



BH GLOBAL MARINE LIMITED
明輝環球海事有限公司

BH GLOBAL MARINE LIMITED

(Company Registration No: 200404900H)

FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2008

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) RESULTS

1(a) – An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Income Statement

	Group (S\$'000)		% Change
	31.03.08	31.03.07	
Sales revenue	24,483	20,207	21%
Cost of sales	(15,074)	(13,021)	16%
Gross profit	9,409	7,186	31%
Other operating income	140	214	(35%)
Selling & Distribution expenses	(2,226)	(1,667)	34%
Administrative expenses	(1,128)	(642)	76%
Finance costs	(47)	-	N.M
Profit before tax	6,148	5,091	21%
Tax expense	(1,143)	(1,054)	8%
Net profit for the year attributable to equity holders of the Company	5,005	4,037	24%

1(a)(ii) Notes to income statement

	Group (S\$'000)		% Change
	31.03.08	31.03.07	
Other income including interest income	27	25	8%
Interest on borrowings	47	-	N.M
Depreciation of property and equipment	123	154	(20%)
Foreign exchange gain	113	189	(40%)

N.M. – Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group (S\$'000)		Company (S\$'000)	
	31.03.08	31.12.07	31.03.08	31.12.07
Non-current assets				
Property and equipment	9,376	6,926	-	-
Investment in subsidiaries	-	-	10,717	10,717
	<u>9,376</u>	<u>6,926</u>	<u>10,717</u>	<u>10,717</u>
Current assets				
Inventories	38,157	35,240	-	-
Trade receivables	24,413	22,129	-	-
Other receivables	276	414	19,080	22,046
Cash and cash equivalents	7,922	10,644	725	179
Total current assets	<u>70,768</u>	<u>68,427</u>	<u>19,805</u>	<u>22,225</u>
Total assets	<u>80,144</u>	<u>75,353</u>	<u>30,522</u>	<u>32,942</u>
Current liabilities				
Trade payables	12,476	9,478	-	-
Bank borrowings	3,472	5,348	-	-
Other payables	2,780	5,243	768	2,923
Tax payable	5,100	3,973	5	5
	<u>23,828</u>	<u>24,042</u>	<u>773</u>	<u>2,928</u>
Total liabilities	<u>23,828</u>	<u>24,042</u>	<u>773</u>	<u>2,928</u>
Net assets	<u>56,316</u>	<u>51,311</u>	<u>29,749</u>	<u>30,014</u>
Shareholders' equity				
Share capital	23,069	23,069	23,069	23,069
Accumulated profits	33,247	28,242	6,680	6,945
Total shareholders' equity	<u>56,316</u>	<u>51,311</u>	<u>29,749</u>	<u>30,014</u>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the financial period reported on with comparative figures as at the end of the immediate preceding financial year:

Amount repayable in one year or less, or on demand

As at 31.03.08 (S\$'000)		As at 31.12.07 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,472	-	5,348	-

Amount repayable after one year

As at 31.03.08 (S\$'000)		As at 31.12.07 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group's banking facilities were secured by the following:

- (a) Legal charge on the Group's leasehold property with net book value of \$6.19 million (31.12.2007 : \$6.24 million).
- (b) Corporate guarantee by the Company

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Group (S\$'000)	
	31.03.08	31.03.07
Cash flows from operating activities		
Profit before tax	6,148	5,091
Adjustments for :		
Depreciation	123	154
Interest income	(1)	(24)
Interest expense	47	-
	6,317	5,221
Operating cash before movements in working capital		
Inventories	(2,917)	(4,173)
Receivables	(2,146)	(3,555)
Payables	535	439
	1,789	(2,068)
Cash from/(used in) operations		
Interest paid	(47)	-
Income tax paid	(16)	-
	1,726	(2,068)
Net cash from/(used in) operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(2,573)	(99)
Interest received	1	24
	(2,572)	(75)
Net cash used in investing activities		
Cash flows from financing activities		
(Repayment of)/Proceeds from interest bearing loans and borrowings	(1,876)	23
Net cash (used in)/from financing activities	(1,876)	23
Net decrease in cash and cash equivalents	(2,722)	(2,120)
Cash and cash equivalents at beginning of year	10,644	7,998
Cash and cash equivalents at end of year	7,922	5,878

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	(S\$'000)		
	Share Capital	Accumulated Profits	Total Shareholders' Equity
At 1 January 2008	23,069	28,242	51,311
Profit for the period	-	5,005	5,005
At 31 March 2008	23,069	33,247	56,316
At 1 January 2007	23,069	15,206	38,275
Profit for the period	-	4,037	4,037
At 31 March 2007	23,069	19,243	42,312

Company	(S\$'000)		
	Share Capital	Accumulated Profits	Total Shareholders' Equity
At 1 January 2008	23,069	6,945	30,014
Loss for the period	-	(265)	(265)
At 31 March 2008	23,069	6,680	29,749
At 1 January 2007	23,069	6,028	29,097
Loss for the year	-	(96)	(96)
At 31 March 2007	23,069	5,932	29,001

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 21 February 2008, 140,000,000 new ordinary shares on the basis of one bonus share for every two existing ordinary shares in the issued share capital of the Company were allotted and issued to shareholders of the Company. The bonus shares rank pari passu with existing ordinary shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.03.08	31.12.07
Total number of issued shares (excluding treasury shares)	420,000,000	280,000,000

