

**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 quarter ended 30 September 2019:

**Update on Financial Situation**

The Group has released its financial statement for the quarter ended 30 September 2019 (“3Q2019”) on 14 November 2019. Shareholders should refer to the announcement for full details.

Revenue for 3Q2019 increased by 8% to \$12.80 million compared with 3Q2018 due to marine cables and accessories increased by 15% to \$7.35 million, marine lighting equipment and accessories increased by 8% to \$2.80 million and Lamp and others decreased by 19% to \$0.91 million compared with 3Q2018, while the Security division registered a revenue of \$0.66 million in 3Q2019 as compared to \$1.53 million in 3Q2018 and Engineering services registered a revenue of \$1.08 million in 3Q2019 as compared to \$0.16 million in 3Q2018. The Group’s net profit for the period remain largely unchanged.

Revenue for 9M2019 increased by 19% to \$33.90 million compared with 9M2018 due to marine cables and accessories increased by 27% to \$18.41 million, marine lighting equipment and accessories decreased by 6% to \$7.23 million and Lamp and others remained unchanged compared with 9M2018, while the Security division registered a revenue of \$2.86 million in 9M2019 as compared to \$2.73 million in 9M2018 and Engineering services registered a revenue of \$2.21 million in 9M2019 as compared to \$0.31 million in 9M2018. The Group recorded a net profit of \$0.73 million in 9M2019 as compared to a net loss of \$3.40 million in 9M2018 mainly due to higher revenue, lower provision for doubtful debts and impairment expenses and amortization of intangible assets, partially offset by higher provisions for stock obsolescence.

At 30 September 2019, the Group had cash and cash equivalents as per statement of cash flows of \$8.17 million (30 September 2018: \$2.66 million) and net current assets of the Group amounted to \$23.01 million (31 December 2018: \$8.43 million).

## **Update on Future Direction**

In the midst of persisting macro-economic challenges such as the US-China trade war, continuing volatility in oil prices and the slowing global economy which has impacted shipping and maritime activities, BH Global managed to achieve a third consecutive quarter of profitability, registering a 19% year-on-year revenue increase for the 9 months ended 30 September 2019.

The Supply Chain Management Division, the Group's core business, saw a 14% increase in revenue to \$28.8 million in 9M2019 from \$25.3 million in 9M2018, driven primarily by increased orders for marine cables and accessories. The Group maintains cautious optimism on the continuing increase in demand for the Supply Chain Management Division's offerings as marine operators look towards installing Exhaust Gas Cleaning Systems ("EGCS") for vessels in order to comply with International Maritime Organization regulation which caps sulphur emissions from marine fuels to less than 0.5% from 2020 onwards ("IMO 2020").

The Group's Engineering Services Division continues to make steady progress in the third quarter of the year with its Glass Reinforced Epoxy ("GRE") pipes supply and installation projects, registering a 586% increase in year-on-year revenue from \$0.2 million in 3Q2018 to \$1.1 million in 4Q2019. As with the Group's Supply Chain Management Division, IMO 2020 has also fuelled demand for the Engineering Services Division's turn-key solutions in the GRE pipe material supply, pre-fabrications, engineering designs, installations and commissioning. The Group announced in July 2019 that it had secured 11 projects worth S\$3.8 million to provide end-to-end services of GRE pipes in Singapore, Japanese and Chinese shipyards. While the Group's Engineering Services Division continue to deliver on these secured contracts, it continues to see strong interest in its GRE pipes offerings and is projecting continuing growth in orders going into the fourth quarter of the year.

The Group is also continuing its growth of its Security Division which comprises cybersecurity and surveillance security capabilities. On the cybersecurity front, the Group is continuing efforts to secure strong partnerships in bringing innovative and market-relevant solutions to address gaps currently faced by the industry. The Group is also working on new partnership structures with major IT and OT solutions provider to integrate the Group's cybersecurity solutions into those major platforms, which will allow the Group to bring its innovative and high performing cybersecurity solutions to the masses. On the surveillance security front, the Group is stepping up on its R&D activities through its R&D facilities in both Singapore and Taipei to expedite the launch of a series of advanced sensing system products. The Group expects that the range of advanced sensing system products will penetrate both the regional and international markets when launched in FY2020.

The Group is continuing to build on its strength in the LED lighting systems business through its associated company, GL Lighting Holding Pte Ltd ("GLH"). With the opening of its new Kunshan plant in June 2019, GLH has engaged with several major international lighting companies who has started utilising the Group's R&D and product design services, and these are expected to translate into Original Equipment Manufacturing (OEM) and Original Design Manufacturing (ODM) contracts subsequently. The outlook for green and energy efficient lighting solutions remain robust with significant growth opportunities in the horizon.

## **BY ORDER OF THE BOARD**

Vincent Lim Hui Eng  
Executive Chairman and Chief Executive Officer  
14 November 2019