

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 June 2017 (“2Q2017”) on 26 July 2017. Shareholders should refer to the announcement for full details.

Revenue for 2Q2017 decreased by 36% to \$7.8 million compared with 2Q2016 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 \$1.0 million in 2Q2017 as compared to \$157k in 2Q2016. The Group recorded a net profit of \$23k in 2Q2017 as compared to \$1.1 million in 2Q2016 due mainly to lower revenue and reversal of provision for impairment for a project in discontinued operation in 2Q2016.

Revenue for 1H2017 decreased by 33% to \$16.8 million compared with 1H2016 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 \$1.9 million in 1H2017 as compared to \$157k in 1H2016. The Group recorded a net profit of \$282k in 1H2017 as compared to a net loss of \$39k in 1H2016 due mainly to provision for losses in 1H2016 arises principally from the Group’s provision for losses in a joint venture.

At 30 June 2017, the Group had cash and cash equivalents of \$5.8 million (30 June 2016: \$2.6 million) and net current assets of the Group amounted to \$22.1 million (31 December 2016: \$19.3 million).

Update on Future Direction

Our Supply Chain Management division is still facing difficult market conditions due to the continuing slowdown in the marine and offshore industries as a result of low oil prices. There were fewer new build projects as reflected by the significant decrease in our revenue from marine cables and accessories. This has severely affected the profitability of this division. The Group has implemented certain cost cutting measures. At the same time, the Group is exploring industrial and petro-chemical sectors.

The Security division was formed in 2Q2016 and focuses on cyber security, enterprise IT operation management and sensing security products for both public and private sectors in Singapore and the region. This division has since gained traction securing orders from both government agencies and private sectors. The Group remains enthusiastic on the prospect of this division.

The operations of GLH, the Group’s associated company, has been adversely affected due to supplier-related issues resulting in lower sales to major customers in FY2016. However, GLH

has since sourced for alternative suppliers. In addition, the construction of the new factory is expected to complete by end 2017 which will enhance production capacity.

The performance of the Group's galvanized steel wire factory in Oman continues to be very challenging as production and sales volumes are still below breakeven levels. Besides lower sales, the business is further affected by lower selling prices as a result of lower commodity prices and high fixed costs. The Group continues to work closely with its Omani joint venture partner to improve operational performance and 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 its discontinued operations under PTE, the Group continues to search for potential buyers to dispose the land.

BY ORDER OF THE BOARD

Vincent Lim Hui Eng
Executive Chairman and Chief Executive Officer
26 July 2017