



## FY2014 AGM

15 April 2015



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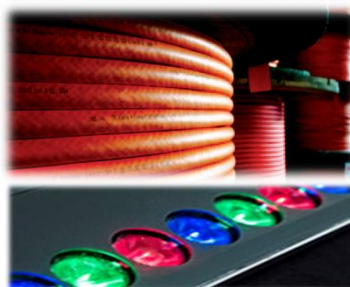
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## Presentation Outline

- ❖ FY2014 Corporate Developments
- ❖ FY2014 Financial Highlights
- ❖ Market Outlook & Growth Strategies
- ❖ Investor Friendly Measures



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## FY2014 Corporate Developments



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## Corporate Developments

### Supply Chain Management

- Supply Chain Management remains our core business
- We represent many European, American, Korean and Japanese brands and we are their distributor in this region
- We also provide inventory management and logistics support for our clients
- We help manage their resources efficiently, resulting in lower spending
- Our new strategy and cable management skills have been proven and we will continue to explore further into this

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## Corporate Developments

### Manufacturing (Gulf Speciality Steel Industries)

- The factory was set up in end FY2013 and production started in FY2014
- Initial projected capacity was 60,000 tonnes per year and we did not manage to meet our projected target due to a mismatch of worker's skill level
- However, changes have been made, including a change of CEO
- The new CEO has vast knowledge and experience in the industry and has improved production to 60% of our projected capacity, close to the 70% breakeven point
- Our aim is to gradually improve this to 90% of the projected capacity by the end of the year

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## Corporate Developments

### Manufacturing (GL Lighting Holding)



- Acquired plot of land in Kunshan spanning over three hectares
- Intention to build a factory in Kunshan with a probable completion by early FY2016 and production starting by the second quarter of FY2016
- Built a partnership with Future Lighting Solutions whose parent company is Future Electronics, the third largest supplier of components in the world
- Completed several landmark projects including the Shanghai Tower
- We may be small but our integration capability is amongst the strongest in the world



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## Corporate Developments

### Engineering Services

- Ceased operations in Batam
- Continued intention to sell off this operation and currently looking for buyers
- Latest project was with Kawasaki Heavy Industries with contract valued at US\$7.6 million
- Our aim is to move away from construction management while still providing specialised engineering and procurement services




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## Geographical Coverage

Our excellent logistical infrastructure enables us to offer our products and services worldwide.



We are **BH GLOBAL**.  
We are a **GLOBAL SOLUTION** for you.

