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 third quarter ended 30 September 2018:

Update on Financial Situation

The Group has released its financial statement for the quarter ended 30 September 2018 ("3Q2018") on 1 November 2018. Shareholders should refer to the announcement for full details.

Revenue for 3Q2018 increased by 85% to $11.81 million compared with 3Q2017 due to marine cables and accessories increased by 120% to $6.41 million, marine lighting equipment and accessories increased by 44% to $2.59 million and Lamp and others increased by 25% to $1.13 million compared with 3Q2017, while the Security division registered a revenue of $1.53 million in 3Q2018 as compared to $0.32 million in 3Q2017 and Engineering services registered a revenue of $0.16 million in 3Q2018 as compared to $0.46 million in 3Q2017. The Group recorded a net profit of $0.27 million in 3Q2018 as compared to a net loss of $2.45 million in 3Q2017 due mainly to higher revenue, lower foreign exchange loss, write back for doubtful debts, partially offset by increase in interest on borrowings.

Revenue for 9M2018 increased by 6% to $28.38 million compared with 9M2017 due mainly to increased business activities from customers and sales to new customers, while the Security division registered a revenue of $2.73 million in 9M2018 as compared to $2.18 million in 9M2017 and Engineering services registered a revenue of $0.31 million in 9M2018 as compared to $3.95 million in 9M2017. The Group recorded a net loss of $3.40 million in 9M2018 as compared to a net loss of $2.16 million in 9M2017 due mainly to higher provision for liabilities, doubtful debts and stock obsolescence offset by a gain on disposal of a subsidiary.

At 30 September 2018, the Group had cash and cash equivalents as per statement of cash flows of $2.66 million (30 September 2017: $3.35 million) and net current assets of the Group amounted to $19.53 million (31 December 2017: $10.13 million).

Update on Future Direction

The Group’s core business, the Supply Chain Management division, increased it’s revenue for 3Q2018 as continued focus on enhancing business functions helped stabilise core revenue for the division. A steady recovery in oil prices also revived some upstream activities, which resulted in the Group winning a new project from an existing customer that is expected to extend into FY2019. The Group also continues to explore viable opportunities in the industrial, petro-chemical and related sectors.

The Security division continues to show potential, steadily growing with orders from both government agencies and private companies in Singapore. With a research and development facility set up in Taipei, the Group hopes to push out proprietary technologies alongside establishing more distributorships. Leveraging on recent partnerships, the Group aims to broaden the reach of its cybersecurity, enterprise IT operation management and sensing security products to regional markets.

The Group’s associated company’s, GLH, new factory in Kunshan is completed and pending approvals. The Group expects to move into its new facility in 4Q2018 and will focus on securing major customers which it could not serve due to restrictions of the current facility. Production is expected to commencein 1Q2019.

In 1Q2018, the Group entered into a non-binding Letter of Intent (“LOI”) to dispose its 51% equity interest in GSSI. The disposal of operating assets was completed in 3Q2018, for a total consideration of OMR1.90 million (approximately S$6.71 million). The Group and its joint venture partner intend to wind-up GSSI and the Group will update on the progress accordingly.

On its Engineering Services division, the Group disposed the Batam Land in 2Q2018 with net proceeds of S$2.90 million while the liquidation of OGS remains ongoing. The termination of an engineering contract has resulted in a gap in revenue, however, the Group will continue to seek more distributorships as well as viable opportunities for electrical installation packages, especially in Japan.

On 28 September 2018, the Group announced the proposal to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") on the basis of three (3) Rights Shares for every two (2) existing ordinary shares in the issued and paid up capital of the Company ("**Shares**") held by Entitled Shareholders. The Group is processing the necessary and will update on the progress accordingly.

BY ORDER OF THE BOARD

Vincent Lim Hui Eng
Executive Chairman and Chief Executive Officer
1 November 2018