



FY2016

Results Briefing

14 March 2017

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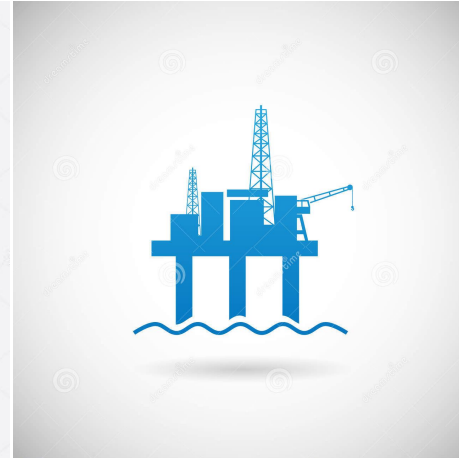
# Presentation Outline

- ❖ Corporate Overview
- ❖ Corporate Developments
- ❖ Financial Highlights
- ❖ Market Outlook & Growth Strategies



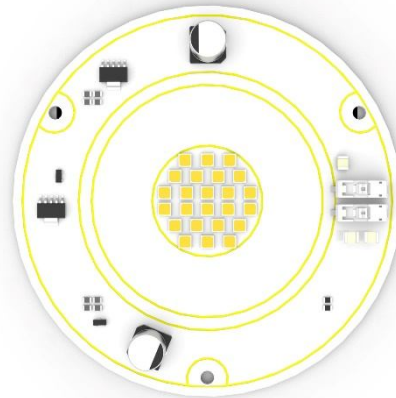
# Corporate Overview

Supply Chain  
Management



Engineering  
Solutions &  
Services

Design &  
Manufacturing



Cyber &  
Sensing  
Security



# Corporate Overview



- Established since 1963
- SGX listed company since September 2005
- Certified ISO 9001:2000 Operations Value Added Services to Customers
- Strategically headquartered in Singapore
- Global clientele outreach spanning across South East Asia, East Asia, Middle East, India Sub Continent, Australia and Europe

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# 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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# Supply Chain Management



- Wide portfolio of marine & offshore cable and lighting solutions
- Fully equipped warehouse
- Provision of interim inventory storage
- JIT deliveries
- Sales, Technical & Engineering Support
- Team dedicated to serve

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# Engineering Services

- 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
- Business is complementary to Supply Chain Management business and enables cross-selling
- Ongoing project with KHI (Kawasaki Heavy Industries)



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# Design & Manufacturing

## Galvanized Steel Wire

- Formed Gulf Specialty Steel Industries ("GSSI") in 2011 with Omani partner, Takamul Investment (subsidiary of Oman Oil), in a 51/49% joint venture
- GSSI manufactures galvanized steel wire for use in armoring cables, targets customers in the Middle East



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# Design & Manufacturing

## LED Lighting Solutions

- BH Global owns 43% of associate company, GL Lighting Holding Pte Ltd ("GLH")
- Global leader in light engine integration solutions with 18 years of experience
- Strong R&D and engineering team
- Integrate LED lighting solutions for marine & offshore applications
- Operations in Shanghai and Kunshan, with new Kunshan factory to be ready end 2017



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# Design & Manufacturing

## Our Valued Partners



**PHILIPS**



**FAGERHULT**

**ECOSENSE™**



## Our LED Solutions



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# Cyber Security

athena  
dynamics

- BH Global's 90% owned technology arm since mid-2014
- Specialised in **Enterprise IT Security and Critical Infra-structure Protection**
- To source and market **radically different and effective** cyber-security technological products and services which have already done well in their countries of origins but yet to gain traction in SG

