
MATERIAL DIFFERENCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors of BH Global Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s full year results announcement for the financial year ended 31 December 2018 (“FY2018”) made on 1 March 2019 (the “Unaudited Full Year Results”). Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to announce that there were differences between the Audited Financial Statements and the Unaudited Full Year Results in respect of FY2018 following the finalisation of the audit. The details are as below:

STATEMENT OF FINANCIAL POSITION

<u>Company</u>	Unaudited \$'000	Audited \$'000	Variance \$'000	Refer to Note
Non-current assets				
Investment in associated companies	3,085	2,485	(600)	(1)
Equity				
Accumulated losses	(50,149)	(50,749)	600	(1)

CONSOLIDATED INCOME STATEMENT

<u>Group</u>	Unaudited \$'000	Audited \$'000	Variance \$'000	Refer to Note
Selling and distribution expenses	(10,862)	(9,561)	1,301	(2)
Net impairment losses on financial assets	-	(1,301)	(1,301)	(2)

STATEMENT OF FINANCIAL POSITION

<u>Group</u>	Unaudited \$'000	Audited \$'000	Variance \$'000	Refer to Note
Current assets				
Contract assets	-	1,019	1,019	(3)
Trade receivables	10,941	9,922	(1,019)	(3)
Non-current liabilities				
Convertible loan notes	715	-	(715)	(4)
Shareholder's loan	11,500	-	(11,500)	(5)
Current liabilities				
Contract liabilities	-	322	322	(6)
Convertible loan notes	-	715	715	(4)
Other payables	6,457	17,635	11,178	(5), (6)

CONSOLIDATED STATEMENT OF CASH FLOWS

<u>Group</u>	Unaudited \$'000	Audited \$'000	Variance \$'000	Refer to Note
Net cash from/ (used in) operating activities	4,947	(1,084)	(6,031)	(7)
Net cash used in investing activities	(19,378)	(17,216)	2,162	(7)
Net cash from financing activities	11,649	18,068	6,419	(7)

Explanatory notes:

- (1) The decrease in investment in associated companies and increase in accumulated losses was due to provision on impairment in associated companies recognised in the Company's financial statements to align the recoverable amount of the investments with that recognised at the Group level. There is no impact to the Group's statement of financial position or consolidated income statement arising from the above.
- (2) The reclassification of net impairment losses on financial assets from selling and distribution expense was to align with the presentation requirements of SFRS(I) 1-1.
- (3) The reclassification of contract assets from trade receivables was to align with the presentation requirements of SFRS(I) 15.
- (4) The reclassification of convertible loan notes from non-current liabilities to current liabilities was due to the maturity date of the convertible loan notes being within 12 months from 31 December 2018.
- (5) The reclassification of shareholder's loan from non-current liabilities to current liabilities was due to repayment date of the shareholder's loan being within 12 months from 31 December 2018.

- (6) The reclassification of contract liabilities from other payables was to align with the presentation requirements of SFRS(I) 15.
- (7) Reclassifications of the following items were made in the consolidated statement of cash flows for FY2018:
- Reclassification of share application money received of \$3,800,000 from cash flows from operating activities to cash flows from financing activities;
 - Reclassification of repayment of purchase deposit from a supplier of \$1,501,000 from cash flows from operating activities to cash flows from investing activities;
 - Reclassification of reversal of provisions of \$661,000 from cash flows from investing activities to cash flows from operating activities;
 - Reclassification of restricted cash of \$2,550,000 from cash flows from investing activities to cash and cash equivalents; and
 - Reclassification of accruals of \$69,000 from cash flows from financing activities to cash flows from operating activities.

The Company's Annual Report for FY2018, which will contain the Independent Auditor's Report and the Company's consolidated financial statements, will be despatched to shareholders and the SGX-ST in due course.

BY ORDER OF THE BOARD

Vincent Lim Hui Eng
Executive Chairman and Chief Executive Officer
2 April 2019