



BH GLOBAL MARINE LIMITED
明輝環球海事有限公司

BH GLOBAL MARINE LIMITED

(Company Registration No: 200404900H)

THIRD-QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY(Q1,Q2,Q3), HALF-YEAR AND FULL 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			Group		
	\$'000		% Change	\$'000		% Change
	3rd quarter ended 30.09.09	3rd quarter ended 30.09.08		9 months ended 30.09.09	9 months ended 30.09.08	
Sales of goods	26,027	22,702	15%	74,999	74,506	1%
Cost of sales	(16,092)	(13,467)	19%	(48,016)	(45,570)	5%
Gross profit	9,935	9,235	8%	26,983	28,936	(7%)
Other operating income	40	99	(60%)	267	464	(42%)
Selling & Distribution expenses	(3,480)	(2,185)	59%	(8,975)	(7,048)	27%
Administrative expenses	(1,591)	(888)	79%	(4,072)	(2,907)	40%
Finance costs	(78)	(41)	90%	(248)	(115)	116%
Profit from operations	4,826	6,220	(22%)	13,955	19,330	(28%)
Share of results of joint ventures	59	-	N.M	90	-	N.M
Profit before taxation	4,885	6,220	(21%)	14,045	19,330	(27%)
Tax expense	(1,193)	(1,130)	6%	(2,873)	(3,555)	(19%)
Net profit for the period	3,692	5,090	(27%)	11,172	15,775	(29%)

Attributable to:						
Equity holders of the Company	4,146	5,090	(19%)	11,550	15,775	(27%)
Minority interests	(454)	-	N.M	(378)	-	N.M
	3,692	5,090	(27%)	11,172	15,775	(29%)

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	3rd quarter ended 30.09.09	3rd quarter ended 30.09.08	% Change	9 months ended 30.09.09	9 months ended 30.09.08	% Change
Net profit for the period	3,692	5,090	(27%)	11,172	15,775	(29%)
Other Comprehensive income:						
Exchange differences on translation of the financial statements of foreign entities (net)	(4)	-	N.M	(10)	-	N.M
Total comprehensive income for the period	3,688	5,090	(28%)	11,162	15,775	(29%)
Total comprehensive income attributable to:						
Equity holders of the Company	4,144	5,090	(19%)	11,544	15,775	(27%)
Minority interests	(456)	-	N.M	(382)	-	N.M
Total comprehensive income for the period	3,688	5,090	(28%)	11,162	15,775	(29%)

1(a)(ii) Notes to income statement

	Group					
	(\$S'000)			(\$S'000)		
	3rd quarter ended	3rd quarter ended	%	9 months ended	9 months ended	%
	30.09.09	30.09.08	Change	30.09.09	30.09.08	Change
Other income including interest income	87	9	867%	238	41	480%
Interest on borrowings	(77)	(41)	88%	(248)	(115)	116%
Depreciation of property, plant and equipment	(309)	(137)	126%	(782)	(412)	90%
Loss on disposal of fixed assets	(10)	-	N.M	(17)	-	N.M
Foreign exchange (loss)/gain	(37)	89	(142%)	46	423	(89%)
Bad debts written off	-	-	N.M	-	(1)	N.M
Stocks written (down)/back	(591)	11	N.M	(987)	(128)	671%
Write-back of provision for doubtful debts	44	115	(62%)	69	76	(9%)
Goodwill arising from consolidation written off	(354)	-	N.M	(802)	-	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)	
	30.09.09	31.12.08	30.09.09	31.12.08
Non-current assets				
Property, plant and equipment	16,763	15,597	-	-
Investment in subsidiaries	-	-	12,147	10,717
Investment in Joint Venture	2,170	-	89	-
Intangible Assets	335	-	-	-
	19,268	15,597	12,236	10,717
Current assets				
Inventories	42,571	40,270	-	-
Trade receivables	37,179	23,787	-	-
Other receivables	1,028	340	14,519	25,002
Cash and cash equivalents	8,426	11,352	113	199
Total current assets	89,204	75,749	14,632	25,201
Total assets	108,472	91,346	26,868	35,918
Non-current liabilities				
Bank borrowings	2,617	1,333	-	-
Hire-Purchase Creditors	38	-	-	-
	2,655	1,333	-	-
Current liabilities				
Trade payables	12,968	11,591	-	-
Bank borrowings	7,947	1,900	-	-
Other payables	7,982	6,696	320	3,261
Hire-Purchase Creditors	8	-	-	-
Tax payable	4,495	4,317	5	5
	33,400	24,504	325	3,266