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group applied the same accounting policies and methods of computation, set in the audited financial statement as at 31 December 2007 in the preparation of the financial statements for current reporting period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There were no changes in accounting policies and methods of computation.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on net profit attributable to shareholders :-

	Group	
	31.03.08	31.03.07
(i) Based on the weighted average number of ordinary share in issues	1.47 cents	1.44 cents
Weighted average number of ordinary shares in issue	340,666,667	280,000,000
(ii) On a fully diluted basis	1.47 cents	1.44 cents
Diluted weighted average number of ordinary shares in issue	340,666,667	280,000,000

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current period reported on; and**
- (b) immediately preceding financial year.**

	Group		Company	
	31.03.08	31.12.07	31.03.08	31.12.07
Net asset value per ordinary share based on existing share capital	13 cents	18 cents	7 cents	11 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

The Group's revenue increased by \$4.3million or 21% from \$20.2million in 1Q2007 to \$24.5million in 1Q2008. This was due to an overall increase in revenue in the marine electrical equipment segment.

Marine electrical equipment contributed 91% to the Group's revenue, of which marine cables contributed 82% and marine lighting 18%. Marine consumables contributed 9%.

The increase in revenue was the result of the Group's strategy in increasing its inventory level, both in quantity and range to meet customers' demand and deliver to them on a

timely basis. The increase in revenue was also aided by the higher demand in the marine sector, driven by the increase in oil and gas production and exploration activities worldwide.

Revenue derived from Singapore increased by \$3.2million or 18% from \$17.7million in 1Q2007 to \$20.9million in 1Q2008. The increase was mainly due to the increase in rig- and ship-building activities in Singapore.

Revenue derived from overseas increased by \$1million or 38% from \$2.6million in 1Q2007 to \$3.6million in 1Q2008 as the Group managed to secure more sales for shipbuilding and ship conversion projects overseas.

Gross profit

Our overall gross profit increased by \$2.2million or 31% from \$7.2million in 1Q2007 to \$9.4million in 1Q2008. The increase was due to higher revenue and increase in overall gross margin from 36% in 1Q2007 to 38% in 1Q2008. The higher overall gross margin was due to a weaker US dollar as our purchases are dominantly in US dollar.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. Selling & distribution expenses increased by \$0.5million from \$1.7million in 1Q2007 to \$2.2million in 1Q2008. This was mainly due to higher head count and higher staff-related cost. Administrative expenses increased by \$0.5million from \$0.6million in 1Q2007 to \$1.1million in 1Q2008. This was mainly due to increase in head count, higher staff-related cost, professional fees and property related cost.

Finance costs

Finance cost increased by \$47,000 from \$Nil in 1Q2007 to \$47,000 in 1Q2008. The increase was due to the usage of trade facilities for purchases to meet the increase in turnover.

Income tax

The higher income tax is in line with higher profit before tax for the year.

Balance Sheet and Cash Flow Analysis

Property and Equipment

The increase in property and equipment of \$2.5million is mainly due to the acquisition of a new property.

Inventories

The increase in inventories of \$2.9million was in line with the Group's strategy to position ourselves as a supplier of a comprehensive range of marine electrical products.

Trade Receivables

Despite the increase in revenue by 21%, trade receivables increased only by 10% from \$22.1million in FY2007 to \$24.4million in 1Q2008 due to better credit policy and control.

Other Receivables

The decrease in other receivables of \$138,000 was mainly due to a deposit paid for the acquisition of a new leasehold property in FY2007 which was reclassified to fixed assets in 1Q2008.

Trade payables

The increase in trade payables of \$3.0million was mainly due to higher purchases to meet the increase in revenue and to have a more comprehensive range of marine electrical products.

Other payables

The decrease in other payables of \$2.5million was mainly due to provision of staff related cost in FY2007 which was paid in 1Q2008.

Bank Borrowings

The decrease in bank borrowings of \$1.9million was due to repayment of trade facilities for purchases in 1Q2008.

Cash flow

Net cash from operating activities of \$1.7million in 1Q2008, as compared to net cash used in operating activities of \$2.1million in 1Q2007, was mainly due to higher profit before tax and lower increase in inventories and trade receivables.

Net cash used in investing activities increase by \$2.5million is mainly due to payment for acquisition of new property.

Net cash used in financing activities of \$1.9million in 1Q2008, as compared to net cash from financing activities of \$23,000 in 1Q2007, is due to the repayment of trade facilities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results for the quarter ended 31 March 2008 are in line with the prospect statement as announced in the final results announcement on 24 January 2008.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The marine industry, specifically the oil and gas sector, has generally remained robust, supported by strong order books, high charter rates and oil prices.

Demand for marine cables is expected to remain robust on the back of strong shipbuilding order books and strong demand for ship repair and conversion services. The Group is looking into expanding its range of offshore cables in view of large offshore projects like oil rigs and FPSOs that are coming on stream.

Based on the generally positive industry environment, and recognizing the current uncertainties surrounding the global economic, financial and credit markets, the Group is cautiously optimistic about its business prospects in FY2008.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b)Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

(c) Date payable Not applicable.

(d) Books closure date Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

Not applicable.

13. Interested person transactions

[Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.]

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

14. Negative assurance confirmation

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results for the financial period ended 31 March 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors

Alvin Lim Hwee Hong
Executive Chairman
18 April 2008

Vincent Lim Hui Eng
Chief Executive Officer
18 April 2008