

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.

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 quarterly updates:

Update on Financial Situation

The Group has released its financial statement for the quarter ended 30 September 2017 (“3Q2017”) on 7 November 2017. Shareholders should refer to the announcement for full details.

Revenue for 3Q2017 decreased by 61% to \$6.3 million compared with 3Q2016 due to slowdown in activities in the marine and offshore sectors as a result of weak shipping markets and low oil prices, while the Security division registered a revenue of \$323k in 3Q2017 as compared to \$557k in 3Q2016 and Engineering services registered a revenue of \$455k in 3Q2017 as compared to \$449 in 3Q2016. The Group recorded a net loss of \$2.4 million in 3Q2017 as compared to \$1.1 million in 3Q2016 due mainly to lower revenue.

Revenue for 9M2017 decreased by 36% to \$26.7 million compared with 9M2016 due to slowdown in activities in the marine and offshore sectors as a result of weak shipping markets and low oil prices, while the Security registered a revenue of \$2.1 million in 9M2017 as compared to \$714k in 9M2016 and Engineering services registered a revenue of \$3.9 million in 9M2017 as compared to \$973k in 9M2016. The Group recorded a net loss of \$2.1 million in 9M2017 as compared to \$1.1 million in 9M2016 due mainly to lower revenue.

At 30 September 2017, the Group had cash and cash equivalents of \$3.3 million (30 September 2016: \$5.5 million) and net current assets of the Group amounted to \$20.8 million (31 December 2016: \$19.3 million).

Update on Future Direction

The Group’s main revenue contributor, the Supply Chain Management division, continues to be adversely affected by challenging market conditions in the offshore and marine industries. Although oil prices and the shipping markets have seen some recovery in recent months, it remains volatile and its positive effects have yet to be reflected in the broader support and services sector. The Group’s cost-cutting measures have been successful in reducing its operating expenses and it will continue these measures while exploring other viable opportunities in the industrial and petrochemical sectors.

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 continues to mark new milestones with orders from both government agencies and private companies supporting its growth. The Group remains optimistic about the prospects of this division.

The operations of GLH, the Group's associated company, were severely affected by supplier-related issues resulting in lower sales to major customers in FY2016. However, GLH has since sourced alternative suppliers and the construction of the new factory, which will enhance production capacity, is expected to be completed by 1Q2018.

Tough market conditions persist for the Group's galvanized steel wire factory in Oman. The factory plans to cease production in November 2017 and the Group will continue to work closely with its Omani joint venture partner to explore all possible options with regards to the viability of this business.

On its Engineering Services division (reported under Discontinued Operations), the Group has previously announced to the Singapore Exchange ("SGX") on 4 September 2015 that its subsidiary, Oil & Gas Solutions Pte. Ltd. ("OGS"), has initiated creditors' voluntary liquidation proceedings. The liquidation of OGS remains ongoing. On PTE, the Group continues to search for potential buyers to dispose of the land.

BY ORDER OF THE BOARD

Vincent Lim Hui Eng
Executive Chairman and Chief Executive Officer
7 November 2017