



BH GLOBAL MARINE LIMITED

明輝環球海事有限公司

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## **FOR IMMEDIATE RELEASE**

# **BH Global Marine reports 2QFY10 earnings of S\$2.7 million**

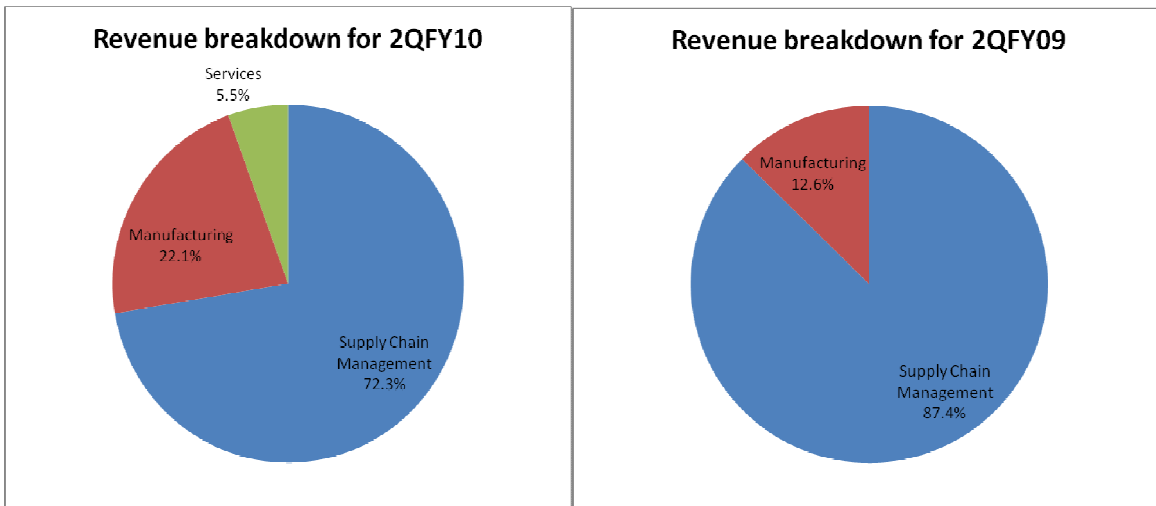
- Revenue decreased by 10% due to the lower contribution from Supply Chain Management business, partially offset by increased revenue from the Manufacturing segment
- In line with the vision of becoming an integrated supply chain management company providing turnkey marine electrical solutions in the areas of EPCM – Engineering, Procurement and Construction Management

**Singapore, 16 July 2010 – 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 reported a net profit attributable to shareholders of S\$2.7 million for the second quarter ended 30 June 2010 (“2QFY10”).

## **Financial Results**

<b>Financial Highlights (S\$'000)</b>	<b>2QFY10</b>	<b>2QFY09</b>	<b>Change</b>	<b>1HFY10</b>	<b>1HFY09</b>	<b>Change</b>
Revenue	23,518	26,123	(10%)	42,712	48,972	(13%)
Gross Profit	7,570	9,348	(19%)	14,897	17,048	(13%)
Gross Profit Margin	32%	36%	-	35%	35%	-
Profit Before Tax	3,477	4,891	(29%)	7,289	9,160	(20%)
Net Profit Attributable to Shareholders	2,707	3,968	(32%)	5,720	7,404	(23%)
Earnings per Share (cents)	0.64	0.94	(32%)	1.36	1.76	(23%)

For the current financial year ending 31 December 2010 (“FY2010”), the Group has categorised the businesses into three key segments, namely Supply Chain Management, Manufacturing and Services. The Supply Chain Management segment consists of the core products such as marine cables, lighting equipment and accessories. The Manufacturing division focuses on the businesses of marine switchboards and galvanised steel wire, while the Services division refers to the engineering and installation services which began contributing since the beginning of the year.



For the quarter under review, revenue decreased by 10% mainly due to the decline in sales from the Supply Chain Management segment, which accounted for 72% of total revenue. Due to the lagged effect of the financial crisis, the demand for our Supply Chain Management Division's products have softened resulting in slower orders and delays in certain projects. The Group has also adopted a more cautious approach to sales as a result of slow-payment from some clients affected by the industry slowdown.

The overall decrease was partly mitigated by a significant 59% increase in contribution from the Manufacturing (marine switchboards and galvanised steel wires) segment. As the economy experienced gradual recovery in recent months, the Group successfully secured more projects for the marine switchboards and higher sales for galvanised steel wires on the back of increased demand.

At the same time, the Group enjoyed contribution from the newly-added engineering and installation arm under the Services segment, amounting to S\$1.3 million.

In terms of profitability, the overall gross margin slightly decreased from 36% to 32% in response to a proportionate increase in the contributions from Manufacturing and Services divisions which carry a lower gross margin.

**Outlook for the next 12 months**

In May 2010, BH Global entered into a joint venture agreement to subscribe a 50% equity interest in Long Life Holding Pte Ltd ("LLH"), a private limited company that will carry on the business of securing engineering and installation contracts in the marine and offshore sectors.

In June 2010, the Group joined hands with three other partners to establish Oil & Gas Solutions Pte Ltd (“OGS”) to engage in providing on- and off-shore oil & gas engineering related services, as part of the effort to strengthen BH Global’s leading position in the on- and off-shore servicing industry.

Commenting on the outlook, Mr Vincent Lim, Chief Executive Officer of BH Global said, *“We believe these recent moves for the setting up of LLH and OGS are integral to our vision of becoming an integrated supply chain management company providing turnkey marine electrical solutions in the area of EPCM – Engineering, Procurement and Construction Management.*

*Given the prominence of Singapore being a strategic and important hub for the marine and offshore sector in the world, we remain confident of the long term fundamentals, despite the softer demand we are currently experiencing due to the lagging nature of our business.”*

On 8 July 2010, the Group submitted an application to the Taiwan Stock Exchange (“TSE”) and the Taiwan Central Bank for the offering and listing of Taiwan Depository Receipts (“TDR”), representing an aggregate of up to 60 million shares on the TSE, subject to approval by the relevant authorities.

The Group continues to maintain a cautious outlook for the foreseeable future.

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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 for the marine and oil & gas industries.

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

For more information, please refer to the website, [www.bhglobal.com.sg](http://www.bhglobal.com.sg)

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

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