



(Company Registration No: 200404900H)

ENTRY INTO AN AGREEMENT FOR ADDITIONAL INVESTMENT IN AN ASSOCIATE COMPANY OF THE GROUP - GL LIGHTING HOLDING PTE. LTD

1. Introduction

The Board of Directors of BH Global Corporation Limited (the “**Group**”) wishes to announce that the Group has entered into a Share Purchase and Subscription Agreement (the “**Agreement**”) with GL Lighting Holding Pte. Ltd. (“**GLH**”) and General Luminaire Co., Ltd (“**Samoa GL**”) for the purchase of 66,000 ordinary shares held by Samoa GL in GLH and subscription of 200,000 new ordinary shares in the capital of GLH (collectively the “**Acquisition Shares**”) (the “**Transaction**”).

On completion of the Transaction, the issued and paid up capital of GLH will be enlarged to US\$8,500,000 comprising 1,200,000 ordinary shares, of which 516,000 ordinary shares, representing 43% of the enlarged capital of GLH will be held by the Group while the remaining 684,000 ordinary shares will be held by Samoa GL. The Group’s equity interest in GLH will upon completion of the Transaction increase from 25% to 43%. GLH will remain as an associate company of the Group.

Information of GLH

GLH is a company incorporated in Singapore. Prior to the Transaction, Samoa GL is the legal and beneficial owner of 75% equity interests in GLH while the Group is the legal and beneficial owner of the remaining 25% equity interests in GLH.

The principal activities of GLH and its subsidiaries (the “**GLH Group**”) include manufacturing and sale of LED lighting modules and fixtures specializing in controls, electronics, power management, optics, fixture design and integration (the “**LED related businesses**”). The principal business places of the GLH Group are in the People’s Republic of China (the “**PRC**”) and Taiwan.

Consideration

The total consideration for the Transaction is US\$6,500,000 (the “**Consideration**”). Such Consideration is arrived based on financial projections and feasibility studies which factored in the market potential of LED related businesses in multiple regions across the world.

Payment of the Consideration

The Group paid the first capital tranche Consideration of US\$2,500,000 in June 2014. This will primarily be used by GLH or its subsidiary to acquire a piece of land in Kunshan city, the PRC together with the building, factories, equipment and other facilities (collectively the “**Land**”) in accordance with the Land Purchase Agreement (as defined below).

Conditions Precedent

Completion of the Transaction shall be conditional upon *inter alia* the entry into of a sale and purchase agreement (the “**Land Purchase Agreement**”) in respect of the acquisition by GLH or its subsidiaries of the Land.

Source of Funds

The Transaction will be funded through the Group’s internal financial resources and bank borrowings.

Rationale for the Transaction

The Transaction is consistent with the Group’s intention to expand its LED related businesses globally. The worldwide LED market is expected to see strong growth in the coming years as more companies switch to LED lighting products due to cost savings from its higher energy efficiency and growing environmental consciousness. To meet the expected strong demand, GLH will be acquiring the Land in Kunshan city to increase its factory and manufacturing capacity to support the growing demand for its products.

2. Financial Effects

The financial effects of the transaction are as set out below.

Net Tangible Asset (“NTA”) per share

For illustration purposes, assuming that the Transaction had taken place on 31 December 2013, being the end of the most recently completed financial year (for which financial results are available) and based on the audited consolidated financial statements of the Group at 31 December 2013, the Transaction would have had the following effect on the Group’s NTA as presented in the table below:

	Before the Transaction	After the Transaction
NTA (S\$’000)	81,064	81,225
Number of shares (’000)	480,000	480,000
NTA per share (cents)	16.89	16.92

Earnings per share (“EPS”)

For illustration purposes, assuming that the Transaction had taken completed on 1 January 2013, being the beginning of the most recently completed financial year (for which financial results are available) of the Group for financial year ended 31 December 2013, the Transaction would have had the following effect on the Group’s EPS as presented in the table below:

	Before the Transaction	After the Transaction
Net profit after tax and non-controlling interest (S\$’000)	2,397	2,558
Weighted average number of Shares (’000)	480,000	480,000
EPS (cents)	0.50	0.53

3. Interests of Directors and Controlling Shareholders

None of the directors or substantial shareholders of the Group has any interest, whether direct or indirect, in the Transaction other than through their shareholdings in the Group.

4. Compliance with the SGX-ST Listing Manual

Rule 1006 of the Listing Manual: The relative figures computed on the bases set out in the Rule 1006 of the Listing Manual are as follows:

Rule 1006(a) – The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
Rule 1006(b) – The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	6.7% ⁽¹⁾
Rule 1006(c) – The aggregate value of the consideration received, compared with the Group's market capitalization based on the total number of issued shares excluding treasury shares.	11.8% ⁽²⁾
Rule 1006(d) – The number of equity securities issued by the Group as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

Notes:

- (1) Based on the net profits attributable to the Acquisition Shares as at 31 December 2013 of S\$161,000 compared with the Group's net profits as at 31 December 2013 of S\$2,397,000.
- (2) Based on the closing market capitalisation of the Group as at 30 May 2014, being the last full market day immediately preceding the date of the agreement.

As both the relative figures under Rules 1006(b) and (c) of the Listing Manual exceed 5%, the Transaction constitutes a discloseable transaction as defined under Chapter 10 of the Listing Manual.

5. Service Contracts

No person was or will be appointed to the Board of Directors in connection with the Transaction and no service contracts in relation thereto will be entered into by the Company.

6. Documents available for Inspection

A copy of the Agreement will be available for inspection during normal business hours at the Group's registered office for three months from the date of this announcement.

By Order of the Board

Vincent Lim Hui Eng
Chief Executive Officer
Date: 12 Jun 2014