(loss):							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		93	102	(9%)	64	139	(54%)
Share of other comprehensive loss of associated companies		(230)	(225)	2%	(267)	(225)	19%
Share of other comprehensive income of joint ventures		340	(29)	N.M.	68	12	N.M.
Other comprehensive income/(loss) for the period/year, net of tax		203	(152)	N.M.	(135)	(74)	82%
Total comprehensive income for the period/year		1,868	714	N.M.	2,533	2,046	24%

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT’D)

	Note	Group 2 nd half ended			Group Full year ended		
		31-Dec-23 \$'000	31-Dec-22 \$'000	% Change	31-Dec-23 \$'000	31-Dec-22 \$'000	% Change
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		2,135	1,036	N.M.	3,334	2,830	18%
Non-controlling interests		(267)	(322)	(17)	(801)	(784)	2%
		1,868	714	N.M.	2,533	2,046	24%
Earnings per share attributable to equity holders of the Company:							
Basic and diluted (in cents)	9	0.64	0.39		1.15	0.96	

Certain comparatives for income and 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>	
		31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
Non-current assets					
Property, plant and equipment	11	17,476	17,613	-	-
Investment in subsidiaries		-	-	11,163	11,663
Investment in joint ventures		2,884	2,723	949	949
Investment in associated companies	12	-	-	-	-
Deferred tax assets		1,361	1,056	213	246
Intangible assets	13	4,921	3,511	-	-
Financial assets at fair value through profit or loss		2	3	-	-
Loan to an associated company		3,517	3,530	4,000	4,000
Total non-current assets		30,161	28,436	16,325	16,858
Current assets					
Inventories		30,743	32,997	-	-
Contract assets		1,297	1,885	-	-
Trade receivables		16,181	14,404	-	-
Other receivables		4,598	4,656	5,005	4,304
Cash and cash equivalents		5,305	5,737	325	265
Total current assets		58,124	59,679	5,330	4,569
Total assets		88,285	88,115	21,655	21,427
Non-current liabilities					
Deferred tax liabilities		309	274	-	-
Borrowings	14	1,577	2,905	-	267
Lease liabilities		7,657	7,885	-	-
Total non-current liabilities		9,543	11,064	-	267
Current liabilities					
Contract liabilities		3,934	3,045	-	-
Trade payables		5,558	7,183	-	-
Other payables		4,164	5,041	8,230	10,326
Provisions		83	31	-	-
Borrowings	14	6,377	5,384	267	800
Lease liabilities		374	330	-	-
Tax payable		2,846	2,004	-	-
Total current liabilities		23,336	23,018	8,497	11,126
Total liabilities		32,879	34,082	8,497	11,393
Net assets		55,406	54,033	13,158	10,034

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

	Note	<u>Group</u>		<u>Company</u>	
		31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
Equity					
Share capital	15	58,535	58,535	58,535	58,535
Currency translation reserve		(584)	(449)	-	-
Capital reserves		(1,342)	(1,977)	-	-
Accumulated losses		(309)	(1,971)	(45,377)	(48,501)
<hr/>					
Equity attributable to equity holders of the Company, total		56,300	54,138	13,158	10,034
Non-controlling interests		(894)	(105)	-	-
Total equity		55,406	54,033	13,158	10,034

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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 interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023							
At 1 January 2023	58,535	(449)	(1,977)	(1,971)	54,138	(105)	54,033
Profit for the financial year	-	-	-	3,456	3,456	(788)	2,668
<i>Other comprehensive (loss)/income</i>							
Currency translation differences arising on consolidation	-	64	-	-	64	(13)	51
Share of other comprehensive income of associated companies	-	(267)	-	-	(267)	-	(267)
Share of other comprehensive income of joint ventures	-	68	-	-	68	-	68
Other comprehensive loss for the financial year, net of tax	-	(135)	-	-	(135)	(13)	(148)
Total comprehensive (loss)/income for the year	-	(135)	-	3,456	3,321	(801)	2,520
Deconsolidation of a deregistered subsidiary	-	-	635	(294)	341	12	353
Dividend (Note 8)	-	-	-	(1,500)	(1,500)	-	(1,500)
At 31 December 2023	58,535	(584)	(1,342)	(309)	56,300	(894)	55,406

