BH GLOBAL MARINE LIMITED

(Company Registration No: 200404900H)

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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

1(a)(i) Income Statement

	Group					
	$'000			$'000		
	2nd quarter ended 30.06.08	2nd quarter ended 30.06.07	% Change	1st half ended 30.06.08	1st half ended 30.06.07	% Change
Sales of goods	27,321	19,217	42%	51,804	39,424	31%
Cost of sales	(17,029)	(10,233)	66%	(32,103)	(23,254)	38%
Gross profit	**10,292**	**8,984**	15%	**19,701**	**16,170**	22%
Other operating income/(expense)	225	(122)	N.M	365	92	297%
Selling & Distribution expenses	(2,637)	(2,614)	1%	(4,863)	(4,281)	14%
Administrative expenses	(891)	(1,037)	(14%)	(2,019)	(1,679)	20%
Finance costs	(27)	(39)	(31%)	(74)	(39)	90%
Profit before tax	**6,962**	**5,172**	35%	**13,110**	**10,263**	28%
Tax expense	(1,282)	(878)	46%	(2,425)	(1,932)	26%
Net profit for the period attributable to equity holders of the Company	**5,680**	**4,294**	32%	**10,685**	**8,331**	28%

1(a)(ii) Notes to income statement

	Group (S$'000)			(S$'000)		
	2nd quarter ended 30.06.08	2nd quarter ended 30.06.07	% Change	1st half ended 30.06.08	1st half ended 30.06.07	% Change
Other income including interest income	5	12	(58%)	32	37	(14%)
Interest on borrowings	27	39	(31%)	74	39	90%
Depreciation of property and equipment	152	92	65%	275	246	12%
Foreign exchange gain/(loss)	221	(134)	N.M	334	55	507%
Bad debts written off	1	-	N.M	1	-	N.M
Stocks written down	139	-	N.M	139	-	N.M
Provision for doubtful debts	37	-	N.M	39	-	N.M
Goodwill arising from consolidation written off	-	165	N.M	-	165	N.M

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 immediate preceding financial year.

	Group ($'000)		Company ($'000)	
	30.06.08	31.12.07	30.06.08	31.12.07
Non-current assets				
Property and equipment	9,432	6,926	-	-
Investment in subsidiaries	-	-	10,717	10,717
	9,432	**6,926**	**10,717**	**10,717**
Current assets				
Inventories	35,670	35,240	-	-
Trade receivables	30,700	22,129	-	-
Other receivables	250	414	15,485	22,046
Cash and cash equivalents	7,705	10,644	13	179
Total current assets	**74,325**	**68,427**	**15,498**	**22,225**
Total assets	**83,757**	**75,353**	**26,215**	**32,942**
Non-Current liabilities				
Bank Term Loan	1,533	-	-	-
	1,533	-	-	-
Current liabilities				
Trade payables	13,454	9,478	-	-
Bank borrowings	4,460	5,348	-	-
Other payables	3,571	5,243	1,603	2,923
Tax payable	3,783	3,973	5	5
	25,268	**24,042**	**1,608**	**2,928**
Total liabilities	**26,801**	**24,042**	**1,608**	**2,928**
Net assets	**56,956**	**51,311**	**24,607**	**30,014**

Shareholders' equity				
Share capital	23,069	23,069	23,069	23,069
Accumulated profits	33,887	28,242	1,538	6,945
Total shareholders' equity	**56,956**	**51,311**	**24,607**	**30,014**

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 30.06.08 ($'000)		As at 31.12.07 ($'000)	
Secured	Unsecured	Secured	Unsecured
400	4,060	5,348	-

Amount repayable after one year

As at 30.06.08 ($'000)		As at 31.12.07 ($'000)	
Secured	Unsecured	Secured	Unsecured
1,533	-	-	-

