



FY2017 Results Briefing

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Presentation Outline

Corporate Overview

Business Update

Financial Highlights

Market Outlook

Growth Strategies



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Corporate Overview



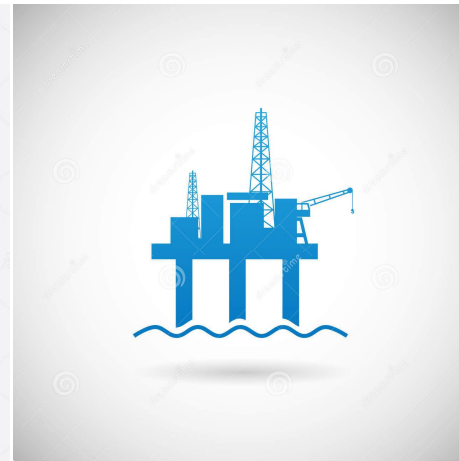
- Established since 1963
- SGX listed since September 2005
- HQ in Singapore
- Offices, R&D centres and manufacturing plants in Bombay, Dubai, Kunshan, Shanghai, Taipei & Tokyo

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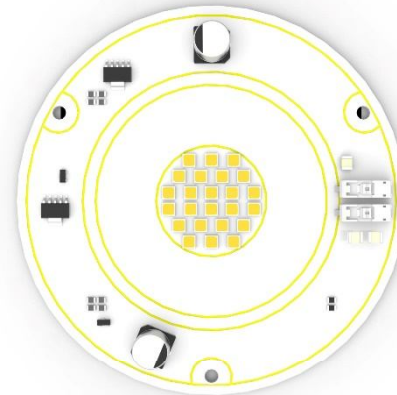
Corporate Overview

Supply Chain
Management



Engineering
Solutions &
Services

Design &
Manufacturing



Cyber &
Surveillance
Security

Corporate Overview



Supply Chain Management

Beng Hui Marine Electrical, a 100% owned subsidiary has been present in Singapore for more than 50 years. A preferred partner for most of the shipyards in our region.



- Regional Distributorships from world renowned manufacturers
- Comprehensive inventory
- JIT delivery
- WMS Warehouse Management System
- Wide portfolio of marine & offshore cable and lighting solutions
- Fully equipped warehouse
- Provision of interim inventory storage
- Sales, Technical & Engineering Support

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Corporate Overview

Supply Chain Management

One Stop Marine & Offshore Electrical Supplies

Cable Solutions



- Marine Cables
- Offshore Cables
- Industrial Cables
- Marine Data and Coaxial Cables
- Cables Accessories

Lighting Solutions



- Marine & Offshore Lightings
- ATEX Lightings
- LED Lightings
- Lighting Accessories

Other Marine Solutions



- ATEX Sounders & Beacons
- Alarms & Signalling Equipment
- Ship Horns
- Battery Chargers and Accessories
- Switchboard Controls & Automation

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Corporate Overview

BOS Offshore & Marine Pte Ltd, a 90% owned subsidiary specialises in engineering and procurement solutions in electrical, instrumentation and telecommunications (EIT) systems for onshore and offshore facilities

Project
Management

Procurement
Management

Project Sales
& Proposals

Detailed
Engineering



Engineering Solutions & Services

BOS



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Corporate Overview

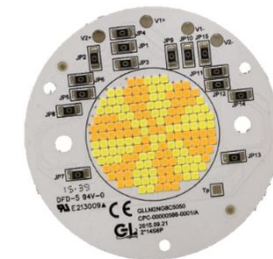


Design & Manufacturing
generalluminaire

LED Lighting Solutions

GL Lighting Holding, a 43% associate with R&D in Shanghai and production in Kunshan

- Global leader in light engine integration solutions with 19 years of experience
- Innovative R&D and strong engineering team with numerous of patents and trademarks
- Proven track records with >500 OEM/ODM projects for Philips and Osram in China
- Strong OEM/ODM partner for many American, European and Japanese brands