Total liabilities	36,055	25,837	325	3,266
Net assets	72,417	65,509	26,542	32,652
Shareholders' equity				
Share capital	23,069	23,069	23,069	23,069
Translation reserves	(6)	-	-	-
Accumulated profits	48,950	42,440	3,473	9,583
	72,013	65,509	26,542	32,652
Minority Interests	404	-	-	-
Total shareholders' equity	72,417	65,509	26,542	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 30.09.09 (\$'000)		As at 31.12.08 (\$'000)	
Secured	Unsecured	Secured	Unsecured
1,704	6,243	400	1,500

Amount repayable after one year

As at 30.09.09 (\$'000)		As at 31.12.08 (\$'000)	
Secured	Unsecured	Secured	Unsecured
2,617	-	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 \$9.49million (31.12.2008: \$8.72million)
- 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			
	\$'000	\$'000	\$'000	\$'000
	3rd quarter ended 30.09.09	3rd quarter ended 30.09.08	9 months ended 30.09.09	9 months ended 30.09.08
Cash flows from operating activities				
Profit before tax	4,885	6,220	14,045	19,330
Adjustments for :				
Depreciation	309	137	782	412
Goodwill arising on consolidation written off	354	-	802	-
Unrealised translation loss	4	-	10	-
Share of results in joint venture	(59)	-	(90)	-
Loss on disposal of fixed assets	10	-	17	-
Negative Goodwill arising from acquisition	-	-	(5)	-
Interest income	(1)	(3)	(8)	(7)
Interest expense	77	41	248	115
Operating cash before movements in working capital	5,579	6,395	15,801	19,850
Inventories	(758)	(3,221)	2,622	(3,651)
Receivables	(3,589)	5,606	(11,993)	(2,800)
Payables	662	(822)	(2,018)	1,482
Cash generated from operations	1,894	7,958	4,412	14,881
Interest paid	(77)	(41)	(248)	(115)
Income tax paid	(1,036)	(1,231)	(2,722)	(3,847)
Net cash from operating activities	781	6,686	1,442	10,919
Cash flows from investing activities				
Purchase of property, plant and equipment	(321)	(3,371)	(1,703)	(6,152)
Proceeds from disposal of property, plant and equipment	-	-	26	-
Interest received	1	3	8	7
Investment in joint venture	(116)	-	(2,075)	-
Cash flow on acquisition, net of cash	-	-	(560)	-
Net cash used in investing activities	(436)	(3,368)	(4,304)	(6,145)
Cash flows from financing activities				
Proceeds from bankers	(524)	1,093	4,988	1,738
Repayment of hire purchase creditors	(5)	-	(12)	-
Dividend paid	-	-	(5,040)	(5,040)

Net cash (used in) / from financing activities	(529)	1,093	(64)	(3,302)
Net (decrease)/increase in cash and cash equivalents	(184)	4,411	(2,926)	1,472
Cash and cash equivalents at beginning of year	8,610	7,705	11,352	10,644
Cash and cash equivalents at end of year	8,426	12,116	8,426	12,116

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	Translation Reserves	Accumulated Profits	Minority Interests	Total Shareholders' Equity
At 1 January 2009	23,069	-	42,440	-	65,509
Acquisition of subsidiaries	-	-	-	786	786
Profit for the period	-	-	3,436	59	3,495
Balance At 31 March 2009	23,069	-	45,876	845	69,790
Loss not recognised in income statement	-	(4)	-	(2)	(6)
Dividends	-	-	(5,040)	-	(5,040)
Profit for the period	-	-	3,968	17	3,985
Balance At 30 June 2009	23,069	(4)	44,804	860	68,729
Loss not recognised in income statement	-	(2)	-	(2)	(4)
Loss for the period	-	-	4,146	(454)	3,692
Balance At 30 September 2009	23,069	(6)	48,950	404	72,417
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
Profit for the period	-	-	5,090	-	5,090
Balance At 30 September 2008	23,069	-	38,977	-	62,046