**Attacks No Longer Limited To Enterprise Networks, but Critical Infra-Structures**



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# Cyber Security

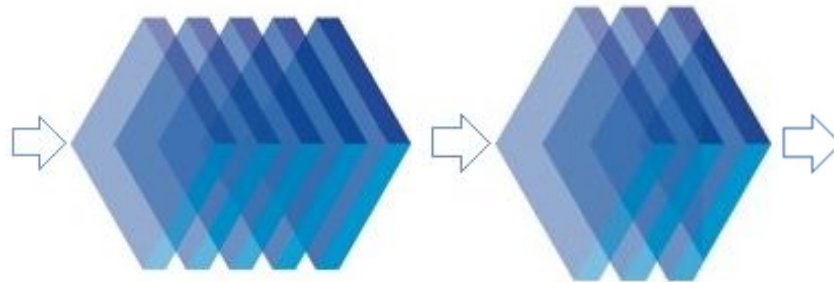


Core of Athena GS Technology  
*Content Dis-construction, Neutralisation  
 & Re-construction (CDNR)*

**Achieving >7 Year of zero infection in site of deployment**

6 layers of pre-filters

3 layers of true-type filters



Signature-based detection

Non-detection based  
**CDNR** deep cleansing



**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**  
 A leader in cybersecurity, protecting critical infrastructures with innovative solutions designed to enable secure information exchange for organisations in the digital world



**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**  
 A high-bandwidth encryption technology that offers application-aware, end-to-end, session-less, tunnel-less "new generation VPN"



**FireEye**  
 A leader in advanced malware, zero-day exploits, APTs



**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



**IT Care Center (ITCC)**  
 An ultra-low-cost, full-service platform for ITIL and ITSM compliant enterprise IT operation management



**ICS<sup>2</sup>**  
 Intelligent Cyber Security for Industrial Control Systems



**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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# Cyber Security



good hackers alliance™

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

+

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dynamics

## 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

The Dam Gate Control Function was penetrated and accessed via internet within 7 hours of consented hacking



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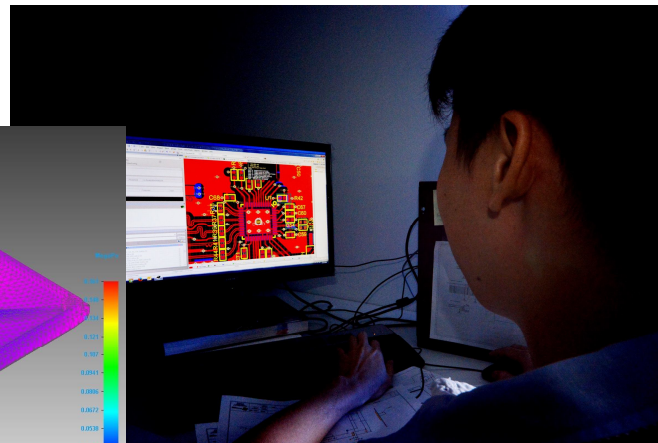
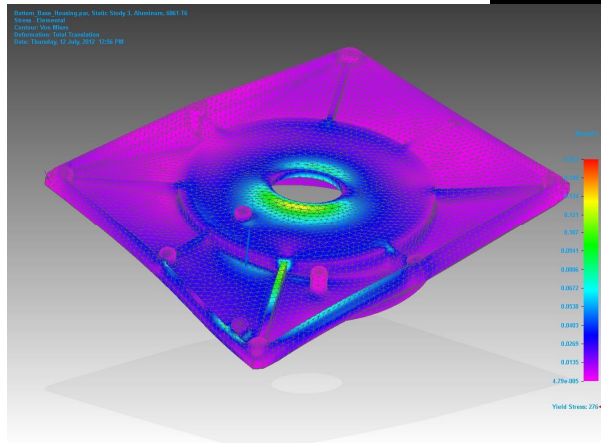
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# Sensing Security



- BH Global's 51% owned Hi-Tech subsidiary since Jun 2016
- Singapore based company established in 2006
- Global leading technologies in **Infra-red Health Screening and Night Vision Security**