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Corporate Overview



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Our Valued Partners

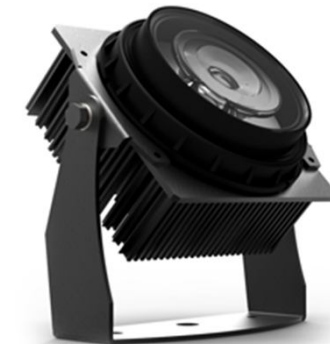


PHILIPS



FAGERHULT

Our LED Solutions



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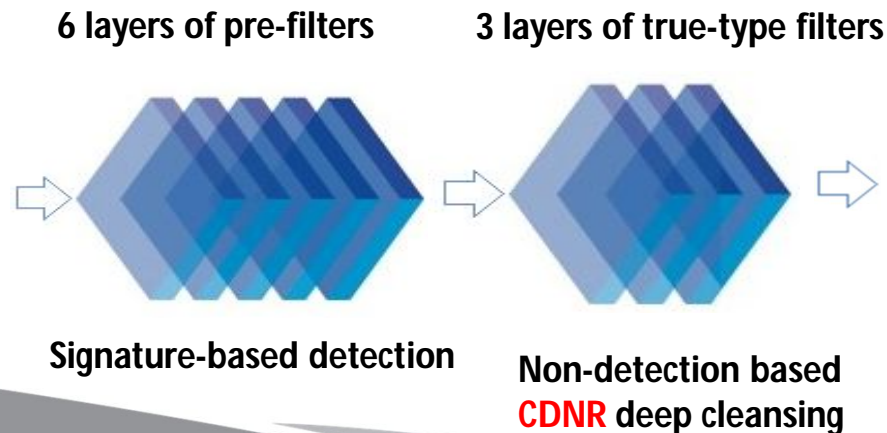
Athena Dynamics, a 95% owned technology arm specialised in Enterprise IT Security and Critical Infra-structure Protection

Cyber Security
athena
dynamics

Core of Athena GS Technology
*Content Dis-construction,
Neutralisation & Re-construction*



Achieving >8 Year of zero infection in site of deployment



Products & Solutions

 Sasa Software Smart Made Simple. Sasa-Software A unique strong-gate, 9-layer, ultra-deep-scanning malware and APT filter accredited by the highest certification authority in its country of origin	 ADVENICA Advenica A leader in cybersecurity, protecting critical Infrastructures with innovative solutions designed to enable secure information exchange for organisations in the digital world	 inveaTECH APAC Invea-Tech An international vendor of ultra-high-speed network behaviour monitoring and security solutions specialized in flow monitoring (NetFlow/IPFIX), Network Behavior Analysis (NBA), FPGA acceleration, IP Data Retention and IP Lawful Interception.
 CERTES NETWORKS Certes Networks A high-bandwidth encryption technology that offers application-aware, end-to-end, session-less, tunnel-less "new generation VPN"	 FireEye FireEye A leader in advanced malware, zero-day exploits, APTs	 resilient SYSTEMS Resilient Systems A leading Incident Response Platform (IRP) that augments enterprise BCM and DR framework, empowering organizations to thrive in the face of cyberattacks and business crises
 that's it! the way IT works IT Care Center (ITCC) An ultra-low-cost, full-service platform for ITIL and ITSM compliant enterprise IT operation management	 ics² ICS² Intelligent Cyber Security for Industrial Control Systems	 BUFFERZONE BUFFERZONE A patented containment solution that defends endpoints against advanced malware and zero-day attacks while maximizing user and IT productivity

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Corporate Overview

SI partners in Singapore



Good hacker partner



"Be checked by the good hackers or be hacked by the bad ones"

Vulnerability Assessment & Pen Testing (VAPT)

- Cyber-Attack Vulnerability Testing for **Enterprise IT Security and Critical Infra-structures**
- Singapore-Based Alliance of World-Class Hackers from Countries at War
- Expert World-Class Competition Winner In Critical Infra-Structure Protection (CIP) since 2010