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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 interest	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 year	-	-	-	2,871	2,871	(751)	2,120
<i>Other comprehensive (loss)/income</i>							
Currency translation differences arising on consolidation	-	172	-	-	172	(33)	139
Share of other comprehensive income of associated companies	-	(225)	-	-	(225)	-	(225)
Share of other comprehensive income of joint ventures	-	12	-	-	12	-	12
Other comprehensive loss for the financial year, net of tax	-	(41)	-	-	(41)	(33)	(74)
Total comprehensive (loss)/income for the year	-	(41)	-	2,871	2,830	(784)	2,046
Change in ownership interest in subsidiaries that did not result in loss in control	-	3	-	(362)	(359)	359	-
Dividend (Note 8)	-	-	-	(1,500)	(1,500)	-	(1,500)
At 31 December 2022	58,535	(449)	(1,977)	(1,971)	54,138	(105)	54,033

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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 2023	58,535	(48,501)	10,034
Profit and total comprehensive income for the financial year	–	4,624	4,624
Dividend (Note 8)	–	(1,500)	(1,500)
At 31 December 2023	58,535	(45,377)	13,158
At 1 January 2022	58,535	(49,032)	9,503
Profit and total comprehensive income for the financial year	–	2,031	2,031
Dividend (Note 8)	–	(1,500)	(1,500)
At 31 December 2022	58,535	(48,501)	10,034

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		Year ended 31-Dec-23 \$'000	Year ended 31-Dec-22 \$'000
Cash flows from operating activities			
Profit before tax		3,615	2,430
Adjustments for:			
Amortisation of intangible assets		567	572
Depreciation of property, plant and equipment		1,610	1,777
Fair value loss on financial assets at fair value through profit or loss		1	2
Foreign currency exchange difference		11	(13)
(Gain)Loss on disposal of property, plant and equipment		(1)	2
Loss on lease modification		–	16
Intangible assets written off		18	85
Interest expenses		654	619
Interest income		(287)	(272)
Writedown of inventories		1,731	1,862
Reversal of impairment loss on trade receivables		(56)	(1,144)
Provision for warranty		87	111
Reversal of provision for warranty		(35)	(182)
Share of results of associated companies		(115)	245
Share of results of joint ventures		(615)	(711)
Operating cash flows before working capital changes		7,185	5,399
Inventories		523	(3,723)
Contract assets		588	(746)
Receivables		(332)	(3,562)
Contract liabilities		889	(314)
Payables		(2,799)	2,470
Currency translation adjustments		57	113
Cash from/(used in) operations		6,096	(463)
Income tax paid		(437)	(120)
Net cash generated from/(used in) operating activities		5,659	(583)
Cash flows from investing activities			
Dividends received from joint venture		378	391
Proceeds of disposal of property, plant and equipment		3	–
Acquisition of right-of-use asset		(322)	–
Purchase of property, plant and equipment		(1,155)	(767)
Development costs		(1,995)	(647)
Net cash used in investing activities		(3,091)	(1,023)

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

	Note	Group	
		Year Ended 31-Dec-23 \$'000	Year ended 31-Dec-22 \$'000
Cash flows from financing activities			
Net repayment of short-term borrowings		(1,500)	(500)
Drawdown of borrowings		3,000	3,000
Dividend paid to shareholders	8	(1,500)	(1,500)
Repayment of bank borrowings		(1,835)	(1,857)
Repayment of lease liabilities		(499)	(760)
Interest paid		(654)	(619)
Repayment to ultimate holding company		-	(32)
Decrease in fixed deposits under pledge and restricted cash		-	2
Net cash used in financing activities		(2,988)	(2,266)
Net decrease in cash and cash equivalents			
		(420)	(3,872)
Cash and cash equivalents at beginning of financial year		5,536	9,398
Effects of exchange rate changes on cash and cash equivalents		(11)	10
Cash and cash equivalents at end of the year		5,105	5,536
Cash and cash equivalents comprise the following:			
Cash and cash equivalents		5,305	5,737
Less: Restricted cash		(200)	(201)
Cash and cash equivalents as per statement of cash flows		5,105	5,536

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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 and full year ended 31 December 2023 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 and full year ended 31 December 2023 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 interim financial statements for the half year ended 30 June 2023.

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.