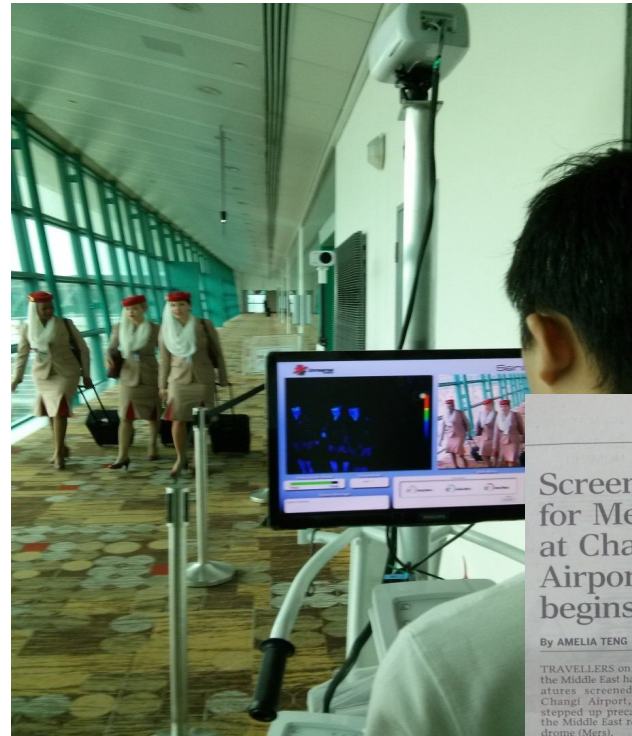


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# Sensing Security

## Infrared Health Screening

- Proven Accuracy - Sentry Series of MFSS are the only system proven to effectively screen for Mild Fever (=>37.6deg C)
- Deployment in all terminals of Changi Airport and operates 24/7 since 2014 w/o human intervention



# Sensing Security



## Our Customer Reference



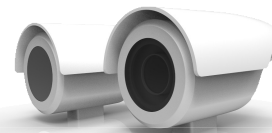
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# Sensing Security

## Marine Night Vision

- Only a handful of competitor globally
- Innovative designs
- High performance
- Suitable for all types of vessels
- Secured military project





# Corporate Developments



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# Corporate Developments

## Supply Chain Management

- Remains profitable and our core business
- **Entry into:**
  - Distribution and Representation Agreement, and
  - Prepayment Agreement with our cable supplier, Seoul Electric Wire
- **We remain the preferred vendor** of many established clientele

## Design & Manufacturing

- **GLH:** New Kunshan factory to be completed in end 2017 which will significantly boost manufacturing capacity
- **GSSI:** Production stabilised but market is challenging



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# Corporate Developments

## Engineering Services

- **Ongoing creditor's voluntary liquidation proceedings** of it's subsidiary Oil & Gas Solutions Pte. Ltd. ("OGS")
- BOS Engineering progresses well in KHI project and looking for next offshore project in Japan
- **Move away from CM** and focus on **EPPM (Engineering, Procurement & Project Management)**

## Security

- **Cyber Security:** Acquired classified and Critical Infra Structure projects
- **Sensing Systems:** Acquired ICA projects including Changi airport, seaport and check points  
Successfully acquired Japan project

# Financial Highlights



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# Financial Highlights - Profit & Loss (4Q2016)

	4Q2016 (\$\$'000)	4Q2015 (\$\$'000)	Change (%)
Revenue	9,302	14,865	(37)
Gross Profit	3,109	5,086	(39)
<i>Gross Profit Margin</i>	33%	34%	(1) ppt
Operating Expenses <sup>1</sup>	11,212	5,938	89
Loss from Operations	(7,551)	(269)	N.M.
Net Loss Attributable to Shareholders	(9,138)	(5,305)	N.M.
<i>Net Profit Margin</i>	N.M.	N.M.	-
Basic EPS (cents) <sup>2</sup>	(7.61)	(3.56)	N.M.

ppt: Percentage points

N.M.: Not mentionable

<sup>1</sup>: Includes selling & distribution expenses and administrative expenses

<sup>2</sup>: Calculated based on the total number of issued shares (excluding treasury shares)

In issue 119,999,995 as at 31 December 2016 (31 December 2015: 119,999,995)

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## Financial Highlights - Profit & Loss (FY2016)