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 $2.68 million (31.12.2007: $6.24million)
(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			
	$'000		$'000	
	2nd quarter ended 30.06.08	2nd quarter ended 30.06.07	1st half ended 30.06.08	1st half ended 30.06.07
Cash flows from operating activities				
Profit before tax	6,962	5,172	13,110	10,263
Adjustments for :				
Depreciation	152	92	275	246
Goodwill arising on consolidation written off	-	165	-	165
Interest income	(3)	(13)	(4)	(37)
Interest expense	27	39	74	39
Operating cash before movements in working capital	**7,138**	**5,455**	**13,455**	**10,676**
Inventories	2,483	(6,496)	(430)	(10,669)
Receivables	(6,256)	2,378	(8,407)	(1,177)
Payables	1,769	6,995	2,304	7,457
Cash generated from operations	**5,134**	**8,332**	**6,922**	**6,287**
Interest paid	(27)	(39)	(74)	(39)
Income tax paid	(2,600)	(2,063)	(2,615)	(2,063)
Net cash provided by operating activities	**2,507**	**6,230**	**4,233**	**4,185**
Cash flows from investing activities				
Purchase of property, plant and equipment	(208)	(61)	(2,781)	(160)
Interest received	3	13	4	37
Cash flow on acquisition of subsidiary, net of cash	-	(323)	-	(323)
Net cash used in investing activities	**(205)**	**(371)**	**(2,777)**	**(446)**
Cash flows from financing activities				
Proceeds from bankers	2,521	1,506	645	1,506
Dividend paid	(5,040)	(4,480)	(5,040)	(4,480)
Net cash used in financing activities	**(2,519)**	**(2,974)**	**(4,395)**	**(2,974)**

Net (decrease)/increase in cash and cash equivalents	(217)	2,885	(2,939)	765
Cash and cash equivalents at beginning of year	7,922	5,878	10,644	7,998
Cash and cash equivalents at end of year	**7,705**	**8,763**	**7,705**	**8,763**

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group **($'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
Balance At 31 March 2008	**23,069**	**33,247**	**56,316**
Profit for the period		5,680	5,680
Dividends	–	(5,040)	(5,040)
Balance At 30 June 2008	**23,069**	**33,887**	**56,956**
At 1 January 2007	23,069	15,206	38,275
Profit for the period	–	4,037	4,037
Balance At 31 March 2007	**23,069**	**19,243**	**42,312**
Profit for the period	–	4,294	4,294
Dividends	–	(4,480)	(4,480)
Balance At 30 June 2007	**23,069**	**19,057**	**42,126**

Company **($'000)**

	Share Capital	Accumulated Profits	Total Shareholders' Equity
At 1 January 2008	23,069	6,945	30,014
Loss for the period	–	(265)	(265)
Balance At 31 March 2008	**23,069**	**6,680**	**29,749**
Loss for the period	–	(102)	(102)
Dividends	–	(5,040)	(5,040)
Balance At 30 June 2008	**23,069**	**1,538**	**24,607**
At 1 January 2007	23,069	6,028	29,097
Loss for the period	–	(96)	(96)
Balance At 31 March 2007	**23,069**	**5,932**	**29,001**
Loss for the period		(250)	(250)
Dividends		(4,480)	(4,480)
Balance At 30 June 2007	**23,069**	**1,202**	**24,271**

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 for 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 capital of the Company were allotted and issued to shareholders of the Company as fully paid. 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.

	30.06.08	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. (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have been reviewed by the auditors in accordance with Singapore Standards on Review Engagements 2410 (Review of Interim Financial Information Performed by the Independent Auditor of the Entity.)

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

Refer to attached.

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 statements as at 31 December 2007 in the preparation of the financial statements for current reporting year.

The new or revised Financial Reporting Standards ('FRS') and Interpretations to FRS that are applicable for the current financial year has no material effect on the financial statements.