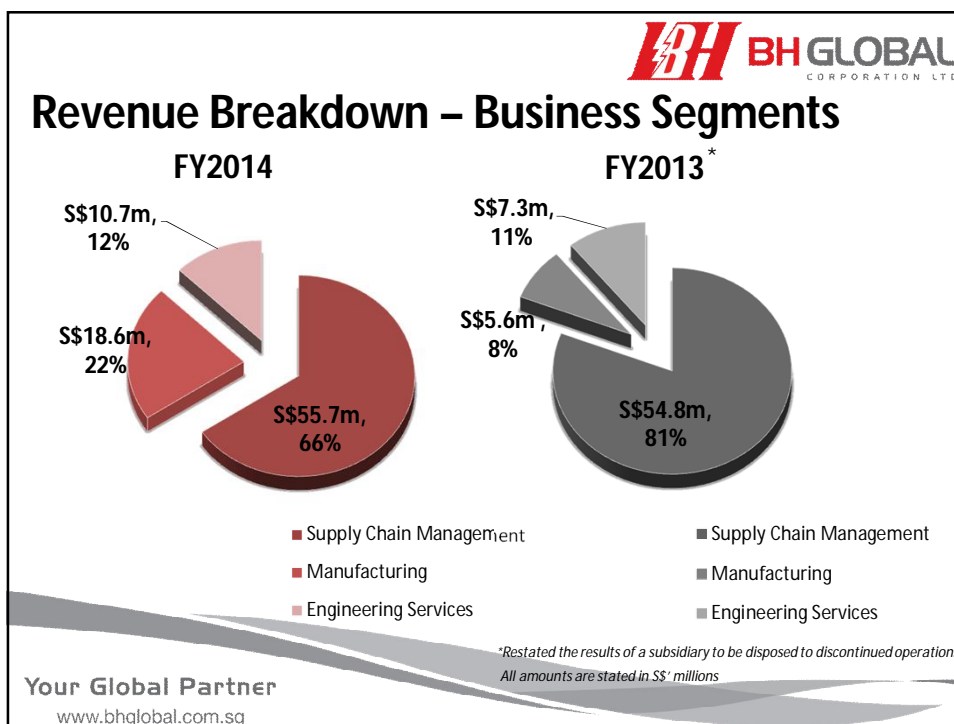
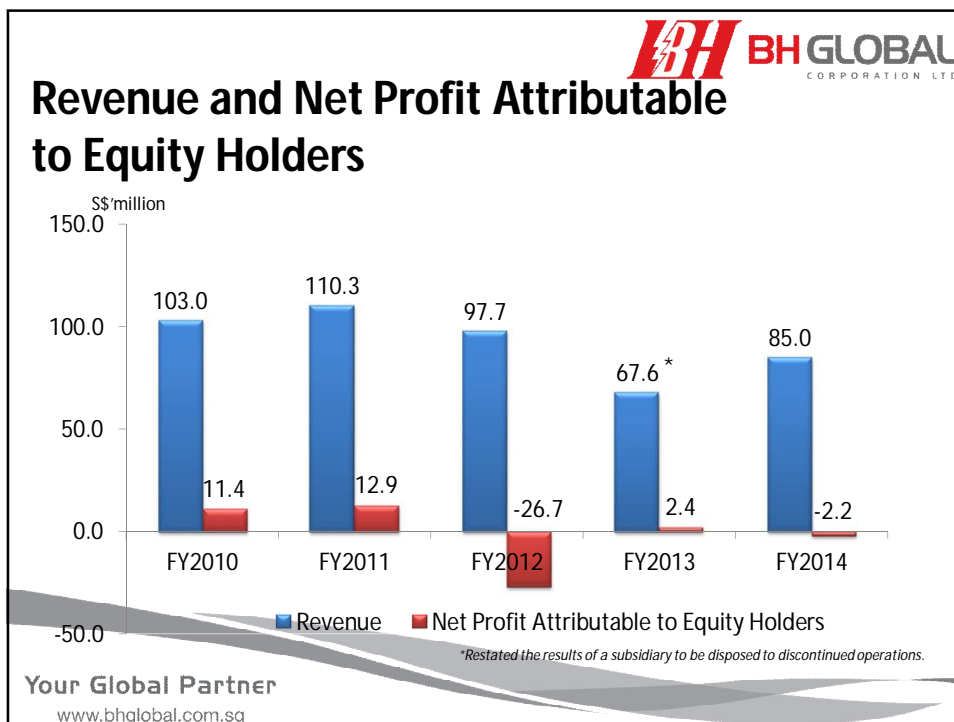
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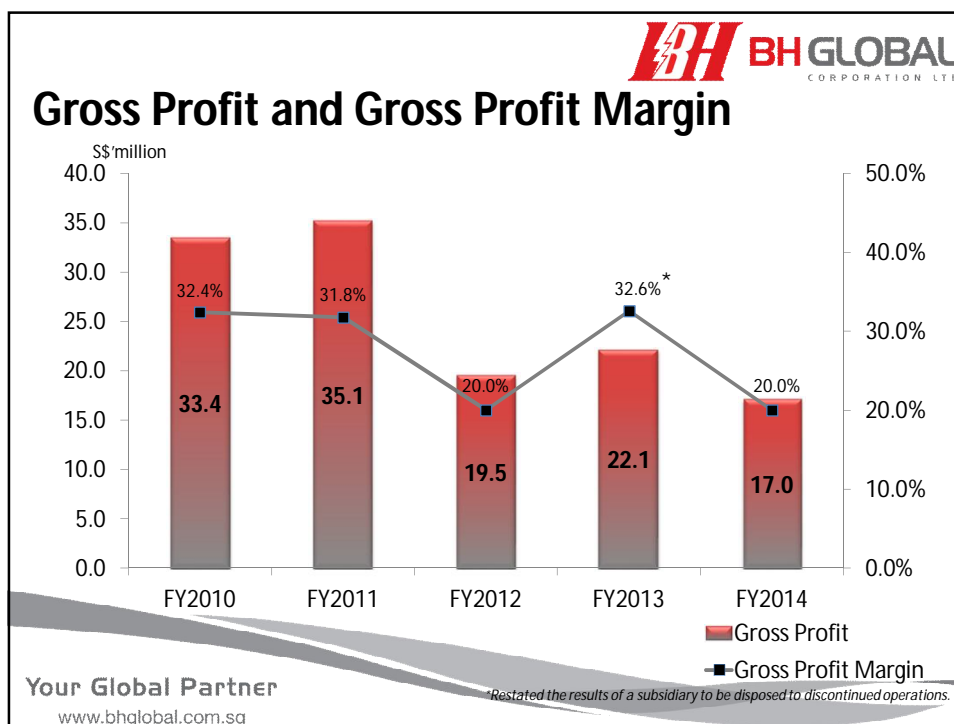
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## FY 2014 Financial Highlights