	FY2016 (\$\$'000)	FY2015 (\$\$'000)	Change (%)
Revenue	50,059	55,576	(10)
Gross Profit	16,830	19,455	(13)
<i>Gross Profit Margin</i>	33%	35%	(2) ppt
Operating Expenses <sup>1</sup>	25,341	19,369	31
(Loss)/ Profit from Operations	(8,230)	1,616	N.M.
Net Loss Attributable to Shareholders	(10,228)	(4,210)	N.M.
<i>Net Profit Margin</i>	N.M.	N.M.	N.M.
Basic EPS (cents) <sup>2</sup>	(8.52)	(3.51)	N.M.

*ppt: Percentage points*

*N.M.: Not mentionable*

<sup>1</sup>: Includes selling & distribution costs and administrative costs

<sup>2</sup>: Calculated based on the total number of issued shares (excluding treasury shares)

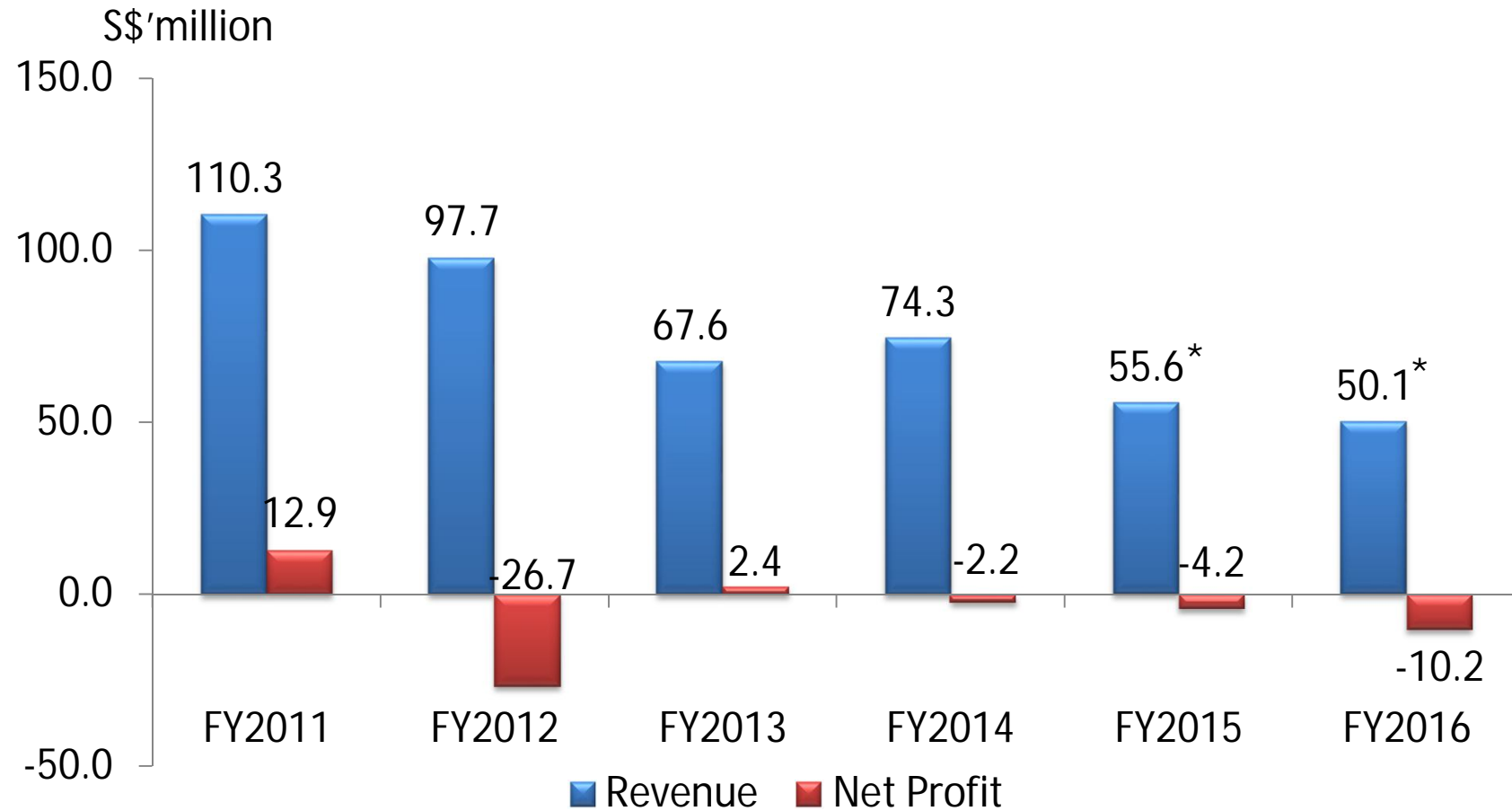
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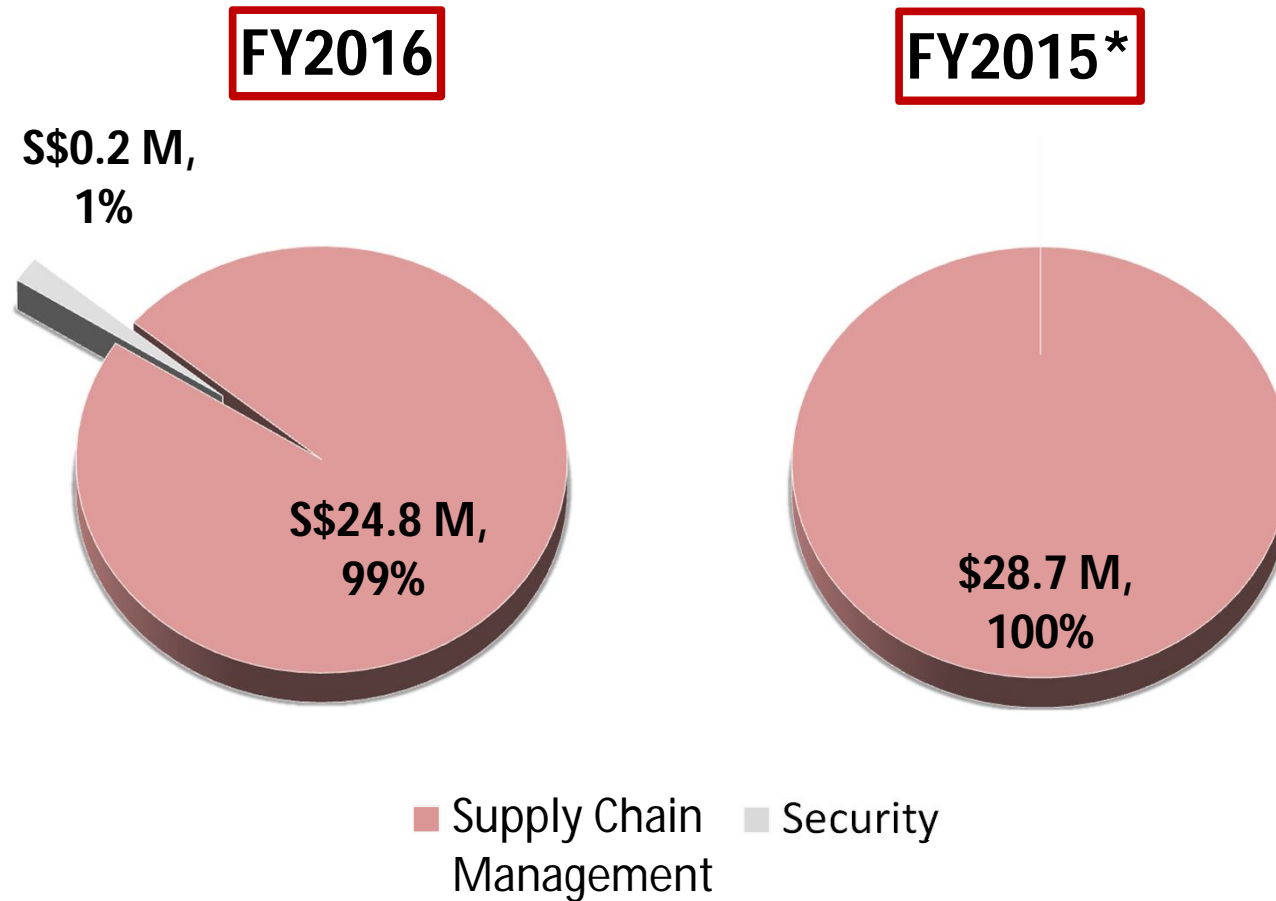