Use of judgements and estimates (Cont'd)

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 2022.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are:

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill are tested for impairment annually and at other times when such indicators exist. Other non-financial assets (including investment in subsidiaries, joint ventures and associated companies and finite life intangible assets) are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or the cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment for investment in associated companies and intangible assets are described in Note 12 and 13 respectively.

Calculation of expected credit loss allowance

When measuring expected credit loss ("ECL"), the Group use reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration of the impact of current macroeconomic uncertainties and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on amount due from and loan to an associated company is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of amount due from and loan to an associated company. The carrying amounts of amount due from and loan to an associated company at 31 December 2023 were \$2,009,000 (2022: \$1,717,000) and \$3,517,000 (2022: \$3,530,000) respectively.

Estimation of net realisable values of inventories

Management reviews for slow-moving and obsolete inventories and for inventories where there are declines in net realisable value below cost, and writes down inventories for any such declines. Management estimates the net realisable value for inventories by taking into consideration the current economic condition, historical sales record, inventory ageing analysis, and subsequent sales. Such an evaluation process requires significant judgement as it requires management to exercise judgement in identifying slow-moving and obsolete inventories and making estimates of the net realisable value to determine the appropriate level of write-down required. Any significant changes in anticipated future selling prices and saleability may affect the carrying value of inventories. Write-down of inventories to their net realisable value charged to the Group's profit or loss for the current year is \$1,731,000 (2022: \$1,862,000).

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.

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 July 2023 to 31 December 2023							
Segment revenue:							
Sales to external customers	22,797	–	4,487	2,725	–	–	30,009
Intersegment sales	219	–	1,234	88	–	(1,541)	–
Total revenue	23,016	–	5,721	2,813	–	(1,541)	30,009
Segment results	6,551	–	(534)	(1,602)	(2,731)	–	1,684
Share of profit/(loss) from equity- accounted joint ventures and associates	248	212	–	–	–	–	460
Profit before tax							2,144
Income tax expense							(479)
Profit after tax							1,665
Depreciation and amortisation	592	–	227	87	–	193	1,099
Interest income	4	–	–	–	91	–	95
Finance cost	289	–	16	15	–	–	320
Other significant non-cash items	(561)	(47)	23	759	–	–	174
Segment assets	52,857	–	15,149	12,221	6,686	–	86,914
Unallocated assets							1,361
Total assets							88,285
<i>Segment assets includes</i>							
Investment in joint ventures and associates	2,884	–	–	–	–	–	2,884
Additions to non-current assets	1,132	–	1,313	1,247	–	–	3,692
Segment liabilities	19,812	–	3,499	4,632	1,781	–	29,723
Unallocated liabilities							3,156
Total liabilities							32,879

	Electrical and Technical Supply \$'000	Green LED Lighting \$'000	Security \$'000	Integration Engineering \$'000	Cor- porate \$'000	Elimi- nations \$'000	Total \$'000
1 July 2022 to 31 December 2022							
Segment revenue:							
Sales to external customers	20,734	–	4,946	3,828	–	–	29,508
Intersegment sales	105	–	375	264	–	(744)	–
Total revenue	20,839	–	5,321	4,092	–	(744)	29,508
Segment results	4,862	–	(1,180)	(1,831)	(2,012)	–	(161)
Share of profit/(loss) from equity– accounted joint ventures and associates	490	304	–	–	–	–	794
Profit before tax							633
Income tax refund							233
Profit after tax							866
Depreciation and amortisation	526	–	269	399	–	–	1,194
Interest income	4	–	–	–	161	–	165
Finance cost	271	–	20	9	35	–	335
Other significant non-cash items	(650)	–	136	899	–	–	385
Segment assets	50,355	–	17,407	12,974	6,323	–	87,059
Unallocated assets							1,056
Total assets							88,115
<i>Segment assets includes</i>							
Investment in joint ventures and associates	2,723	–	–	–	–	–	2,723
Additions to non-current assets	493	–	198	1,763	–	–	2,454
Segment liabilities	20,436	–	6,096	2,605	2,667	–	31,804
Unallocated liabilities							2,278
Total liabilities							34,082

