



明輝環球海事有限公司
BH GLOBAL MARINE LTD

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

**FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 31 MARCH 2009**

**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
	31.03.09	31.03.08	
Sales revenue	22,849	24,483	(7%)
Cost of sales	(15,149)	(15,074)	1%
Gross profit	7,700	9,409	(18%)
Other operating income	117	140	(16%)
Selling & Distribution expenses	(2,317)	(2,226)	4%
Administrative expenses	(1,170)	(1,128)	4%
Finance costs	(74)	(47)	57%
Profit before tax and share of results in joint venture	4,256	6,148	(31%)
Share of results in joint venture	13	-	N.M
Profit before tax	4,269	6,148	(31%)
Tax expense	(774)	(1,143)	(32%)
Net profit for the year	3,495	5,005	(30%)
Attributable to:			
Equity holders of the Company	3,436	5,005	(31%)
Minority interests	59	-	N.M
	3,495	5,005	(30%)

1(a)(ii) Notes to income statement

	Group (S\$'000)		% Change
	31.03.09	31.03.08	
Other income including interest income	74	27	174%
Interest on borrowings	(74)	(47)	57%
Depreciation of property and equipment	(231)	(123)	88%
Loss on disposal of fixed assets	(7)	-	N.M
Goodwill arising from consolidation written off	(116)	-	N.M
Provision for doubtful debts	(11)	-	N.M
Foreign exchange gain	50	113	(56%)

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)	
	31.03.09	31.12.08	31.03.09	31.12.08
Non-current assets				
Property, plant and equipment	16,563	15,597	-	-
Investment in subsidiaries	-	-	12,834	10,717
Investment in joint venture	1,560	-	333	-
Intangible assets	966	-	-	-
	19,089	15,597	13,167	10,717
Current assets				
Inventories	44,686	40,270	-	-
Trade receivables	28,238	23,787	-	-
Other receivables	687	340	19,694	25,002
Cash and cash equivalents	9,271	11,352	17	199
Total current assets	82,882	75,749	19,711	25,201
Total assets	101,971	91,346	32,878	35,918
Non-current liabilities				
Bank borrowings	1,414	1,333	-	-
Hire purchase creditors	38	-	-	-
	1,452	1,333	-	-
Current liabilities				
Trade payables	16,740	11,591	-	-

Bank borrowings	4,475	1,900	-	-
Other payables	5,054	6,696	500	3,261
Hire purchase creditors	17	-	-	-
Tax payable	4,458	4,317	5	5
	30,744	24,504	505	3,266
Total liabilities	32,196	25,837	505	3,266
Net assets	69,775	65,509	32,373	32,652
Shareholders' equity				
Share capital	23,069	23,069	23,069	23,069
Accumulated profits	45,876	42,440	9,304	9,583
	68,945	65,509	32,373	32,652
Minority interests	830	-	-	-
Total equity	69,775	65,509	32,373	32,652

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 31.03.09 (S\$'000)		As at 31.12.08 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,145	3,330	400	1,500

Amount repayable after one year

As at 31.03.09 (S\$'000)		As at 31.12.08 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,233	181	1,333	-

Details of any collateral

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

- Legal charge on the Group's leasehold property with net book value of \$9.22 million (31.12.2008 : \$8.72 million).
- Corporate guarantee by the Company.
- Fixed deposit of a subsidiary.
- Joint and several guarantee by directors of a subsidiary

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)	
	31.03.09	31.03.08
Cash flows from operating activities		
Profit before tax	4,269	6,148
Adjustments for :		
Depreciation	231	123
Goodwill arising from consolidation written off	116	-
Share of results in joint venture	(13)	-
Loss on disposal of fixed assets	7	-
Interest income	(4)	(1)
Interest expense	74	47
Operating cash before movements in working capital	4,680	6,317
Inventories	575	(2,917)
Receivables	(2,711)	(2,146)
Payables	(1,158)	535
Cash from operations	1,386	1,789
Interest paid	(74)	(47)
Income tax paid	(679)	(16)
Net cash from operating activities	633	1,726
Cash flows from investing activities		
Purchase of property, plant and equipment	(942)	(2,573)
Proceeds from disposal of property, plant and equipment	26	-
Interest received	4	1
Investment in joint venture	(1,552)	-
Cash flow on acquisition, net of cash	(560)	-
Net cash used in investing activities	(3,024)	(2,572)
Cash flows from financing activities		
Proceeds from/(Repayment of) bank borrowings	313	(1,876)
Repayment of hire purchase creditors	(3)	-
Net cash from/(used in) financing activities	310	(1,876)
Net decrease in cash and cash equivalents	(2,081)	(2,722)
Cash and cash equivalents at beginning of year	11,352	10,644
Cash and cash equivalents at end of period	9,271	7,922