# Revenue and Net Profit



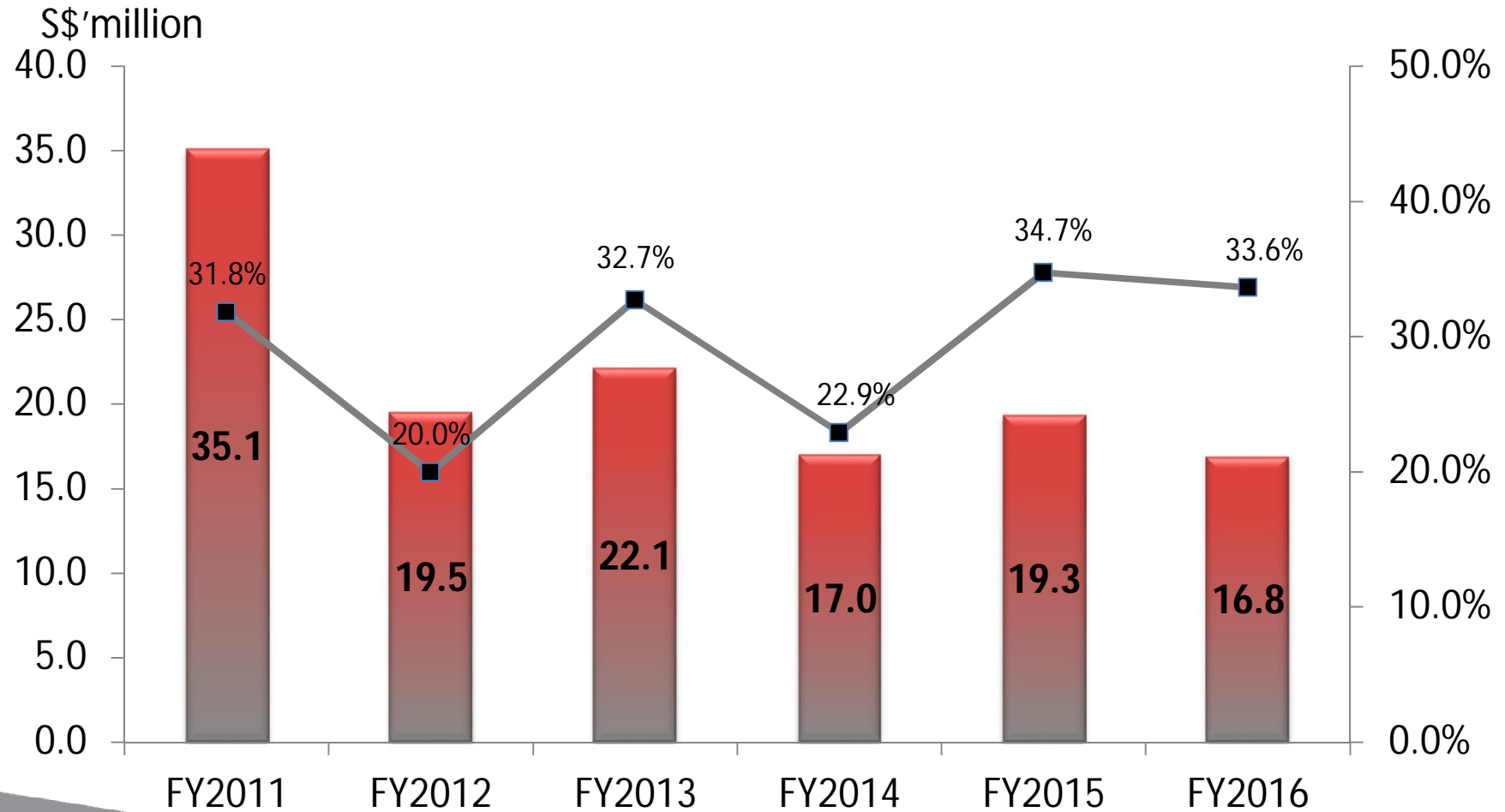
\* Due to a change in accounting standards, GSSI was reclassified into a Joint Venture, where its revenue is not consolidated

