



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

BH GLOBAL MARINE LIMITED
明輝環球海事有限公司

ANNOUNCEMENT

With reference to the announcement of 12 December 2012 on the transaction relating to the procurement of the right to use 30 hectares of land in Batam, Indonesia, it has come to the attention of the Board of Directors ("the Board") of BH Global Marine Ltd ("the Company") that the transaction which was proposed and entered into by its subsidiary, PT BH Marine & Offshore Engineering ("the Subsidiary"), could not be completed because the relevant authority in Batam had already allocated the land to another party.

The Board has recently received a Letter of Offer from the same authority indicating the availability of two replacement sites for the Subsidiary's consideration ("the Offer"). The Board has sought legal advice on the terms stipulated under the Offer and has directed the Subsidiary to reject the Offer on the basis that it does not serve to further the Group's best interests. The Board has directed the Subsidiary to seek the refund of the monies advanced to the agent for the transaction.

Pursuant to the completion of an audit process, the Board has also been alerted to various potential irregularities in other transactions involving the Subsidiary. The transactions were entered into by the management of the Subsidiary with various third parties.

Based on the present information available to the Board, both the Batam land transaction and the various potential irregular transactions may result in a potential loss of between S\$8 million to S\$10 million for the Subsidiary, which constitutes approximately 8% to 10% of the Company's net asset value.

In the premises, the Board has requested a special audit to be conducted on the land transaction and all transactions highlighted by its auditors. The Board has also reorganised the management of the Subsidiary. The reorganised management of the Subsidiary would be overseeing all aspects of the operation of the Subsidiary and will report directly to the Board on a regular basis.

The Board will provide further updates when available.

By Order of the Board

Vincent Lim Hui Eng
Chief Executive Officer
BH Global Marine Limited
8 February 2013