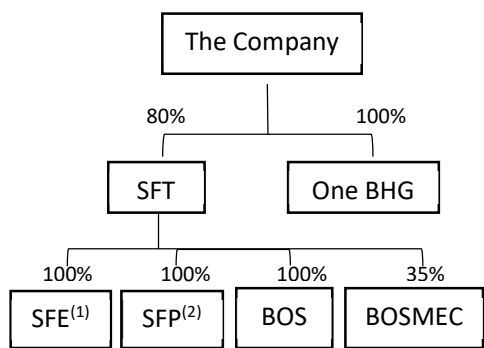


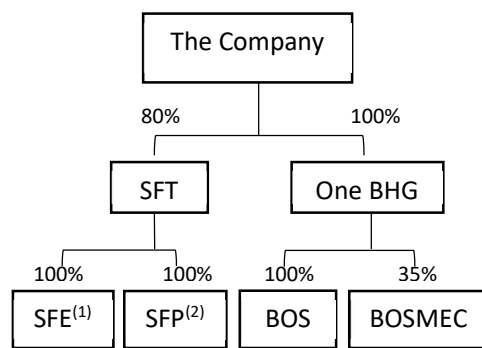
**PROPOSED INTERNAL RESTRUCTURING EXERCISE**

**1. INTRODUCTION**

- 1.1. The Board of Directors (“**Board**”) of BH Global Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Group intends to undertake an internal restructuring exercise (the “**Proposed Restructuring**”).
- 1.2. As at the date of this announcement, the Company holds 80.0% of the shareholding in Sea Forrest Technologies Pte Ltd (“**SFT**”), which in turn holds 100.0% of the shareholding in BOS Offshore & Marine Engineering Pte Ltd (“**BOS**”) and 35.0% of the shareholding in BOS Marine Offshore Engineering Corporation (“**BOSMEC**”). The Company accordingly holds an effective interest of 80% in BOS and an effective interest of 28% in BOSMEC. BOS and BOSMEC are recognized as a subsidiary and as an associate respectively in the Group’s financial statements for the financial year ended 31 December 2021.
- 1.3. The 20% equity interest in SFT and 65% equity interest in BOSMEC not held by the Group is held by unrelated third parties.
- 1.4. Pursuant to the Proposed Restructuring, SFT will transfer its entire shareholding interests in BOS (“**BOS Shares**”) and BOSMEC (“**BOSMEC Shares**”) to One BHG Pte Ltd (“**One BHG**”), a wholly-owned direct subsidiary of the Company.
- 1.5. The effect of the Proposed Restructuring is to increase is the Group’s effective interest in BOS from 80% to 100%, and in BOSMEC from 28% to 35%. While the Proposed Restructuring involves a transfer of the equity interest in BOS and BOSMEC from one subsidiary of the Group (SFT) to another subsidiary (One BHG) and may not necessarily constitute a “transaction” under Chapter 10 of the Listing Rules of the SGX-ST, the Company is making this disclosure in the interest of transparency and has proceeded on the basis that the Proposed Restructuring amounts to a discloseable transaction under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
- 1.6. An illustration of the Group’s organization structure pre- and post-Proposed Restructuring, simplified to include only the involved entities, is as follows:-



**Figure 1. Prior to the Proposed Restructuring**



**Figure 2. After the Proposed Restructuring**

**Notes:-**

- (1) Sea Forrest Engineering Pte Ltd
- (2) Sea Forrest Power Solutions Pte Ltd

## **2. BACKGROUND TO THE PROPOSED RESTRUCTURING**

### **2.1. Information on SFT**

SFT, formerly known as BOS Engineering International Pte Ltd, is an investment holding company. SFT is the sole shareholder of SFP, which was incorporated as a private limited company in Singapore on 2 October 2020 with a view to eventually taking over the business of electrification of marine vessels from BOS once it can be commercialized.

### **2.2. Information on One BHG**

One BHG was established to carry on the business of manufacturing and repairing of other special purpose machinery, and engineering design and consultancy services in energy management and clean energy systems. One BHG is currently dormant.

### **2.3. Information on BOS**

BOS principally carries on integration engineering business and provides marine and offshore related services and products. BOS is a material stockist of glass reinforced epoxy (“GRE”) pipes for the region, and specialises in turnkey solutions for GRE pipes supplies, prefabrications, engineering designs, installations and commissioning.

### **2.4. Information on BOSMEC**

BOSMEC principally carries on the business of provision of engineering, procurement and designing services, licensing of patents and construction works to marine and offshore industry and conducts business dealings with BOS on the GRE pipes.

### **2.5. Rationale of the Proposed Restructuring**

The Proposed Restructuring would enable the Group to streamline its different business segments and more efficiently conduct its businesses.

The Group’s Integration Engineering business segment include dealings with GRE pipes and electrification of marine vessels. GRE pipes are marketable for their ability to reduce the need for fuel consumption and their durability in being immune to sea water corrosion. The marine electrification business is also a key technology in decarbonisation for maritime industries. The Proposed Restructuring will create distinct shareholdings for the businesses of GRE pipes and the electrification of marine vessels and each sub-group will be able to focus on their respective businesses more effectively.

