

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

BH Global Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the Watch-List pursuant to Rule 1311 of the SGX-ST Listing Manual on 5 June 2017 and 5 December 2017 as the Company recorded:

- (i) Pre-tax losses for the three most recently completed consecutive financial years (based on audited full year consolidated accounts and average daily market capitalization of less than \$40 million over the last 6 months (“**Financial Entry Criteria**”); and
- (ii) A volume weighted average price of less than \$0.20 and an average daily market capitalization of less than \$40 million over the last 6 months (“**MTP Entry Criteria**”).

Pursuant to Rule 1313(2) of the SGX-ST Listing Manual, The Board of Directors (the “**Board**”) of the Company wishes to provide the following update for the first quarter ended 31 March 2018 :

Update on Financial Situation

The Group has released its financial statement for the quarter ended 31 March 2018 (“1Q2018”) on 14 May 2018. Shareholders should refer to the announcement for full details.

Revenue for 1Q2018 decreased by 36% to \$7.3 million compared with 1Q2017 due to marine cables and accessories decreased by 17% to \$3.8 million, marine lighting equipment and accessories decreased by 2% to \$2.1 million and accessories and Lamp and others decreased by 29% to \$0.9 million compared with 1Q2017, while the Security division registered a revenue of \$341k in 1Q2018 as compared to \$805k in 1Q2017 and Engineering services registered a revenue of \$63k in 1Q2018 as compared to \$2.5 million in 1Q2017. The Group recorded a net loss of \$2.36 million in 1Q2018 as compared to a net profit of \$0.26 million in 1Q2017 due mainly to lower revenue, higher provision for doubtful debts and stock obsolescence.

At 31 March 2018, the Group had cash and cash equivalents of \$1.27 million (31 March 2017: \$5.0 million) and net current assets of the Group amounted to \$6.49 million (31 December 2017: \$10.13 million).

Update on Future Direction

The Group's core business, the Supply Chain Management division, saw a decrease in revenue for 1Q2018. The Group aims to focus on enhancing its business functions and maintaining a lean operating structure which will help stabilize and subsequently bolster performance in the long run.

The Security division was formed in 2Q2016 and focuses on cybersecurity, enterprise IT operation management and sensing security products for both public and private sectors in Singapore and the region. This division has shown considerable growth and potential with orders from both government agencies and private companies. The Group aims to further its exposure in regional markets.

The Group's associated company, GLH, continues to face supplier-related issues which affected production and resulted in lower sales to major customers. The construction of the new factory is poised to be completed by 2Q2018. The Group will focus on ramping up production and sales once the factory is operational.

The Group's galvanized steel wire factory in Oman showed no improvement and the Group has made the necessary provisions in its FY2017 financial statements. In 1Q2018, the Group has entered into a non-binding Letter of intent ("LOI") to dispose its 51% equity interest in GSSI subject to fulfillment of certain terms and conditions outlined in the LOI. The proposed disposal is expected to be completed within 12 months from the end of previous financial year end.

On its Engineering Services division, the liquidation of OGS remains ongoing. On PTE, the Group has disposed the Batam Land in 2Q2018 (refer to the Group's announcements on 4 May 2018 and 9 May 2018).

BY ORDER OF THE BOARD

Vincent Lim Hui Eng
Executive Chairman and Chief Executive Officer
15 May 2018