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			
	2nd quarter ended 30.06.08	**2nd quarter ended 30.06.07**	**1st half ended 30.06.08**	**1st half ended 30.06.07**
(i) Based on number of ordinary shares in issue	1.35 cents	1.02 cents	2.54 cents	1.98 cents
Number of ordinary shares in issue	420,000,000	*420,000,000	420,000,000	*420,000,000
(ii) On a fully diluted basis	1.35 cents	1.02 cents	2.54 cents	1.98 cents
Diluted number of ordinary shares in issue	420,000,000	*420,000,000	420,000,000	*420,000,000

*The issued number of ordinary shares as at 30.06.07 was 280,000,000. The number of ordinary shares has been adjusted to 420,000,000 ordinary shares in the computation of earnings per share for 140,000,000 bonus shares allotted and issued to existing shareholders on 21 February 2008.

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 financial period reported on; and
(b) immediately preceding financial year

	Group		Company	
	30.06.08	**31.12.07**	**30.06.08**	**31.12.07**
Net asset value per ordinary share based on existing share capital	14 cents	18 cents	6 cents	11cents

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
(2Q2008 Vs 2Q2007)

	Group		
	2Q2008 $'000	**2Q2007 $'000**	**% Change**
Marine Electrical Equipment			
Marine cables and accessories	21,143	13,041	62%
Marine lighting equipment and accessories	4,129	3,839	8%
	25,272	**16,880**	50%
Marine Consumables			
Marine lamps	988	1,018	(3%)
General marine consumable products	1,061	1,319	(20%)
	2,049	**2,337**	(12%)
Total sales revenue	**27,321**	**19,217**	42%

Revenue from marine consumables segment decreased by $0.3million or 12% from $2.3million in 2Q2007 to $2.0million in 2Q2008. However, revenue from marine electrical equipment segment increased by $8.4million or 50% from $16.9million in 2Q2007 to $25.3million in 2Q2008. This has resulted in an overall increase in our revenue by $8.1million or 42% from $19.2million in 2Q2007 to $27.3million in 2Q2008.

Marine Electrical Equipment
Marine cables and accessories continue to be our core business registering a growth of $8.1million or 62% from $13.0million in 2Q2007 to $21.1million in 2Q2008. Revenue from marine lighting equipment and accessories increased by $0.3million or 8% from $3.8million in 2Q2007 to $4.1million in 2Q2008. This is consistent with the Group's strategy to focus on our core business, coupled with increased activities in the oil and gas production and exploration sectors worldwide.

Marine Consumables
Revenue from marine lamps in 2Q2008 remains consistent and comparable to 2Q2007. Revenue from general marine consumable products decreased by $0.2million from $1.3million in 2Q2007 to $1.1million in 2Q2008. This was due to re-classification of certain products from general marine consumable products to marine electrical equipment segment as we were awarded their distributorships this year.

Revenue (cont'd)
(2Q2008 Vs 1Q2008)

	Group		
	2Q2008 $'000	**1Q2008 $'000**	**% Change**
Marine Electrical Equipment			
Marine cables and accessories	21,143	18,267	16%
Marine lighting equipment and accessories	4,129	4,026	3%
	25,272	**22,293**	13%
Marine Consumables			
Marine lamps	988	1,128	(12%)
General marine consumable products	1,061	1,062	0%
	2,049	**2,190**	(6)%
Total sales revenue	**27,321**	**24,483**	12%

Revenue from marine consumable segment decreased by $0.1million or 6% from $2.1million in 1Q2008 to $2.0million in 2Q2008. However, revenue from marine electrical equipment segment increased by $3.0million or 13% from $22.3million in 1Q2008 to $25.3million in 2Q2008. This has resulted in an overall increase in our revenue by $2.8million or 12% from $24.5million in 1Q2008 to $27.3million in 2Q2008.

Marine Electrical Equipment
Revenue from marine cables and accessories increased by $2.8million or 16% from $18.3million in 1Q2008 to $21.1million in 2Q2008. This was due to more orders secured by the Group from both new and existing customers, local and overseas, in 2Q2008. Revenue from marine lighting equipment and accessories increased by a marginal $0.1million or 3% from $4.0million in 1Q2008 to $4.1million in 2Q2008.