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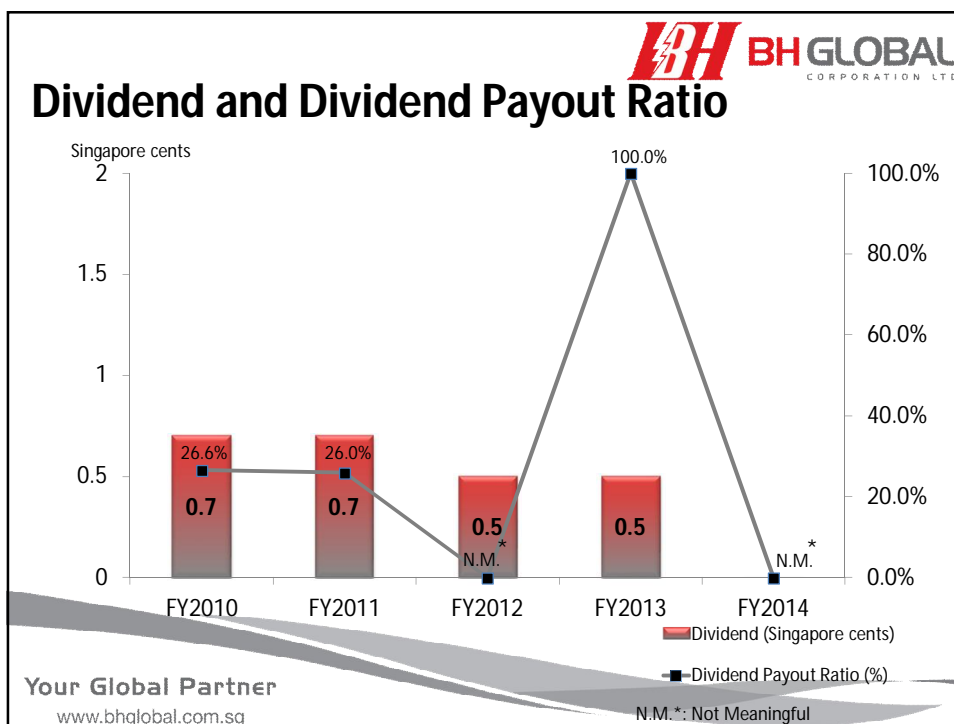
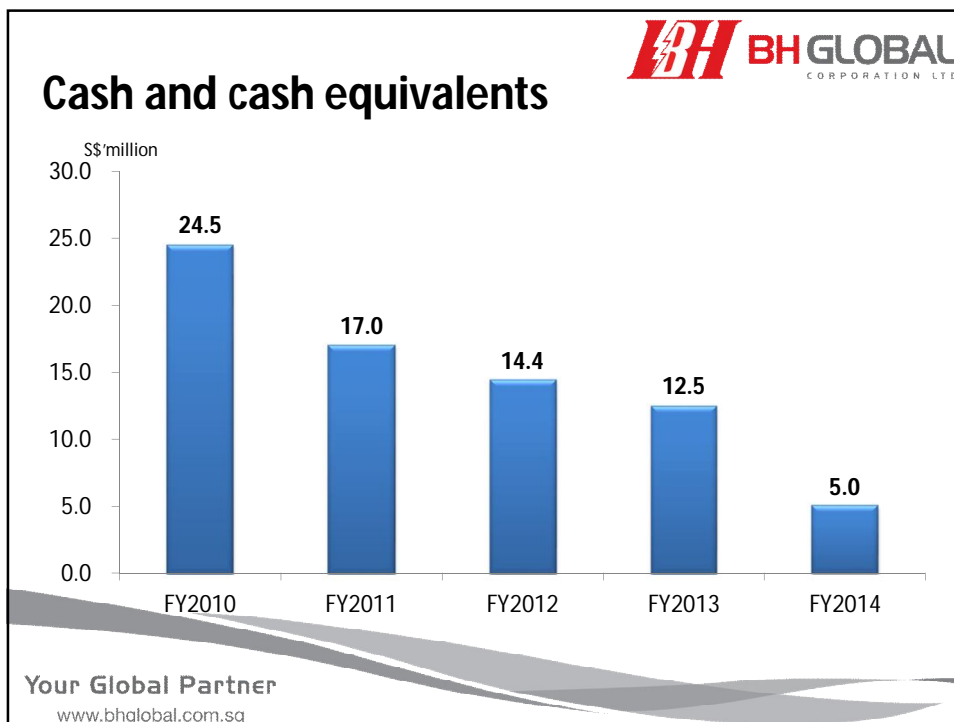
## Financial Highlights – Balance Sheet

