

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

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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 half year ended 30 June 2020:

**Update on Financial Situation**

The Group has released its financial statement for the half year ended 30 June 2020 (“1H2020”) on 14 August 2020. Shareholders should refer to the announcement for full details.

Revenue for 1H2020 increased by 58% to \$33.34 million compared with 1H2019 due to Security division increased by 607% to \$15.56 million, while the Integration Engineering division registered a revenue of \$2.08 million in 1H2020 as compared to \$1.13 million in 1H2019, and Electrical and Technical Supply division registered a revenue of \$15.69 million in 1H2020 as compared to \$17.77 million in 1H2019. The Group registered a net profit of \$6.45 million in 1H2020 as compared to \$0.51 million in 1H2019, mainly due to higher revenue, partially offset by increases in personnel related costs, rental expenses and impairment of intangible assets.

At 30 June 2020, the Group had cash and cash equivalents as per statement of cash flows of \$13.66 million (30 June 2019: \$5.63 million) and net current assets of the Group amounted to \$29.31 million (31 December 2019: \$23.02 million).

## **Update on Future Direction**

As economies around the world continue to grapple with unprecedented challenges and uncertainties brought about by the Covid-19 pandemic and deepening geopolitical tensions, BH Global remains steadfast to its diversification and growth strategies which has allowed the Group to realise positive outcomes during this difficult time.

Despite decline in year-on-year revenue by the Group's core Electrical and Technical Supply Division, BH Global saw its overall Group revenue increase by 58% year-on-year for 1H2020, mainly attributable to increase in sales by the Group's Security Segment. The Group posted a 1,173% increase in operating profits from \$0.5 million in 1H2019 to S\$6.5 million for 1H2020.

The Group's Electrical and Technical Supply Division saw a 12% decline in revenue year-on-year from \$17.8 million in 1H2019 to \$15.7 million in 1H2020. This was attributable to a drop in the level of activities of customers brought about by restricted, or complete shut-down of, operations by major shipyards in Singapore and in the region due to the Covid-19 pandemic. Similarly, the Group's Integration Engineering Division was impacted by restricted or shutdown of operations by local and regional shipyards, as well as Covid-19 driven border control restrictions which diminished the Division's ability to service its overseas projects. Despite these challenges, the Integration Engineering Division saw a 84% growth in revenue year-on-year to register \$2.1 million in revenue for 1H2020 versus \$1.1 million in 1H2019 as the Division's Glass Reinforced Epoxy ("GRE") pipes business was still in its nascent stage in the first half of FY2019.

The Group's Security Segment which comprises the Infrared and Thermal Sensing Technology and Cyber Security Divisions, was uplifted by the boost in demand for its Mass Fever Screening Systems ("MFSS") globally due to the widespread Covid-19 outbreak. Revenue for the Security Segment increased by 607% year-on-year from \$2.2 million in 1H2019 to S\$15.6 million in 1H2020.

The Group has achieved strong results for the first half of FY2020 but must remain vigilant on the rapidly evolving global conditions. The possibility of a long-drawn restriction of activities in local and regional shipyards due to measures to manage Covid-19 risks cannot be discounted and this may continue to weigh heavily on the Group's operations and performance. While market demand for technological solutions with applications towards managing Covid-19 related risks remains strong, the Group is also cognizant of the fact that the strong performance during the peak of Covid-19 in 1H2020 may not necessarily continue linearly in the second half of the year and beyond. In addition, geo-political tensions in Asia and the worsening US-China trade relations may also dampen the Group's performance going forward.

Notwithstanding the above, the Group remains positive and committed to its diversification and growth strategies. The Group is looking forward to the launch of Singapore's first hybrid electric propulsion fast launch in Q32020 following the signing of a Memorandum of Understanding with strategic partners on 11 February 2020. As a strong advocate for environmentally friendly and commercially viable solutions for the maritime industry, the Group will continue to develop and launch various initiatives to further strengthen its lead in this area.

## **BY ORDER OF THE BOARD**

Vincent Lim Hui Eng  
Executive Chairman and Chief Executive Officer  
14 August 2020