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Corporate Overview



Cyber Security

athena
dynamics

Key Reference Sites in Singapore



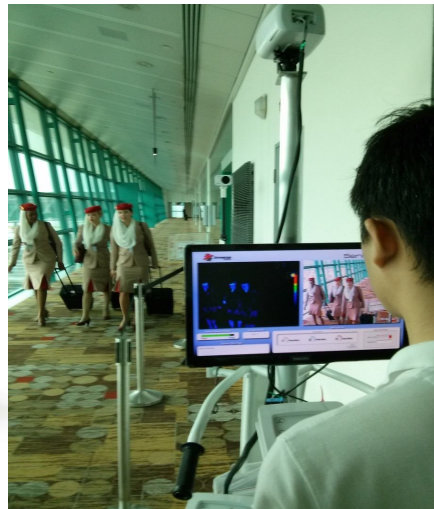
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Corporate Overview

A 51% owned Hi-Tech subsidiary acquired in 2016

- Singapore based company established in 2006
- Global leading technologies in **Infra-red Health Screening and Night Vision Security**



Surveillance Security



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Corporate Overview

Surveillance Security

Our Customer Reference



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Business Update

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Business Update

Corporate

- Inclusion on watchlist on 5 Jun 2017 due to Financial Entry Criteria
- Place on watchlist on 5 Dec 2017 due to MTP
- Transformation in progress but results slower than expectation

One BHG

- Incorporated on the 14th Nov 2017
- BHM (70%), BOS/OMS/ADL (10% each)

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Business Update

Supply Chain Management

- First ever loss historically
- Provision for stock obsolescence S\$3.0m
- Provision for doubtful debts S\$4.1m

Engineering Solutions & Services

- Formed BOSMEC (35% associate company) with Japanese partners Taiyo (25%), Sanshin (30%) and 2 individuals (5% each) in Nov 2017
- Termination of contract between KHI & Island Offshore
- Disposal of Batam yard in progress

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Business Update

Manufacturing - GSW

- Provision for liabilities S\$5.4m
- Working with JV partner to explore all possible options

Design & Manufacturing – LED Lighting

- Provision for impairment S\$7.7 million
- Kunshan New Factory Construction delayed to 2Q2018
- \$4m funding from IES/UOB

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Business Update

Surveillance Security

- Impairment on goodwill S\$1.2m
- Impairment on intangible assets S\$2.5m
- Set up R&D centre in Taipei
- Good progress in R&D

Cyber Security

- Winning contracts from various government agencies
- Expand to the region
- More distributorships on board
- R&D in IT/OT

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Financial Highlights

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Profit and Loss

	FY2017 (\$'000)	FY2016 (\$'000)	Change (%)
Revenue	37,923	51,987	(27)
Gross Profit	11,986	17,888	(33)
<i>Gross Profit Margin</i>	32%	34%	(2) ppt
Operating Expenses	37,724	27,373	38
Loss from Operations	(25,625)	(8,235)	211
Net Loss Attributable to Shareholders	(22,593)	(11,206)	102
<i>Net Profit Margin</i>	N.M.	N.M.	N.M.
Basic LPS (cents) ¹	(18.83)	(9.34)	102