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	Minority Interests	Total Shareholders' Equity
At 1 January 2009	23,069	42,440	-	65,509
Acquisition of subsidiaries	-	-	771	771
Profit for the period	-	3,436	59	3,495
At 31 March 2009	23,069	45,876	830	69,775
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

Company	(S\$'000)		
	Share Capital	Accumulated Profits	Total Shareholders' Equity
At 1 January 2009	23,069	9,583	32,652
Loss for the period	-	(279)	(279)
At 31 March 2009	23,069	9,304	32,373
At 1 January 2008	23,069	6,945	30,014
Loss for the year	-	(265)	(265)
At 31 March 2008	23,069	6,680	29,749

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.

Not applicable.

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.

	31.03.09	31.12.08
Total number of issued shares (excluding treasury shares)	420,000,000	420,000,000

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 2008 in the preparation of the financial statements for current reporting period.

The new or revised Financial Reporting Standards ('FRS') and Interpretations to FRS that are applicable for the current financial period have 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	
	31.03.09	31.03.08
(i) Based on the weighted average number of ordinary share in issues	0.82 cent	1.19 cents
Weighted average number of ordinary shares in issue	420,000,000	420,000,000
(ii) On a fully diluted basis	0.82 cent	1.19 cents
Diluted weighted average number of ordinary shares in issue	420,000,000	420,000,000

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	
	31.03.09	31.12.08	31.03.09	31.12.08
Net asset value per ordinary share based on existing share capital	16 cents	16 cents	8 cents	8 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.**

Recent Development

During the period under review, we have acquired three businesses, namely Z-Power, Sky Holding and Dream Marine LLC, to further extend our supply chain management capabilities. By broadening our product offerings, we believe this would enhance our competitiveness among other players, especially during these extraordinary times.

**Revenue
(1Q2009 Vs 1Q2008)**

	Group		% Change
	1Q2009 \$'000	1Q2008 \$'000	
Marine Electrical Equipment			
Marine cables and accessories	14,077	18,267	(23%)
Marine lighting equipment and accessories	4,497	4,027	12%
Marine switchboards and services	2,102	-	N.M
	20,676	22,294	(7%)
Marine Consumables			
Marine lamps	861	1,128	(24%)
General marine consumable products	1,144	1,061	8%
	2,005	2,189	(8%)
Armouring Steel			
Galvanized steel wire	168	-	N.M
Total sales revenue	22,849	24,483	(7%)

Marine Electrical Equipment

Marine electrical equipment remains the largest revenue contributor, accounting for 90% of the Group's turnover in 1Q2009, of which marine cables and accessories contributed 68%, marine lighting equipment and accessories 22% and marine switchboards and services 10%. The decrease in revenue from marine cables and accessories was mainly due to the fall in selling price as a result of lower copper price, which is one of the main components in cables. The increase in revenue from marine lighting equipment and accessories was due to the Group's effort to secure more projects. The increase in revenue from marine switchboards and services was due to acquisition of a new subsidiary.

Marine Consumables

The decrease in revenue from marine consumables was due to the slowdown in activities of ship chandlers.

Armouring Steel

The increase in revenue from galvanized steel wire was due to acquisition of a new subsidiary.

Geographical segment

Revenue derived from Singapore decreased by \$3.7million or 18% from \$20.9million in 1Q2008 to \$17.2million in 1Q2009. The decrease was mainly due to the fall in selling price in marine cables and accessories as a result of lower copper price.

Revenue derived from overseas increased by \$2.1million or 58% from \$3.6million in 1Q2008 to \$5.7million in 1Q2009 as the Group managed to secure more sales for shipbuilding and ship conversion projects overseas.

Revenue contributed from overseas has increased from 15% in 1Q2008 to 25% in 1Q2009. This is in line with the Group's efforts in venturing into overseas markets.

Gross profit

The Group's overall gross profit decreased by \$1.7million or 18% from \$9.4million in 1Q2008 to \$7.7million in 1Q2009. The decrease was due to lower revenue and decrease in overall gross margin from 38% in 1Q2008 to 34% in 1Q2009. The lower overall gross margin was due to the lower selling prices from marine cables and accessories as a result of lower copper prices and the consolidation of our new marine switchboards and services segment which carries a lower gross margin.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. Both selling & distribution and administrative expenses in 1Q2009 remain comparable to 1Q2008.