# Revenue Breakdown



\* Restated the results of a subsidiary from continuing operations to discontinued operations

# Gross Profit and GPM



 Gross Profit

 Gross Profit Margin

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# Financial Highlights – Balance Sheet

	31 Dec 2016 (\$\$'000)	31 Dec 2015 (\$\$'000)
Property, Plant & Equipment	15,731	16,499
Inventories	27,179	30,123
Cash & Cash Equivalents	7,040	4,349
Total Borrowings	14,090	9,310
Total Equity	62,010	72,363
Gross Gearing Ratio	22.7%	12.9%
Net Gearing Ratio <sup>1</sup>	11.4%	6.9%
Net Asset Value per Ordinary Share (Singapore Cents)	49	56

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



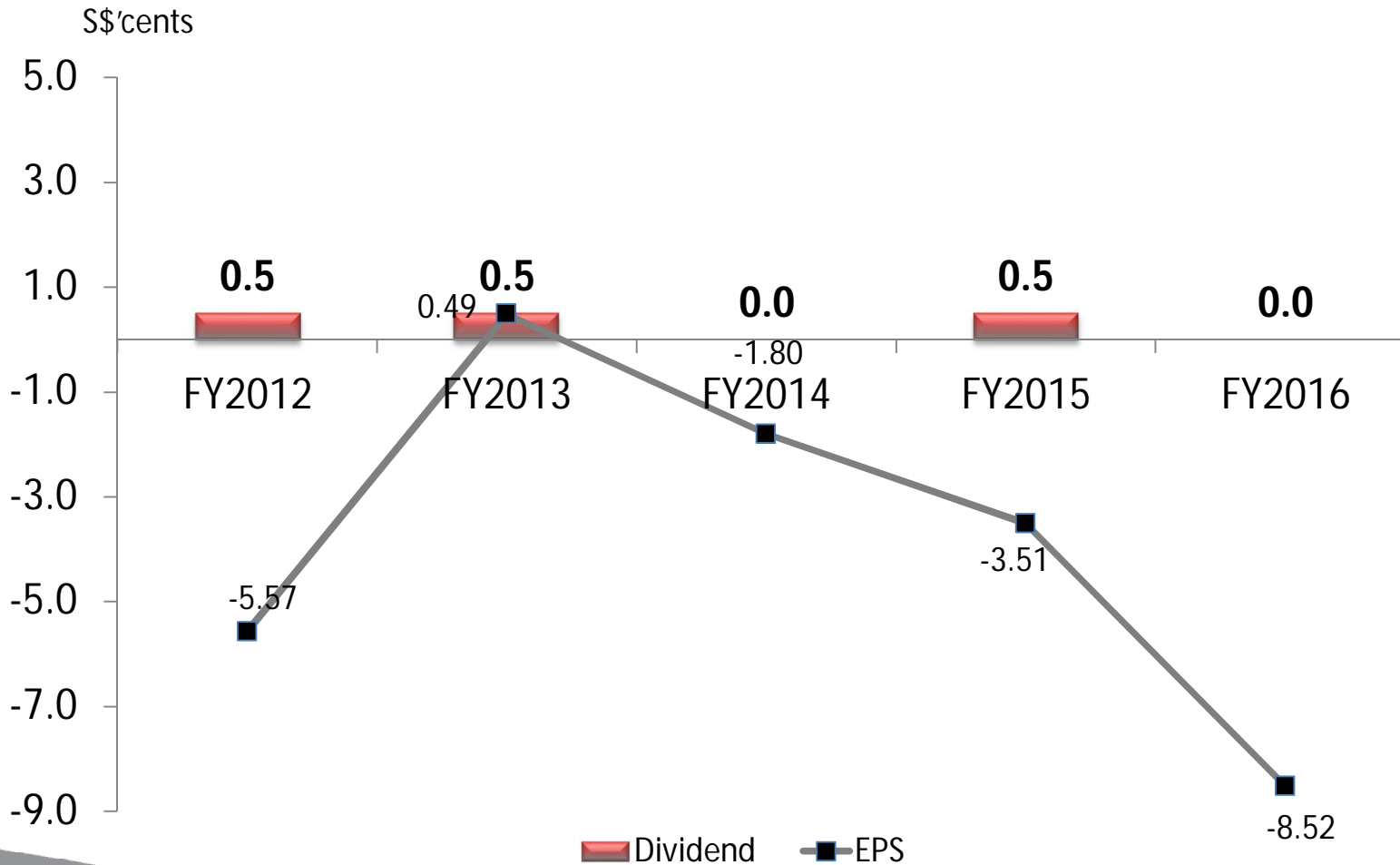
# Financial Highlights – Cashflow

	FY2016 (\$\$'000)	FY2015 (\$\$'000)
Profit/(Loss) before tax, total	(10,005)	(5,523)
Net cash (used in)/from Operating activities	3,133	5,200
Net cash (used in)/from Investing activities	(5,057)	(160)
Net cash (used in)/from financing activities	4,615	(5,902)
Net (decrease)/increase in cash and cash equivalents	2,691	(811)
Cash and cash equivalents at end of period	7,040	4,349

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# Dividends and EPS





# Market Outlook & Growth Strategies

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# Market Outlook

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

- Weaker global economy and global overcapacity of ships
- Signs of recovery may come from major scale-downs of existing fleets
- O&G Industry continues to be in a consolidation phase and although oil prices have stabilised, operational environment has yet to recover

## ➤ **“Green” LED Lighting continues to grow in importance**

- LED lighting for retrofitting is in demand due to their higher energy efficiencies, cost savings and eco-friendliness