ppt: Percentage points

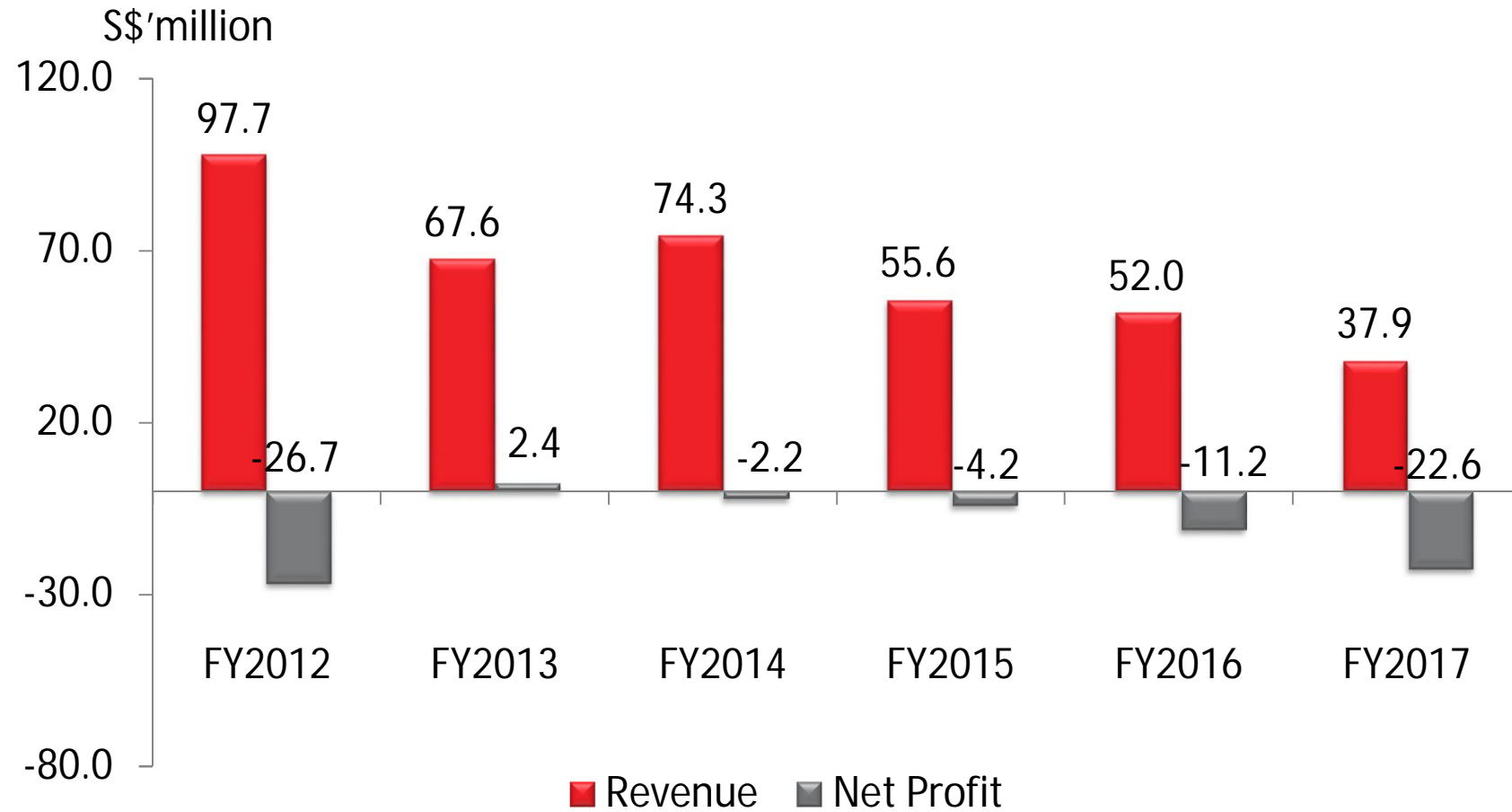
N.M.: Not mentionable

¹: Calculated based on the total number of issued shares (excluding treasury shares) in issue 119,999,995 as at 31 December 2017 (31 December 2016: 119,999,995)