Finance costs

Finance cost increased by \$27,000 from \$47,000 in 1Q2008 to \$74,000 in 1Q2009. The increase was mainly due to the consolidation of a new subsidiary acquired in 1Q2009.

Share of results in joint venture

The increase in share of result in joint venture was due to the investment in a new joint venture in 1Q2009.

Income tax

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

Other income

The increase in other income was mainly due to subsidies received under the Job Credit Scheme from the Government of Singapore.

Foreign exchange gain

The foreign exchange gain of \$50,000 for 1Q2009 was due to volatility in the foreign currency markets and the Group's established policy to reduce its foreign currency exposure.

Goodwill arising from consolidation written off

The increase in goodwill arising from consolidation written off was due to acquisition of new subsidiaries and investment in a new joint venture.

Balance Sheet and Cash Flow Analysis

Property, plant and equipment

The increase in property, plant and equipment of \$966,000 was mainly due to the completion of the final phase of the Group's new property acquired in FY2008.

Investment in joint venture

The increase in investment in joint venture of \$1.6million was mainly due to the investment in a new joint venture.

Intangibles assets

The increase in intangible assets of \$966,000 was due to goodwill arising from consolidation from acquisition of new subsidiaries and investment in a new joint venture.

Inventories

The increase in inventories of \$4.4million was mainly due to consolidation of 2 new subsidiaries acquired in 1Q2009. Inventories turnover days remain relatively unchanged at 259 days in 1Q2009 (adjusted for the period of acquisition of the 2 new subsidiaries) as compared to 254 days in FY2008.

Trade Receivables

Trade receivables increased by \$4.4million from \$23.8million in FY2008 to \$28.2million in 1Q2009 while trade receivables turnover days increased from 92 days in FY 2008 to 109 days in 1Q2009 (adjusted for the period of acquisition of the 2 new subsidiaries). This was due to slower payments from customers as a result of the economic slowdown.

Other Receivables

The increase in other receivables of \$347,000 was mainly due to certain prepaid expenses incurred and the consolidation of 2 new subsidiaries.

Trade payables

The increase in trade payables of \$5.1million was mainly due to extension of credit terms from suppliers and the consolidation of a new subsidiary.

Other payables

The decrease in other payables of \$1.6million was mainly due to provision of staff related cost in FY2008 which was paid in 1Q2009.

Bank Borrowings

The increase in bank borrowings of \$2.7million was mainly due to the consolidation of a new subsidiary.

Cash flow

Net cash from operating activities decreased by \$1.1million from \$1.7million in 1Q2008 to \$633,000 in 1Q2009. The decrease was mainly due to lower profit before tax and higher income tax paid offset by a lesser decrease in working capital.

Net cash used in investing activities increase by \$452,000 was mainly due to increase in investment in a new joint venture and acquisition of new subsidiaries offset by a lower purchase of property, plant and equipment.

Net cash from financing activities of \$310,000 in 1Q2009, as compared to net cash used in financing activities of \$1.9million in 1Q2008 was due to the increase usage of trade facilities to partially finance the Group's investing activities.

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

Not applicable.

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.

In the current global economic downturn, the Group expects the short-term business outlook to remain challenging. Facing price and margin pressures due to the volatility of raw material prices and declining selling prices, the Group is taking concerted measures such as extensive marketing efforts to counter the slowdown in demand as well as diversifying into other markets, such as Middle East and China, and other related business segments by way of acquisitions of companies.

While the world economy has been significantly impacted by the financial turmoil, the Group believes that the long-term fundamentals and outlook for the marine and offshore industry remains positive as a result of the global reliance on oil and gas, the reserves of which appear to be depleting. With the level of marine and offshore activities remaining high in the region, this should translate into sustainable and continued demands for the Group's products and services.

The Group's cash position of S\$9.3 million will serve as part of the Group's resources to weather the economic crisis. The Group will explore potential opportunities to further enhance the overall supply chain management capabilities and diversify into related businesses.

The Group maintains a cautious and prudent view on its future business outlook for the remaining financial year ending 31st December 2009.

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/recommended, a statement to that effect.

The Board of Directors does not recommend any dividend for the quarter ended 31 March 2009.

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 2009 to be false or misleading in any material respect.

On behalf of the Board of Directors

Alvin Lim Hwee Hong
Executive Chairman
16 April 2009

Vincent Lim Hui Eng
Chief Executive Officer
16 April 2009