## ➤ **Technology playing a more vital role in security**

- With the current level of globalisation and technological globalisation, new security threats are on the rise and technology plays a critical role in identifying these threats



# Growth Strategies

Our focus for 2017 is to improve efficiency levels throughout our business as well as seek out viable opportunities which will prepare us for when the industry recovers

## ➤ Supply Chain Management

- Fortify our existing partnerships
- Improve on logistics and inventory management
- Explore projects to improve productivity
- Invest in potential high growth areas with tangible returns

## ➤ Manufacturing

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

A decorative graphic consisting of several overlapping, wavy, grey lines that sweep across the bottom of the slide from left to right.

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# Growth Strategies

## ➤ Engineering

- Ensure smooth operations of BOS Offshore & Marine Pte Ltd
- Monitor the progress of project closely to avoid future project delays and cost overruns
- Intention to dispose of the remaining shipyard in Batam remains a priority



## ➤ Security

- Focus on gaining exclusive distributorship and the development of the channel structures in Singapore and the region



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# Share Statistics

Share price (as of 10 March 2017)	S\$0.225
Market capitalization	S\$27.0 million
52 week high/low	S\$0.320/0.100
EPS (Cents)	(8.52)
NAV per share	S\$0.490
P/E ratio	N/A
P/B ratio	0.46
Dividend Yield	N/A

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A large graphic with a red and blue color scheme. It features a globe with a red map overlay on the left, and a large, flowing red ribbon that curves across the center. The background has a blue grid pattern and white wavy lines. The text 'Thank You!' is written in white on the red ribbon.

Thank You!

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