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Revenue and Net Profit

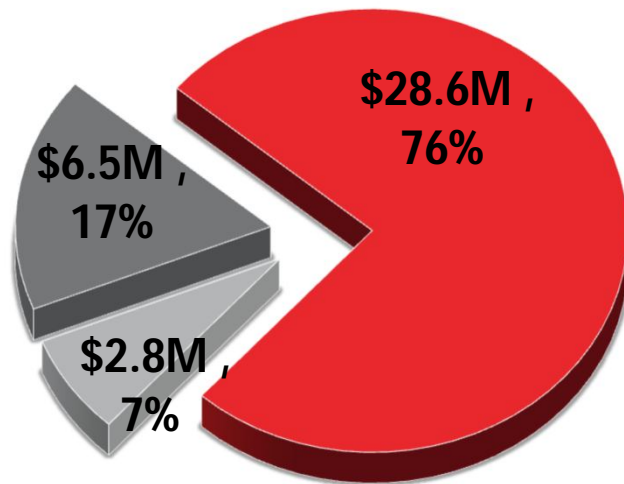


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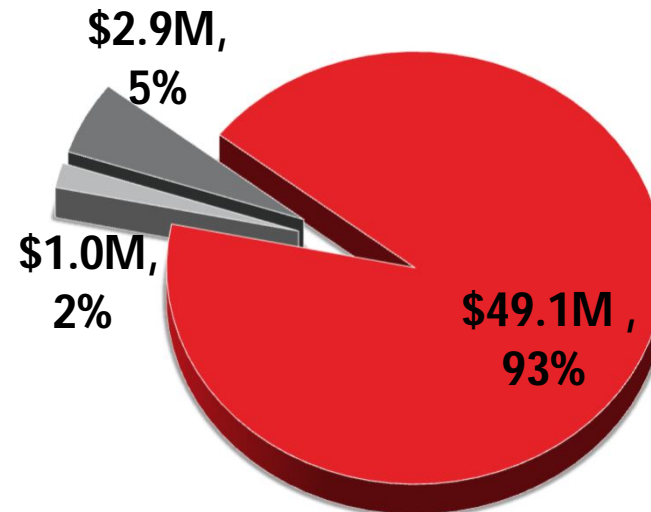
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Revenue Breakdown