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 2023 to 31 December 2023							
Segment revenue:							
Sales to external customers	43,832	–	8,553	6,769	–	–	59,154
Intersegment sales	522	–	1,707	88	–	(2,317)	–
Total revenue	44,354	–	10,260	6,857	–	(2,317)	59,154
Segment results	11,181	–	(2,227)	(2,098)	(3,971)	–	2,885
Share of profit/(loss) from equity-- accounted joint ventures and associates	615	115	–	–	–	–	730
Profit before tax							3,615
Income tax expense							(947)
Profit after tax							2,668
Depreciation and amortisation	1,134	–	486	171	–	386	2,177
Interest income	9	–	1	–	278	–	288
Finance cost	585	–	23	–	45	–	653
Other significant non-cash items	(528)	–	44	1,494	–	–	1,010
Segment assets	52,857	–	15,149	12,221	6,686	–	86,914
Unallocated assets							1,361
Total assets							88,285
<i>Segment assets includes</i>							
Investment in joint ventures and associates	2,884	–	–	–	–	–	2,884
Additions to non-current assets	1,132	–	1,313	1,275	–	–	3,692
Segment liabilities	19,812	–	3,499	4,632	1,781	–	29,723
Unallocated liabilities							3,156
Total liabilities							32,879

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 2022 to 31 December 2022							
Segment revenue:							
Sales to external customers	39,910	–	8,048	7,228	–	–	55,186
Intersegment sales	413	–	730	286	–	(1,429)	–
Total revenue	40,323	–	8,778	7,514	–	(1,429)	55,186
Segment results	9,979	–	(2,165)	(2,433)	(3,417)	–	1,964
Share of profit/(loss) from equity-- accounted joint ventures and associates	711	(245)	–	–	–	–	466
Profit before tax							2,430
Income tax expense							(310)
Profit after tax							2,120
Depreciation and amortisation	1,043	–	511	795	–	–	2,349
Interest income	7	–	–	–	265	–	272
Finance cost	503	–	37	16	63	–	619
Other significant non-cash items	(640)	–	69	1,302	–	–	731
Segment assets	50,355	–	17,407	12,974	6,323	–	87,059
Unallocated assets							1,056
Total assets							88,115
<i>Segment assets includes</i>							
Investment in joint ventures and associates	2,723	–	–	–	–	–	2,723
Additions to non-current assets	493	–	198	1,763	–	–	2,454
Segment liabilities	20,436	–	6,096	2,605	2,667	–	31,804
Unallocated liabilities							2,278
Total liabilities							34,082

4.2 Disaggregation of Revenue

	Electrical and Technical Supply \$'000	Security \$'000	Integration Engineering \$'000	Total \$'000
<u>6 months ended 31 December 2023</u>				
Timing of revenue recognition				
At a point in time	22,797	4,434	1,408	28,639
Over time	–	53	1,317	1,370
Total revenue	22,797	4,487	2,725	30,009
<u>6 months ended 31 December 2022</u>				
Timing of revenue recognition				
At a point in time	20,734	4,170	342	25,246
Over time	–	776	3,486	4,262
Total revenue	20,734	4,946	3,828	29,508
<u>Full year ended 31 December 2023</u>				
Timing of revenue recognition				
At a point in time	43,832	7,400	2,337	53,569
Over time	–	1,153	4,432	5,585
Total revenue	43,832	8,553	6,769	59,154
<u>Full year ended 31 December 2022</u>				
Timing of revenue recognition				
At a point in time	39,911	6,320	3,685	49,916
Over time	–	1,728	3,542	5,270
Total revenue	39,911	8,048	7,227	55,186

4.3 Disaggregation of Revenue (Cont'd)

Geographical information

Revenue and non-current assets information based on the billing location of customers and assets respectively are as follows:

	Revenue				Non-current assets	
	2H2023 \$'000	2H2022 \$'000	FY2023 \$'000	FY2022 \$'000	FY2023 \$'000	FY2022 \$'000
Singapore	21,206	21,307	41,064	38,074	22,282	20,625
Japan	3,527	4,534	7,280	8,593	-	-
China	542	200	2,068	317	-	-
United Arab Emirates	734	595	1,651	1,107	2,883	2,723
United States of America	701	447	1,251	1,293	70	221
United Kingdom	51	28	510	30	-	-
Indonesia	816	883	1,213	1,664	-	-
Vietnam	315	241	578	700	-	-
Malaysia	401	256	649	831	-	-
The Netherlands	229	598	426	679	-	-
Other countries	1,487	419	2,464	1,897	45	278
	30,009	29,508	59,154	55,186	25,280	23,847

Other countries comprise France, Italy, India, Denmark and others.

