BH GLOBAL
CORPORATION LTD
(Company Registration No: 200404900H)

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 second quarter ended 30 June 2018 :

Update on Financial Situation

The Group has released its financial statement for the quarter ended 30 June 2018 ("2Q2018") on 7 August 2018. Shareholders should refer to the announcement for full details.

Revenue for 2Q2018 increased by 4% to $9.23 million compared with 2Q2017 due to marine cables and accessories increased by 38% to $4.34 million, marine lighting equipment and accessories increased by 28% to $2.98 million and accessories and Lamp and others decreased by 29% to $0.97 million compared with 2Q2017, while the Security division registered a revenue of $0.86 million in 2Q2018 as compared to $1.05 million in 2Q2017 and Engineering services registered a revenue of $0.09 million in 2Q2018 as compared to $0.96 million in 2Q2017. The Group recorded a net loss of $1.31 million in 2Q2018 as compared to a net profit of $0.02 million in 2Q2017 due mainly to higher provision for doubtful debts, stock obsolescence and provision for liabilities.

Revenue for 1H2018 decreased by 18% to $16.57 million compared with 1H2017 due mainly to termination of an engineering contract by a customer in 4Q2017 and there is no other significant contract in 1H2018, while the Security division registered a revenue of $1.20 million in 1H2018 as compared to $1.85 million in 1H2017 and Engineering services registered a revenue of $0.16 million in 1H2018 as compared to $3.49 million in 1H2017. The Group recorded a net loss of $3.67 million in 1H2018 as compared to a net gain of $0.28 million in 1H2017 due mainly to higher provision for liabilities, doubtful debts and stock obsolescence offset by a gain on disposal of a subsidiary.

At 30 June 2018, the Group had cash and cash equivalents as per statement of cash flows of $6.71 million (30 June 2017: $5.93 million) and net current assets of the Group amounted to $10.88 million (31 December 2017: $10.13 million).

Update on Future Direction

The Group's core business, the Supply Chain Management division, saw an increase in revenue for 2Q2018 as the Group continued to focus on enhancing its business functions and maintaining a lean operating structure to help stabilize and subsequently bolster performance in the long run. The Group also continues to explore viable opportunities in the industrial, petro-chemical and related 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 remains a valuable prospect for the Group, with orders from both government agencies and private companies. The Group aims to build on the partnerships forged and further its exposure in regional markets.

The Group's associated company, GLH, continues to face headwinds in the form of supplier-related issues, affecting production and resulting in lower sales to major customers. The Group will focus on ramping up production and sales once the factory is operational by 4Q2018.

In 1Q2018, the Group has entered into a non-binding Letter of Intent ("LOI") to dispose its 51% equity interest in GSSI, its galvanized steel wire factory in Oman, subject to fulfillment of certain terms and conditions outlined in the LOI. However, subsequently in 2Q2018, with its shareholders' approval, GSSI has entered into an assets sale agreement to dispose its operating assets to the same buyer instead, after further discussion between GSSI's shareholders and the buyer. The proposed disposal is expected to be completed within 2 months from the end of 2Q2018. The Group and its joint venture partner also intend to wind-up GSSI after the disposal. The Group will announce the progress of the disposal and winding-up accordingly at a later date.

On its Engineering Services division, the liquidation of OGS remains ongoing. On PTE, the Group has disposed the Batam Land in 2Q2018 as announced on SGXNet on 4 May 2018 and 9 May 2018.

BY ORDER OF THE BOARD

Vincent Lim Hui Eng
Executive Chairman and Chief Executive Officer
7 August 2018