FY2017



FY2016

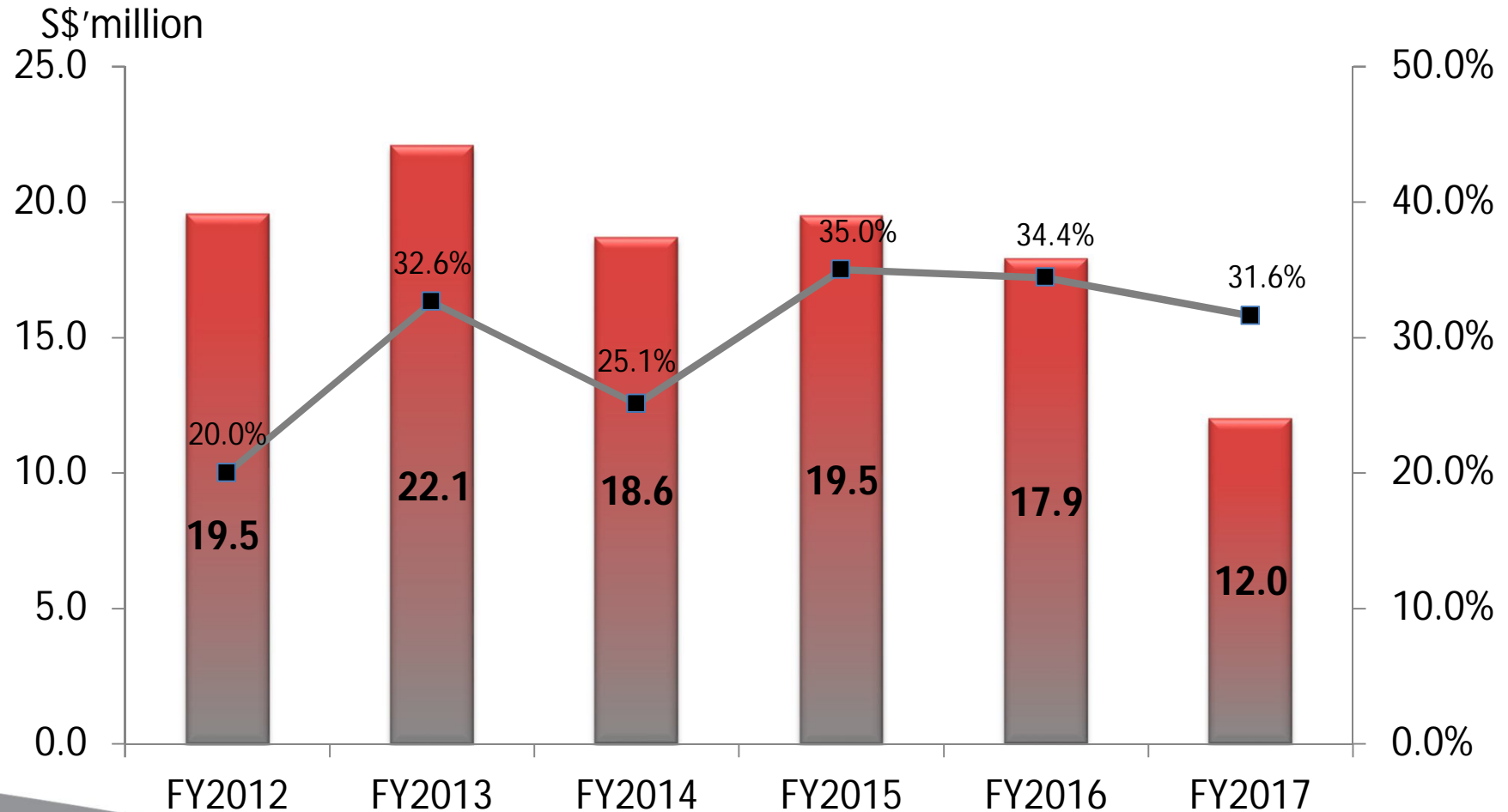


- Supply Chain Management
- Security
- Engineering

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Gross Profit and GPM



■ Gross Profit

■ Gross Profit Margin

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Financial Highlights – Balance Sheet

	31 Dec 2017 (\$\$'000)	31 Dec 2016 (\$\$'000)
Property, Plant & Equipment	12,572	15,827
Inventories	24,772	27,179
Cash & Cash Equivalents	5,850	7,040
Total Borrowings	13,486	14,090
Total Equity	38,212	60,851
Gross Gearing Ratio	35.3%	23.2%
Net Gearing Ratio ¹	20.0%	11.6%
Net Asset Value per Ordinary Share (Singapore Cents)	32	51

¹: Net Gearing Ratio is calculated based on (Total Borrowings – Cash & Cash Equivalents) / Total Equity

Financial Highlights – Cashflow

	FY2017 (\$\$'000)	FY2016 (\$\$'000)
Profit/(Loss) before tax, total	(25,975)	(11,149)
Net cash from/(used in) Operating activities	404	6,040
Net cash (used in)/from Investing activities	(1,575)	(7,959)
Net cash (used in)/from financing activities	(19)	4,609
Net (decrease)/increase in cash and cash equivalents	(1,190)	2,690
Cash and cash equivalents at end of period	5,850	7,040

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Market Outlook

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Market Outlook

➤ **Marine & Offshore Industries continues to be lacklustre**

- Headwinds in the marine and offshore industries continued to persist
- Outlook remains challenging until global initiatives to narrow the oil and demand gap become sustainable and positive effects flow downstream

➤ **Luminaire market continues grow, underpinned by global needs**

- Increasing global infrastructure needs as well as necessity for improved and energy efficient lighting systems continue to fuel demand for LED lighting systems

➤ **Reliance on technology has become more prevalent**

- The functions of technology are expanding at an unbridled rate and its prominence continues to grow in our lives, detection of threats ahead of repercussions is paramount
- Technology is playing a more critical role in identifying threats of all nature, with many corporations and governments looking to further address these threats

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Growth Strategies

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Growth Strategies

Our focus for 2018 is to strengthen efficiency levels throughout our business, seek viable opportunities to expand segments with greater potential, and continue methodical approach to transforming the business to attain profitability.

➤ **One BHG**

- Targeting Environmental, Electrification and Digitalisation
- Working with Research & certification bodies, relevant agencies and overseas partners
- House of talents

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Growth Strategies

➤ Supply Chain Management

- Fortify existing partnerships with principals and clients
- Implement WMS (Warehouse Management System)
- Explore projects in petrochemical and industrial sectors
- Launch of eStore online platform

➤ Design and Manufacturing

- **GLH** – Keep efficiency levels up while awaiting completion of Kunshan factory
- **GSSI** – Work closely with Omani JV partner to explore all further options

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Growth Strategies

➤ Security

- Increase brand profile by regional exposure and build on strong foundation of credibility through more governments and large corporations projects
- Gain more exclusive distributorships and develop further channel structures globally

➤ Engineering

- Seek viable opportunities for electrical installation packages, especially in Japan
- Acquisition of distributorships

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