Non-current assets information presented above are non-current assets as presented on the consolidated statement of financial position excluding deferred tax assets, loan to an associated company and other financial assets.

A breakdown of sales :

	Group		
	Year ended 31-Dec-23 \$'000	Year ended 31-Dec-22 \$'000	% Change
Sales reported for the first half year	29,145	25,678	14%
Operating profit after tax before deducting non-controlling interests reported for the first half year	1,003	1,254	(20%)
Sales reported for the second half year	30,009	29,508	(2%)
Operating profit after tax before deducting non-controlling interests reported for the second half year	1,665	866	92%

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 31 December 2023 and 31 December 2022:

	Group		Company	
	31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
Financial assets				
Financial assets at amortised cost	28,081	25,990	9,281	8,517
Financial assets, at fair value through profit or loss	2	3	–	–
Financial liabilities				
At amortised cost	24,878	28,049	8,361	11,277

6. Profit before taxation

6.1 Significant items

	Group		Group	
	6 months ended 31-Dec-23 \$'000	6 months ended 31-Dec-22 \$'000	Year ended 31-Dec-23 \$'000	Year ended 31-Dec-22 \$'000
Income				
Gain on disposal of property, plant and equipment	1	(2)	1	(2)
Government grant income	116	67	218	307
Interest income from associated company	95	165	287	272
Expenses				
Foreign exchange loss– net	(274)	(494)	(207)	(330)
Amortisation of intangible assets	(278)	(290)	(567)	(572)
Depreciation of property, plant and equipment	(821)	(884)	(1,610)	(1,777)
Fair value loss on financial assets at fair value through profit or loss	(1)	(2)	(1)	(2)
Interest expense	(320)	(335)	(654)	(619)
Reversal of allowance for impairment on trade receivables	88	528	56	1,144
Reversal of provision for warranty	15	77	35	182
Provision for warranty	(37)	(73)	(87)	(111)
Write down of inventories	(822)	(858)	(1,731)	(1,862)
Intangible assets written back/(off)	–	(59)	–	(85)

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		Group	
	6 months ended 31- Dec-23 \$'000	6 months ended 31- Dec-22 \$'000	Year ended 31- Dec-23 \$'000	Year ended 31- Dec-22 \$'000
<u>With jointly controlled entities</u>				
Sales of goods	417	175	972	343
Purchase of goods	55	-	69	-
<hr/>				
<u>With associated companies</u>				
Sales of goods	949	1,461	1,956	2,732
Management fee income	22	15	36	29
Purchase of goods	2,458	2,509	4,093	3,698
Interest income	95	165	287	272
<hr/>				

7. Income tax expense/(credit)

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/(credit) in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	6 months ended 31- Dec-23 \$'000	6 months ended 31- Dec-22 \$'000	Year ended 31- Dec-23 \$'000	Year ended 31- Dec-22 \$'000
Current income tax expense	910	829	1,788	1,731
Deferred income tax	(423)	(635)	(833)	(988)
	487	(194)	955	743
Under/(Over) provision of income tax in prior years	(8)	(427)	(8)	(433)
	479	(233)	947	310
<hr/>				

8. Dividend

	Group	
	Year ended	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
Dividends paid in respect of the preceding financial year		
First and final dividend of 0.5 cents (2022 : 0.5 cents) per share	1,500	1,500

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			
	2 nd half ended		Full year ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	\$'000	\$'000	\$'000	\$'000
Net profit attributable to equity holders of the Company	1,915	1,160	3,456	2,871
Weighted average number of ordinary shares in issue outstanding for basic and diluted earnings per share ('000)	300,000	300,000	300,000	300,000
Basic earnings per share (cents per share)	0.64 cents	0.39 cents	1.15 cents	0.96 cents
Diluted earnings per share (cents per share)	0.64 cents	0.39 cents	1.15 cents	0.96 cents

The Group has no dilution in its earnings per share at 31 December 2023 and 31 December 2022.

10. Net asset value per ordinary share

	Group		Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Net asset value per ordinary share based on existing share capital	18.5 cents	18.0 cents	4.4 cents	3.3 cents

Net asset value per ordinary share as at 31 December 2023 and 31 December 2022 are calculated based on the number of ordinary shares in issue of 299,999,987.