Company	(\$'000)		
	Share Capital	Accumulated Profits	Total Shareholders' Equity
At 1 January 2009	23,069	9,583	32,652
Loss for the period	–	(279)	(279)
Balance At 31 March 2009	23,069	9,304	32,373
Loss for the period	–	(400)	(400)
Dividends	–	(5,040)	(5,040)
Balance At 30 June 2009	23,069	3,864	26,933
Loss for the period	–	(391)	(391)
Balance At 30 September 2009	23,069	3,473	26,542
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
Loss for the period	–	(87)	(87)
Balance At 30 September 2008	23,069	1,451	24,520

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.

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.

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

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 in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements, except for those as disclosed under paragraph 5.

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.

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS.

The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements, except for the disclosure of a statement of comprehensive income in accordance with the FRS 1 (Revised) Presentation of Financial Statements.

06. 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			
	3rd quarter ended 30.09.09	3rd quarter ended 30.09.08	9 months ended 30.09.09	9 months ended 30.09.08
(i) Based on number of ordinary shares in issue	0.99 cents	1.21 cents	2.75 cents	3.76 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	0.99 cents	1.21 cents	2.75 cents	3.76 cents
Diluted number of ordinary shares in issue	420,000,000	420,000,000	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 financial period reported on; and**
- (b) immediately preceding financial year**

	Group		Company	
	30.09.09	31.12.08	30.09.09	31.12.08
Net asset value per ordinary share based on existing share capital	17 cents	16 cents	6 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.**

**Revenue
(3Q2009 Vs 3Q2008)**

	Group		% Change
	3Q2009 \$'000	3Q2008 \$'000	
Marine Electrical Equipment			
Marine cables and accessories	15,305	15,614	(2%)
Marine lighting equipment and accessories	5,656	4,919	15%
Marine switchboards and services	2,448	-	N.M
	23,409	20,533	14%
Marine Consumables			
Marine lamps	860	1,075	(20%)
General marine consumable products	924	1,094	(16%)
	1,784	2,169	(18%)
Armouring Steel			
Galvanized steel wire	834	-	N.M
Total sales revenue	26,027	22,702	15%

Marine Electrical Equipment

Marine electrical equipment accounts for 90% of the Group's turnover in 3Q2009, of which marine cables and accessories contributed 65%, marine lighting equipment and accessories 24% and marine switchboards and services 11%. Revenue from marine cables and accessories remain consistent and comparable to 3Q2008. 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 Z-Power Automation Pte Ltd ("ZPA").

Marine Consumables

The decrease in revenue from marine consumables was due to increased competition in this segment.

Armouring Steel

The increase in revenue from galvanized steel wire was due to acquisition of Sky Holding Pte Ltd ("SKY").

(9M2009 VS 9M2008)

	Group		
	9 months ended 30 September		
	2009 \$'000	2008 \$'000	% Change
Marine Electrical Equipment			
Marine cables and accessories	45,503	55,024	(17%)
Marine lighting equipment and accessories	14,808	13,074	13%
Marine switchboards and services	6,678	-	N.M
	66,989	68,098	(2%)
Marine Consumables			
Marine lamps	2,654	3,191	(17%)
General marine consumable products	3,190	3,217	(1%)
	5,844	6,408	(9%)
Armouring Steel			
Galvanized steel wire	2,166	-	N.M
Total sales revenue	74,999	74,506	1%

Marine Electrical Equipment

Marine electrical equipment remains the larger revenue contributor, accounting for 89% of the Group's turnover in 9M2009, of which marine cables and accessories contributed 68%, marine lighting equipment and accessories 22% and marine switchboards and services 10%. Revenue from marine cables and accessories fell by 17%. This was mainly due to the fall in selling prices as a result of lower copper prices, 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 ZPA.

Marine Consumables

The decrease in revenue from marine consumables was due increased competition in this segment.

Armouring Steel

The increase in revenue from galvanized steel wire due to acquisition of SKY.

Geographical segment

Revenue derived from Singapore decreased by \$3.2million from \$61.0million in 9M2008 to \$57.8million in 9M2009. The decrease was mainly due to the fall in selling prices in marine cables and accessories as a result of lower copper prices.

