



BH GLOBAL MARINE LIMITED  
明輝環球海事有限公司

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**IMMEDIATE RELEASE 28<sup>th</sup> July**

# **BH Global lights up 1H2006 with S\$5.2m net profit**

- ***Record interim profit came on the back of a 67% revenue growth***
- ***Sustained demand from oil & gas related activities likely to fuel growth in foreseeable future***

Singapore, 28 July 2006 – BH Global Marine Limited (“BH Global” , “明輝環球海事” or the “Company” or the “Group”), a dynamic procurement specialist for a comprehensive range of electrical equipment to the marine, oil and gas industry, has achieved a record-breaking net profit of S\$5.2 million for the half year ended 30 June 2006. This 50.2% increase in profitability is mainly due to increased revenue from higher demands in the marine and oil & gas industries.

**FINANCIAL HIGHLIGHTS**

<b>S\$'000</b>	<b>1H2006</b>	<b>1H2005</b>	<b>Growth %</b>
<b>Revenue</b>	22,676	13,578	67.0
<b>Gross Profit</b>	9,278	6,134	51.3
<b>Gross Profit Margin</b>	40.9%	45.2%	(9.5)
<b>Profit Attributable To Shareholders</b>	5236	3,486	50.2
<b>Net Profit Margin</b>	23.1%	25.7%	(10.1%)

**FINANCIAL REVIEW**

1H2006 saw a 67.0% growth in revenue from the corresponding period last year due to the global increase in oil and gas production and exploration activities. This is in turn driven by the record prices for crude, the primary energy resource used

worldwide. However, higher crude and general commodity prices have also contributed to BH Global's increased cost of supplies, and this has led to a decline in the gross margin to 40.9% in 1H2006. Stringent cost controls by the management resulted in a relatively lower net profit margin of 23.1%.

BH Global's financial position continues to be healthy. Term loan, working capital loan and trust receipt financing from financial institutions were settled. This has significantly reduced finance costs in 1H2005. Current ratio stands at 4.3x, while the Group has no debts as at 30<sup>th</sup> June 2006.

Inventories increased by S\$4.2 million during the past six months to S\$14.3 million. This is in line with the Group's strategy to position itself as a key provider of an extensive range of marine and offshore electrical equipments to meet customers' needs.

#### REVENUE ANALYSIS

Our revenue increased by \$9.1 million or 67.0% from \$13.6 million in the first half of FY2005 to \$22.7 million in the first half of FY2006. This was due to an overall increase in revenue in both our marine electrical equipment and marine consumables segments.

Marine electrical equipment contributed 84.8% to the first half of FY2006 Group revenue, of which marine cables contributed 73.1% and marine lighting 26.9%. Marine consumables contributed 15.2%.

The increase was due to higher demand in the marine sector, driven by the increase in the oil and gas production and exploration activities worldwide.

Revenue derived from Singapore increased by \$7.4 million or 67.9% from \$10.9 million in the first half of FY2005 to \$18.3 million in the first half of FY 2006. The increase was mainly due to the increase in shipbuilding activities in Singapore.

Revenue derived from overseas increased by \$1.7 million or 63.4% from \$2.7 million in the first half of FY2005 to \$4.4 million in the first half of FY 2006 as we managed to secure more shipbuilding and ship conversion projects overseas.

Mr Vincent Lim, Managing Director, commented: "We are pleased to report a good set of interim results for our shareholders. During the past six months, the Group has secured several distribution rights for leading foreign labels and manufacturers. Our well-established relationships with our diversified pool of customers enable us to cross-sell the new products."

#### INDUSTRY AND GROUP OUTLOOK

The Energy Information Administration in its latest International Energy Outlook paper (June 2006) predicts that world oil demand will grow from 81 million barrels per day in 2005 to 98 million barrels per day in 2015 and 118 million barrels per day in 2030. Demand for oil is expected to continue being strong despite higher expected oil prices as compared to last year's forecast.

This augurs well for BH Global as the Group serves customers in the marine and offshore oil & gas industries. The Group has been able to leverage on its excellent logistics infrastructure to deliver our products worldwide in the shortest possible time. In 1H FY2006, approximately 20% of our revenue contribution came from overseas markets in particular, Indonesia, the Middle East, United Kingdom, Japan and China. Going forward, the Group will proactively seek to expand its distribution network in international markets.

Expanding the product range has also been a major priority for the Group since listing. The Group had recently announced new distribution rights for two top European cable and lighting brands.

Barring unforeseen circumstances, the Group expects to continue its performance into the second half of FY2006.

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### **About BH Global Marine Limited**

BH Global Marine Limited (“BH Global Marine”) is a dynamic specialist in procurement and distribution, carrying an extensive range of electrical equipments and consumables to an international clientele in the marine and oil and gas industry.

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  
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