11. Property, plant and equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to \$1,155,000 (31 December 2022 : \$767k) and disposed assets with net book value amounting to \$2k (31 December 2022 : \$2k).

12. Investment in associated companies

The Group's investment in associated companies is summarised below:

	Group		Company	
	Year ended		Year ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	\$'000	\$'000	\$'000	\$'000
<u>Carrying amount</u>				
GLH Lighting Holding Pte Ltd ("GLH") and its subsidiaries ("GLH Group")	-	-	-	-
BOS Marine Offshore Engineering Corporation ("BOSMEC")	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Impairment assessment of the Company's investment in associated companies

During the financial year, management performed an impairment review on its investment in GLH Group. The recoverable amount of the investment in GLH Group has been determined based on a value-in use method using cash flow projections from forecasts approved by management covering a five-year period and taking into consideration of the recent macroeconomic uncertainties, inflationary pressures and difficult market conditions. The Group's value-in-use calculation was computed based on the cash flow forecasts derived from the most recent financial budgets approved by management covering a five-year period.

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 2022	4,833	2,920	141	5,730	40	13,664
Additions	–	–	–	647	–	647
Written off	–	–	–	(773)	(40)	(813)
At 31 December 2022	4,833	2,920	141	5,604	–	13,498
Additions	–	–	–	1,995	–	1,995
Written off	–	–	–	(3)	–	(3)
Adjustment	–	–	–	(15)	–	(15)
At 31 December 2023	4,833	2,920	141	7,581	–	15,475
Accumulated amortisation						
At 1 January 2022	–	438	117	1,699	–	2,254
Charge for the year	–	–	–	572	–	572
At 31 December 2022	–	438	117	2,271	–	2,826
Charge for the year	–	–	–	567	–	567
At 31 December 2023	–	438	117	2,838	–	3,393
Accumulated impairment						
At 1 January 2022	4,548	2,482	24	795	40	7,899
Impairment charge	–	–	–	(688)	(40)	(728)
At 31 December 2022	4,548	2,482	24	107	–	7,161
Written off	–	–	–	–	–	–
At 31 December 2023	4,548	2,482	24	107	–	7,161
Net carrying amount						
At 31 December 2023	285	–	–	4,636	–	4,921
At 31 December 2022	285	–	–	3,226	–	3,511

13. Intangible assets (cont'd)

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. The carrying amount of goodwill is allocated as follows:

	Group	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
<u>Security segment:</u>		
Athena Dynamics Pte Ltd ("ADPL")	185	185
<u>Integration Engineering segment:</u>		
Sea Forrest Engineering Pte Ltd ("SFE")	100	100
	<hr/>	<hr/>
	285	285
	<hr/>	<hr/>

Key assumptions used in value-in-use calculation

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past performances and expected developments in the market.

The Group's value-in-use calculations used cash flow forecasts derived from the most recent financial budgets approved by management covering a five-year period. These key inputs and assumptions were estimated by management based on prevailing economic and other conditions at the end of the reporting period, including the current market conditions due to Covid-19 pandemic. The key assumptions applied to the 5-year cash flow projections are as follows:

	ADPL	SFE
2023		
Terminal value growth rate	1.0%	1.5%
Pre-tax discount rate	14.2%	12.0%
	<hr/>	<hr/>
2022		
Terminal value growth rate	1.0%	1.5%
Pre-tax discount rate	15.2%	11.9%
	<hr/>	<hr/>

Management has considered that a reasonably possible change in two key assumptions, revenue growth rates and discount rate, will not result in any impairment charge to be recorded.

14. Borrowings

	Group		Company	
	30-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	5,267	4,300	267	800
Unsecured	1,110	1,084	–	–
	6,377	5,384	267	800
<u>Amount repayable after one year</u>				
Secured	–	267	–	267
Unsecured	1,577	2,638	–	–
	1,577	2,905	–	267
Total borrowings	7,954	8,289	267	1,067

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

- (a) Legal charge on the Group's leasehold property and extension, addition and alteration works with net book value of \$15.9 million (31 December 2022: \$16.1 million);
- (b) Corporate guarantee by the Company.