Marine Consumables
Revenue from marine lamps decreased by $0.1million from $1.1million in 1Q2008 to $1.0million in 2Q2008. This was due to lesser projects awarded to the Group and the Group's effort in focusing on the marine electrical equipment segment. Revenue from general marine consumable products in 2Q2008 remains consistent and comparable to 1Q2008.

Revenue (cont'd)
(1H2008 Vs 1H2007)

	Group		
	Half-year ended 30 June		
	2008 $'000	**2007 $'000**	**% Change**
Marine Electrical Equipment			
Marine cables and accessories	39,410	26,479	49%
Marine lighting equipment and accessories	8,155	8,365	(3%)
	47,565	**34,844**	37%
Marine Consumables			
Marine lamps	2,116	2,110	0%
General marine consumable products	2,123	2,470	(14%)
	4,239	**4,580**	(7)%
Total sales revenue	**51,804**	**39,424**	31%

Revenue from marine consumable segment decreased by $0.4million or 7% from $4.6million in 1H2007 to $4.2million in 1H2008. However, revenue from marine electrical equipment segment increased by $12.8million or 37% from $34.8million in 1H2007 to $47.6million in 1H2008. This has resulted in an overall increase in our revenue by $12.4million or 31% from $39.4million in 1H2007 to $51.8million in 1H2008.

Marine Electrical Equipment
Revenue from marine cables and accessories increased by $12.9million or 49% from $26.5million in 1H2007 to $39.4million in 1H2008. This Group's strategy to focus on our core business has paid off as we were awarded more projects and orders in 1H2008, aided by the increase in rigs-and ship-building and ship conversion activities in Singapore and overseas. Revenue from marine lighting equipment and accessories decreased by a marginal $0.2milllion or 3% from $8.4million in 1H2007 to $8.2million in 1H2008.

Marine Consumables
Revenue from marine lamps in 1H2008 remains consistent and comparable to 1H2007. Revenue from general marine consumable products decreased by $0.4million from $2.5million in 1H2007 to $2.1million in 1H2008. This was due to re-classification of certain products from general marine consumable products to marine electrical equipment segment as we were awarded their distributorships this year.

Geographical Segment
Revenue derived from Singapore increased by $9.5million or 28% from $33.4million in 1H2007 to $42.9million in 1H2008. The increase was mainly due to the increase in rig- and ship-building activities in Singapore.

Revenue derived from overseas increased by $2.9million or 48% from $6.0million in 1H2007 to $8.9million in 1H2008 as the Group managed to secure more sales, from new customers, for shipbuilding and ship conversion projects overseas.

Our marketing division's efforts in securing new distributorships and increased product range have also contributed to our increased revenue.

Gross profit
Our overall gross profit increased by $1.3million or 15% from $9.0million in 2Q2007 to $10.3million in 2Q2008. However, overall gross profit decreased from 47% in 2Q2007 to 38% in 2Q2008. This was due to the rise in copper prices between the times when certain marine cables and accessories purchased in FY2006 and subsequently sold in 2Q2007. Overall first half year gross profit increased by $3.5million or 22% from $16.2million in 1H2007 to $19.7million in 1H2008. However, overall gross profit decreased from 41% in 1H2007 to 38% in 1H2008. This was due to higher copper prices and higher proportion of revenue from marine cables and accessories, which command a lower gross profit.

Other operating income/(expense)
Included in other operating income/(expense) is foreign exchange gain of $221,000 in 2Q2008 as compared to a loss of $134,000 in 2Q2007. This was due to a weaker US Dollar in 2Q2008.

Operating expenses
The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The operating expenses increased by $0.9million from $6.0million in 1H2007 to $6.9million in 1H2008. This was mainly due to increase in head count and higher staff-related cost, legal and professional fees and provision for stock obsolescence and doubtful debts.

Finance costs
Finance cost increased by $35,000 from $39,000 in 1H2007 to $74,000 in 1H2008. The increase was due to higher usage of trade facilities for purchases to meet the increase in turnover.