	31 Dec 2014 S\$'000	31 Dec 2013 S\$'000
Property, Plant & Equipment	19,109	49,301
Inventories	32,761	40,954
Cash & Cash Equivalents	5,037	12,468
Total Borrowings	13,255 <sup>1</sup>	44,337
Total Equity	71,207	81,064
Gross Gearing Ratio	18.6%	54.7%
Net Gearing Ratio <sup>2</sup>	11.5%	39.3%
Net Asset Value per Ordinary Share (Singapore cents)	16	17

<sup>1</sup>: The decrease in bank borrowings is mainly due to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014 and repayment of bank loans in Supply Chain Management Division

<sup>2</sup>: Net Gearing Ratio is calculated based on (Total Borrowings – Cash & Cash Equivalents) / Total Equity

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## Market Outlook & Growth Strategies

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## Market Outlook

- **The Marine Industry is showing signs of weakness**
  - Weakened global economy and an oversupply of ships caused reduced shipping costs
  - May see signs of recovery if fallen oil prices stimulate consumption and economic growth
- **Offshore Oil & Gas Industry hit hard due to fall in oil prices**
  - Long-term dynamics of supply and demand are still consistent
  - Expected recovery in 2016
- **Dynamic growth in “Green” LED Lighting is expected**
  - Rising demand of higher energy and cost efficiency that LED lighting products provide

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## Growth Strategies



Our focus for FY2015 is on expansion in the region as we believe this will put us in an opportune position when the industry recovers.

- **GSSI plant** – Operations have shown signs of improvement in both production and sales. The Group has the intention to realise the full potential in FY2015 through a recovery plan.
- **Engineering Services** – Continue to streamline operations and cut costs. Maintain synergies with SCM segment and refine work scope.
- **LED Lightings** – Boosting manufacturing capacity to meet expected demand via new proposed factory in Kunshan.

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## Investor Friendly Measures



The Group advocates open and timely communications with investors through:

- Semi-annual analyst briefings
- Regular site visits to Group's headquarters at 8 Penjuru Lane
- Regular participation in media supplements and interviews with finance media

### Creating a tech culture

[BH Global sees the need to embrace e-commerce and innovative technologies](#)



**13 APR 2015**  
“MANY traditionally offline companies talk about moving towards a digital economy, but few have managed to do so successfully.”

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**Thank You!**  
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