Revenue derived from overseas increased by \$3.7million or 27% from \$13.5million in 9M2008 to \$17.2million in 9M2009 as the Group managed to secure more sales for shipbuilding and ship conversion projects overseas.

Revenue contributed from overseas remains relatively unchanged at 23% in 9M2009 against 24% in 9M2008.

Gross profit

The Group's overall gross profit increased by \$700,000 or 8% from \$9.2million in 3Q2008 to \$9.9million in 3Q2009. The increase was due to higher revenue offset by a decrease in overall gross margin from 41% in 3Q2008 to 38% in 3Q2009. The lower overall gross margin was due to the consolidation of our new marine switchboards and services and armouring steel segments which carry a lower gross margin.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The increase in selling and distribution expenses is mainly due to a higher provision for stock obsolescence and expenses incurred by our newly acquired subsidiaries. The increase in administrative expenses is mainly due to goodwill arising from consolidation written off and higher depreciation of fixed assets.

Finance costs

Finance costs increased by \$37,000 from \$41,000 in 3Q2008 to \$78,000 in 3Q2009. The increase was mainly due to higher usage of bank facilities including those of SKY.

Share of results in joint venture

The increase in share of result in joint venture was due to the investment in Dream Marine Ship Spare Parts Trading LLC ("DMS").

Income tax

The higher income tax for 3Q2009 against 3Q2008 was due to certain expenses which are not deductible for tax purpose.

Other income

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

Depreciation

The increase in depreciation is due to the completion of a new property at the beginning of FY2009.

Goodwill arising from consolidation written off

The increase in goodwill arising from consolidation written off was due to acquisition of ZPA and SKY.

Balance Sheet and Cash Flow Analysis

Property, plant and equipment

The increase in property, plant and equipment of \$1.2million 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 \$2.2million was mainly due to the investment in DMS.

Inventories

Inventories increased by \$2.3million due mainly to consolidation of ZPA and SKY in 3Q2009. Inventory turnover days improved to 240 days in 3Q2009 (adjusted for the period of acquisition of ZPA and SKY) as compared to 254 days in FY2008.

Trade receivables

Trade receivables increased by \$13.4 million from \$23.8million in FY2008 to \$37.2million in 3Q2009 while trade receivable turnover days increased from 92days in FY2008 to 134days in 3Q2009 (adjusted for the period of acquisition of the ZPA and SKY). This was mainly due to slower payments from customers as a result of the economic slowdown.

Other Receivables

The increase in other receivables of \$688,000 was mainly due to certain prepaid expenses incurred and the consolidation of other receivables of ZPA and SKY.

Trade payables

The increase in trade payables of \$1.4million was mainly due to the consolidation of trade payables of ZPA and SKY.

Other payables

The increase in other payables of \$1.3million was mainly due to the consolidation of other payables of ZPA and SKY.

Bank borrowings

The increase in bank borrowings of \$7.3million was mainly due to higher usage of bank facilities as a result of slower payments from customers due to the current economic slowdown.

Cash flow

Net cash and cash equivalents was negative \$184,000 in 3Q2009 as compared to a positive \$4.4million in 3Q2008. This was mainly due to lower profit before tax and slower payment from customers.

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.

Following the weak market and poor industry sentiments since the beginning of the year, the Group embarked on strategic acquisitions such as ZPA (marine switchboards and services) and Sky (galvanized steel wire) to broaden the Group's product offerings and enhance its market positioning. These subsidiaries provide the Group with more diversified product range and integrated services along with better geographical diversification. These acquisitions coupled with prudent cost control measures will enable the Group to weather the prevailing economic downturn. Backed by a healthy balance sheet and robust customer base, the Group believes that the longer term fundamentals of the business remain intact.

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

Nil

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.

No dividend has been declared/recommended for the period ended 30 September 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 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, nothing has come to its attention which may render the unaudited interim financial results for the financial period 30 September 2009 to be false or misleading, in any material respect.

On behalf of the Board of Directors

Alvin Lim Hwee Hong
Executive Chairman
15 October 2009

Vincent Lim Hui Eng
Chief Executive Officer
15 October 2009