Included in the above borrowings is a secured term loan of \$0.27 million (31 December 2022 : \$1.07 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			
	31 December 2023		31 December 2022	
	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 31 December 2023 and 31 December 2022	300,000	58,535	300,000	58,535

The Company did not hold any treasury shares as at 31 December 2023. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

BH GLOBAL CORPORATION LIMITED
Condensed Interim Financial Statements
For the Six Months (“2H2023”) and Full Year Ended 31 December 2023 (“FY2023”)

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statements of financial position of BH Global Corporation Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period and full year 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

(i) Revenue

	2H2023	2H2022	%	FY2023	FY2022	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Electrical & Technical Supply	22,797	20,733	10	43,832	39,911	10
Security	4,487	4,946	(9)	8,553	8,048	6
Integration Engineering	2,725	3,829	(29)	6,769	7,227	(6)
Total revenue	30,009	29,508	2	59,154	55,186	7

Electrical and Technical Supply

For 2H2023, revenue from the Electrical and Technical Supply Division increased by 10% (\$2.1 million) as the industry continues to recover in the level of activities, with the resumption of operations by shipyards in Singapore and the region. Accordingly, revenue for FY2023 increased 10% (\$3.9 million) compared to FY2022.

Security

The Security Division comprises Infrared and Thermal Sensing Technology and Cyber Security businesses. Revenue from this division decreased by \$459k (9%) and increased by \$505k (6%) for 2H2023 and FY2023 respectively. This was mainly due to the decrease in revenue of \$477k (13%) for 2H2023 and increase in revenue \$839k for 2H2023 and FY2023 respectively from Cyber Security Division.

Integration Engineering

For 2H2023 and FY2023, revenue for the Integration Engineering Division decreased by 29% (\$1.1 million) and 6% (\$458k) mainly due to delays in certain projects.

(ii) **Gross profit**

The Group's overall gross profit increased from \$23.1 million in FY2022 to \$24.4 million in FY2023 in line with the increase in revenue.

The gross margin remains unchanged at 42% for both FY2023 and FY2022.

(iii) **Other operating expenses/income**

Other operating expenses in 2H2023 decrease by \$195k and other operating income in FY2023 increased by \$170k. This was mainly due to the higher foreign exchange gain in both periods.

(iv) **Operating expenses**

For FY2023, selling & distribution expenses decreased by \$894k or 6%, mainly due to :

- decrease in repair and maintenance expenses of \$369k;
- decrease in research and development expenses of \$132k;
- decrease in advertising and promotion expenses of \$179k.

Administrative expenses remain comparatively unchanged.

Finance costs remain comparatively unchanged.

(v) **Reversals of impairment losses on financial assets**

Reversal of impairment losses on financial assets decreased by \$440k and \$1.1 million for 2H2023 and FY2023 respectively due to most of the doubtful trade receivables provided previously had been recovered in 1H2022 and FY2022.

(vi) **Share of results of joint ventures**

The decrease in share of profits of joint ventures was due to lower profits from the Group's joint ventures for FY2023.

(vii) **Share of results of associated companies**

The Group recorded a share of profit of associated company for FY2023 as compared to a loss in FY2022 as the associated company was profitable in FY2023.

(viii) **Taxation**

Tax expense increased from \$310k in FY2022 to \$947k in FY2023 due to higher profits in FY2023.

(ix) **Net profit for the period/year**

For 2H2023, the Group registered a net profit of \$1.7 million compared to \$0.9 million in 2H2022. This is mainly due to increase in revenue and lower operating expenses.

For FY2023, the Group registered a net profit of \$2.7 million compared to \$2.1 million in FY2022. This is mainly due to increase in revenue in FY2023.

(B) Financial Position of the Group

Inventories

Inventories decreased by \$2.3 million from \$33.0 million as at 31 December 2022 to \$30.7 million as at 31 December 2023, mainly due to decrease in Electrical and Technical Supply of \$1.2 million; decrease in Integration Engineering Division by \$556k and decreased in Infrared and Thermal Sensing Technology of \$624k.

Trade receivables

Trade receivables increase by \$1.8 million from \$14.4 million as at 31 December 2022 to \$16.2 million as at 31 December 2023. Electrical and Technical Supply increase by \$3.3 million; offset by decrease in Cyber Security Division of \$1.4 million.

Cash and cash equivalents

Cash and cash equivalents decrease by \$0.4 million from \$5.7 million as at 31 December 2022 to \$5.3 million as at 31 December 2023 mainly due to higher loan repayment in FY2023.