### **2.6. Valuation**

Based on the latest announced unaudited consolidated financial statements of the Group for the half-year ended 30 June 2021, the 20% effective equity interest in BOS Shares that is the subject of the Proposed Restructuring has a net tangible liability value of approximately -S\$638,741, and the 7% effective equity interest in BOSMEC Shares that is the subject of the Proposed Restructuring has a carrying value of nil. For disclosure purposes, based on the unaudited consolidated management accounts of the SFT for the half-year ended 30 June 2021, the 20% effective equity interest in BOS Shares that is the subject of the Proposed Restructuring has a net tangible liability value of approximately -S\$638,741, and the 7% effective equity interest has a net tangible liability value of approximately -S\$62,457.

Based on the latest announced unaudited consolidated financial statements of the Group for the half-year ended 30 June 2021, the net losses attributable to the 20% effective equity interest in BOS Shares that is the subject of the Proposed Restructuring is S\$219,716. While BOSMEC has incurred net losses for the half year ended 30 June 2021, the Group no longer recognizes such losses as the carrying value of BOSMEC is nil in the Group's statement of financial position. However, for disclosure purposes, the net losses that is attributable to the 7% effective equity interest in BOSMEC Shares is S\$19,975.

No valuation was carried out in connection with the Proposed Restructuring, as the transaction comprised a transfer between companies in the Group. As this is an internal restructuring, it was decided that net tangible asset basis be used. Where it is in net tangible liability, a nominal \$1 is applied.

### 3. PRINCIPAL TERMS OF THE PROPOSED RESTRUCTURING

#### 3.1. Consideration

In view of the net liability position of BOS and BOSMEC, One BHG will be paying a nominal purchase price ("**Consideration**") of S\$1 each to SFT for the transfer to One BHG of all of the issued share capital in BOS and 35% of the issued share capital in BOSMEC. This Consideration will be satisfied wholly in cash.

### 4. FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING

The financial effects of the Proposed Restructuring on the Group set out below are purely for illustrative purposes only, and do not reflect the future financial position of the Group after completion of the Proposed Restructuring.

The financial effects have been prepared on a *pro forma* basis using the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

#### 4.1. NTA

The effects of the Proposed Restructuring on the NTA per share of the Group for the most recently completed financial year, assuming that the Proposed Restructuring had been effected at the end of that financial year, being 31 December 2020, are as follows:

|  | Before the Proposed Restructuring | After the Proposed Restructuring |
|--|-----------------------------------|----------------------------------|
| NTA of the Group attributable to shareholders of the Company (S\$'000) | 49,580                            | 49,471                           |
| Number of issued shares  | 299,999,987                       | 299,999,987                      |
| NTA per share (Singapore cents)  | 16.5                              | 16.5                             |

#### 4.2. Earnings per Share

The effects of the Proposed Restructuring on the EPS of the Group for the most recently completed financial year, assuming that the Proposed Restructuring had been completed at the beginning of that financial year, being 1 January 2020, are as follows:

|  | Before the Proposed Restructuring | After the Proposed Restructuring |
|--|-----------------------------------|----------------------------------|
| Profit / (Loss) attributable to shareholders (S\$'000) | 3,245                             | 3,162                            |
| Number of issued shares                                | 299,999,987                       | 299,999,987                      |
| EPS (Singapore cents)                                  | 1.08                              | 1.05                             |

#### 5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest announced unaudited consolidated financial statements of the Group for the half-year ended 30 June 2021, the relative figures of the Proposed Restructuring as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

|  | Relative Figures (%)  |
|--|---|
| <b>Rule 1006 (a)</b><br>The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 June 2021. This basis is not applicable to an acquisition of assets.   | Not applicable, as the Group will be increasing its effective interest in both BOS and BOSMEC |
| <b>Rule 1006 (b)</b><br>The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits as at 30 June 2021. <sup>(1)</sup>   | 6.0%  |
| <b>Rule 1006 (c)</b><br>Aggregate value of consideration given or received, compared with the market capitalisation of the Company based on the total number of issued shares excluding treasury shares. <sup>(2)</sup>  | 0%  |
| <b>Rule 1006 (d)</b><br>The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.  | Not applicable  |
| <b>Rule 1006 (e)</b><br>The aggregate volume of amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is only applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. | Not applicable  |

**Notes:**

- (1) The net profits of the Group and the net losses attributable to the assets (being the 20% effective interest in BOS and 7% effective interest in BOSMEC acquired of as at 30 June 2021 were approximately S\$3,648,000 and S\$220,000 respectively.
- (2) The market capitalisation of the Company of S\$69,119,997 is determined by multiplying 299,999,987 ordinary shares in issue by the volume weighted average price of the shares of approximately S\$0.2304 per share on 4 February 2022, being the last traded full market day immediately preceding the transaction on 16 February 2022.

## **6. OTHER MATTERS IN RELATION TO THE PROPOSED RESTRUCTURING**

### **6.1. Interests of Directors and Substantial Shareholders**

Other than through their respective shareholdings in the Company, none of the Directors and/or substantial shareholders of the Company has any interest (direct or indirect) in the Proposed Restructuring.

### **6.2. Service Contracts with Directors**

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Restructuring. Accordingly, no service contract is proposed to be entered into in connection with the Proposed Restructuring.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the share transfer form is available for inspection during normal business hours at the Company's registered office at 8 Penjuru Lane, Singapore 609189, for a period of three (3) months from the date of this announcement.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Restructuring, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in its proper form and context.

## **9. TRADING CAUTION**

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

## **BY ORDER OF THE BOARD**

Vincent Lim Hui Eng  
Executive Chairman and Chief Executive Officer

16 February 2022