



**BH GLOBAL MARINE LIMITED**  
(Company Registration No: 200404900H)

BH GLOBAL MARINE LIMITED  
明輝環球海事有限公司

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**ANNOUNCEMENT**

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The Board of Directors (“the Board”) of BH Global Marine Ltd (“the Company”) has been alerted to an issue relating to an agency agreement for the procurement of rights of usage over 30 hectares of land in Batam, Indonesia, entered into by its Subsidiary, PT BH Marine & Offshore Engineering (“the Subsidiary”) on 13 January 2011. Under this agency agreement, the agent has undertaken to deal with the stakeholders of the land, including the relevant authority in Batam, and to take the necessary actions to secure the land for the Subsidiary in return for a total agreed fee of S\$4.2 million, payable upon the completion of certain stages.

The land to be procured under the agreement was meant for the development of a new shipyard, in accordance with the Company’s plans to further its vessel-construction business in Indonesia. There was no prior announcement on the agency agreement but the Company had made a reference to the expansion of its operational land area in Batam in its Annual Report 2011. To date, the Subsidiary has advanced approximately S\$2.7 million based on the purported completion of certain stages under the agency agreement. However, the Company has recently been made aware that the final completion of the approval process by the relevant authority in Batam was rejected. Hence, the Subsidiary has been unable to acquire the use of the land as a shipyard despite having advanced approximately S\$2.7 million. This amount constitutes approximately 2.7% of the Company’s net asset value.

Our Subsidiary is currently in discussions with the relevant authority in Batam to resolve the matter.

The Board has appointed Rajah and Tann LLP to ascertain the facts relating to the transaction and the potential exposure to the Subsidiary and the Company. Specifically, the Board is seeking advice on the Company’s rights under the agreement and to take appropriate steps as necessary, including the recovery of the S\$2.7 million that has been paid under the agency agreement.

There is presently no indication that this is an interested party transaction. The Company is in the process of seeking verification in this respect and will provide confirmation after the completion of a thorough audit of the transaction.

The Board will also provide further updates when available.

By Order of the Board

Vincent Lim Hui Eng  
Chief Executive Officer  
**BH Global Marine Limited**  
12 December 2012