



BH GLOBAL MARINE LIMITED

明輝環球海事有限公司

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IMMEDIATE RELEASE

BH Global Marine FY2007 net profit surges 56% to S\$17.5 million

- Revenue jumped 39% to S\$81.9 million
- CAGR of more than 60% from FY2005 to FY2007
- Rewards shareholders with record dividend payout.

Singapore, 24 January 2008 – BH Global Marine Limited (“BH Global”, “明輝環球海事” or the “Group”), a supply chain management company specialising in premium lightings, cables and electrical equipment for the marine and oil & gas industries, has announced record revenue and net profit on the back of strong demand for its products and services regionally. Revenue jumped 39% to S\$81.9 million while net profit surged higher by 56% to S\$17.5 million.

“ We are pleased to report this sterling set of results for our shareholders. Since listing, the Group has worked hard to improve its business efficiency and operating margins. The fruits of our strategies and efforts can be seen from the FY2007 results. Today, BH Global has established itself firmly amongst the leaders in the supply chain management of marine equipment and consumables in The Asia Pacific region.”

“ The current business environment has created attractive M&A opportunities and we would definitely explore synergistic acquisitions to enhance shareholders’ values.”

Mr Vincent Lim
Managing Director of BH Global

Financial Highlights

S\$'000	FY2007	FY2006	Change %
Revenue	81,870	58,923	39
Gross Profit	33,328	22,642	47
Profit Before Tax	21,337	14,260	50
Net Profit Attributable to Shareholders	17,516	11,215	56
Earnings Per Share (cents)	6.26	4.01	56
Dividends (cents)*	1.8	1.6	12.5

* On 23 November 2007, the board of directors approved a bonus issue of 140,000,000 new ordinary shares on the basis of one (1) new ordinary share credited as fully paid for every two (2) existing ordinary shares held in the capital of the Company. The bonus issue which will rank pari passu with existing shares is presently pending approval from the Singapore Exchange Securities Trading Limited and will be issued upon approval. The dividend of 1.8 cents is prior to the bonus issue.

Revenue jumped 39% from S\$58.9 million in FY2006 to S\$81.9 million in FY2007, driven by improved sales in both marine electrical equipment and consumables segments. The marine electrical equipment segment contributed 90% of the Group's revenue of which marine cables contributed 77% while marine lighting contributed 23%. Marine consumables segment contributed the remaining 10% of the Group's revenue.

Gross profit increased 47% to S\$33.3 million in FY2007, compared to S\$22.6 million in FY2006. The gross margin improved to 41% in FY2007 due to better margin from sales of marine cables and accessories.

Economies of scale and higher operating efficiency resulted in a lower corresponding increase in marketing and administrative expenses. This resulted in a 50% jump in profit before tax to S\$21.3 million, from S\$14.3 million in FY2006.

As a result of the above, net profit surged 56% to S\$17.5 million in FY2007. This represents a Compounded Annual Growth Rate (CAGR) of more than 60% from FY2005 to FY2007.

The Group has almost doubled its inventories from S\$18 million in FY2006 to S\$35 million in FY2007. This increase is in line with the Group's strategy to increase product range so as to gain market share. The buoyant anticipated demand in the marine & offshore sectors has also led to the higher inventories.

Industry Prospects -- Future Looks Bright

The outlook for the marine industry is expected to remain positive in view of the increasing offshore oil and gas exploration and production activities, infrastructure projects in the Middle East and general fleet renewal of ship owners.

According to Clarkson Research Services (CRS), the total amount of newbuilding contracts placed in 2007 reached 240.9 million dwt, far outstripping the previous high of 172.2 million dwt in 2006. The report also highlighted that the "...shipping industry has plenty of cash and although the global credit squeeze and a softer dry-bulk chartering market may caused some to draw in their horns, there is little sign that owners have become investment shy...."

The Group has recently announced the successful acquisition of a property at 10 Penjuru Lane. This property is adjacent to BH Global's current headquarters at 8 Penjuru Lane and will provide much needed warehousing space for the Group's supply chain management operations.

In addition to organic growth, the Group is also exploring M&A opportunities to expand its regional presence across strategic markets in Asia. This includes The Middle East and China, where the shipbuilding industry is enjoying robust growth.

" BH Global Marine is looking forward to continue its growth as the demand for our products remains robust in the next few years. Most of the regional shipyards' order books are fully filled till 2011 and this provides strong earnings visibility for us."

***Mr Vincent Lim
Managing Director of BH Global***

Rewarding Shareholders

Not forgetting shareholders for their loyal support, the directors are recommending a first and final dividend of 1.8 cents per ordinary share (one-tier tax exempt), compared to 1.6 cents in FY2006.

" The increased dividend payout is a special Hong Bao (Red Packet), coming from everybody at BH Global Marine. We take this opportunity to wish our shareholders, business partners, bankers and everybody a Happy and Prosperous Lunar New Year."

***Mr Vincent Lim
Managing Director of BH Global***

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About BH Global Marine Limited (Bloomberg Code: BHGM,SP)

BH Global Marine Limited ("BH Global") is a supply chain management company specialising in premium lighting, cables and electrical equipment to the marine and oil & gas industries.

BH Global has over 800 local and international customers, which include ship chandlers, ship owners, ship management companies, shipyard operators, and ship repair contractors.

For more information, please refer to the website, www.bhglobal.com.sg

Issued for and on behalf of BH Global Marine Limited
By Financial PR Pte Ltd

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