Trade payables

Trade payables decrease by \$1.6 million from \$7.2 million as at 31 December 2022 to \$5.6 million as at 31 December 2023 mainly due to higher payments made to suppliers during FY2023.

Provisions

Provisions increased by \$52k from \$31k as at 31 December 2022 to \$83k as at 31 December 2023 mainly due to higher provision for warranty.

Borrowings

Total borrowings decreased by \$0.3 million from \$8.3 million as at 31 December 2022 to \$8.0 million as at 31 December 2023 due to net repayments made during the year.

(c) Cash flow review

The Group registered a net cash flow from operating activities of \$5.7million in FY2023 as compared to a net cash used in operating activities of \$0.6 million in FY2022. This was mainly due to the increase in profits, decrease in inventories, contract assets and contract liabilities partially offset by increase in payables.

The net cash flow used in investing activities increased from \$1.0 million for FY2022 to \$3.0 million in FY2023 mainly due to higher research and development costs.

The net cash used in financing activities increased from \$2.3 million for FY2022 to \$3.0 million in FY2023 mainly due to higher repayment of bank borrowings in FY2023.

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

Not applicable.

4. 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.

Persistent challenges in US-China trade tensions, the Russia-Ukraine war, an escalation or spread of the conflict beyond Gaza and Israel, as well as an intensification of the disruptions in the Red Sea, have significantly impacted the global economy and our businesses.

An increase in capex spending in oil and gas as well as renewables, with demand superceding supply of active tonnage, continues to point towards optimism for the offshore vessel market and encourages Marine and Offshore activities. The increasing adoption of digital platforms and e-commerce in the maritime industry will transform procurement and supply chain management processes. BH eStore's digital platform aims to streamline purchasing and inventory management, to better serve our customers' needs.

Decarbonisation- With energy transition to greener sources being the key focus, the drive towards the Green Sustainability and Decarbonization in the shipping industry is accelerated through legislation, subsidies, and taxes. Greater investment in green technology for eco-friendly vessels, equipment that comply with stricter environmental standards and land and sea-based critical infrastructure is vital to lower carbon emissions significantly over the next decade. This presents opportunities for the Group in Consolidated Technical Procurement, Green LED retrofitting, Vessel Electrification, Green Energy storage and GRE piping solutions.

Employers face higher costs of staff retention among a tighter talent pool and will need to maximise the efficiency of its current workforce through productivity-boosting technology- this speeds up the widespread adoption of technology, robotics and artificial intelligence. Continued technological advancements will also drive efficiency improvements and innovation in the maritime supply chain. International Maritime Organisation regulations on cyber-security and resilience of vessels is spurring demand for cyber protection in the maritime industries. Our Cyber Security Division is well-positioned to capitalize on market opportunities from increased cyber-attacks and digital-related challenges through advanced technologies and solutions that optimize operations and enhance safety and sustainability.

5. Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on ? Yes

Name of dividend	Proposed final dividend
Dividend type	Cash
Dividend amount per ordinary share	0.70 cents
Tax rate	One tier tax exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Proposed final dividend
Dividend type	Cash
Dividend amount per ordinary share	0.50 cents
Tax rate	One tier tax exempt

(c) Date payable

To be announced later. The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(d) Books closure date

Notice will be given at a later date on the closure of the Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

6. Interested Person Transactions ("IPTs")

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. Review of performance of the Group – turnover and earnings

Please refer to item 2 above.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Johnny Lim Huay Hua	55	Brother of executive directors and substantial shareholders, Vincent Lim Hui Eng and Patrick Lim Hui Peng	Director of principal subsidiary – Beng Hui Marine Electrical Pte Ltd (1999), Sopex Innovations Pte Ltd (1994) and One BHG Pte Ltd (2017)	NA
Eileen Lim Chye Hoon	60	Sister of executive directors and substantial shareholders, Vincent Lim Hui Eng and Patrick Lim Hui Peng	Director of principal subsidiary – Beng Hui Marine Electrical Pte Ltd (2004) and One BHG Pte Ltd (2017)	NA

On behalf of the Board of Directors

Vincent Lim Hui Eng
Executive Chairman and
Chief Executive Officer

Patrick Lim Hui Peng
Chief Operating Officer

29 February 2024