Income tax
The higher income tax for both 2Q2008 and 1H2008 against 2Q2007 and 1H2007 is in line with higher profit before tax for both periods.

Balance Sheet and Cash Flow Analysis

Property and Equipment
The increase in property and equipment is due to acquisition of a new property.

Inventories
Despite a 31% increased in sales, inventories increased by only 1% due to better stock policy and control.

Trade receivables
The increase in trade receivables is due to higher sales.

We draw attention to Note 20(b) to the 2007 Annual Report which referred to a certain corporate customer, of a subsidiary of the Company, based in Singapore owing $1,596,463 (net of allowance for doubtful receivable of $157,581) to the subsidiary at 31 December 2007. Up to the date of this announcement, $1,288,915 has been collected in respect of the amount owing as at 31 December 2007. At 30 June 2008, the amount due from the corporate customer was $1,592,011 (net of allowance for doubtful receivable of $188,014) of which more than 75% was current and not overdue.

In 2007, the corporate customer was sued by its banker for a substantial amount. In 2008, the bank served a statutory demand on the corporate customer for payment within 21 days from the date of demand. The corporate customer had in turn applied to the High Court for an injunction to restrain the bank from filing a winding up petition.

On 10 June 2008, the customer's parent company (which is a large and reputable company listed in Singapore) announced that the High Court had granted an injunction restraining the banker from filing a winding up application against the corporate customer. On 4 July 2008, the banker filed a Notice of Appeal appealing against the decision of the High Court. Hearing of the appeal is expected to be held either later this year or early next year.

Based on the above, the directors are of the view that the amount due from the corporate customer will be collectible in due course and that no further allowance for doubtful receivable is necessary as at 30 June 2008.

Other Receivables
The decrease in other receivables is due to certain prepayment paid in FY2007 being expensed off in 1H2008.

Trade payables
The increase in trade payables is due to higher purchases to support the growth in revenue.

Banks borrowings
The decrease in bank borrowings was due to repayment of trade facilities for purchases in 1H2008.

Bank term loan
The increase in bank term loan is to finance the purchase of a new property.

Other payables
The decrease in other payables of was mainly due to payment of staff-related cost in 1H2008 which was accrued in FY2007.

Cash flow
Net cash and cash equivalents decreased to $217K in 2Q2008 as compared to an increase of $2,885 in 2Q2007. This is mainly due to higher receivables as a result of higher turnover, offsetted by a lower level in inventories.

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 30 June 2008 are in line with the prospect statement as announced in the quarterly announcement on 18 April 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.

Against the backdrop of economic uncertainties, global inflation and rising crude oil prices, the demand for our products and services continue to remain robust.

Strong demand for shipbuilding, ship repair and conversion services continue to drive demand for our marine cables. The Group continues to explore expanding the range of its offshore cables in view of large offshore projects like oil rigs and FPSOs that are coming on stream.

Demand for lighting equipment and accessories and other marine consumables should continue to be stable in view of the robust marine sector.

Persistent global economic and inflation issues may directly or indirectly affect the profitability of the Group. In view of the current economic climate, the Group continues to remain cautiously optimistic about its business prospects for the second half of FY2008.

11. Dividend

(a) Current Financial Period Reported On?

Any dividend declared for the current financial period reported on?

No

(b)Corresponding Period of the Immediately Preceding Financial Year

No

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

(c) Date payable NA

(d) Books closure date NA

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

No dividend has been declared/recommended for the half-year ended 30 June 2008.

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 year 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 year 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, saved as disclosed in item 8 above under 'Trade receivables', nothing has come to its attention which may render the unaudited interim financial results for the six months ended 30 June 2008 to be false or misleading, in any material respect.

On behalf of the Board of Directors

Alvin Lim Hwee Hong
Executive Chairman
17 April 2008

Vincent Lim Hui Eng
Chief Executive Officer
17 April 2008