



BH GLOBAL MARINE LIMITED  
明輝環球海事有限公司

## BH GLOBAL MARINE LIMITED

(Company Registration No: 200404900H)

### QUARTERLY FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2011

#### PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

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

##### 1(a)(i) Income Statement

	Group			Group		
	\$'000	\$'000		\$'000	\$'000	
	4th quarter ended 31.12.11	4th quarter ended 31.12.10	%	Financial year ended 31.12.11	Financial year ended 31.12.10	%
			Change			Change
Revenue	34,010	29,856	14%	143,442	103,001	39%
Cost of sales	(27,287)	(21,084)	29%	(104,353)	(69,638)	50%
<b>Gross profit</b>	<b>6,726</b>	<b>8,772</b>	(23%)	<b>39,089</b>	<b>33,363</b>	17%
Other operating income	566	187	203%	337	99	240%
Selling & Distribution expenses	(2,506)	(4,770)	(47%)	(15,208)	(13,306)	14%
Administrative expenses	(2,545)	(1,585)	61%	(7,870)	(5,556)	42%
Finance costs	(136)	(74)	84%	(309)	(258)	20%
<b>Profit from operations</b>	<b>2,105</b>	<b>2,530</b>	(17%)	<b>16,039</b>	<b>14,342</b>	12%

Share of results of associated companies	8	(4)	N.M	(4)	(15)	(73%)
Share of results of a joint venture	148	(13)	N.M	467	215	117%
<b>Profit before taxation</b>	<b>2,261</b>	<b>2,513</b>	(10%)	<b>16,502</b>	<b>14,542</b>	13%
Tax expense	(906)	(455)	99%	(3,234)	(2,594)	25%
<b>Net profit for the period/year</b>	<b>1,355</b>	<b>2,058</b>	(34%)	<b>13,268</b>	<b>11,948</b>	11%
<b>Attributable to:</b>						
Equity holders of the Company	1,750	1,857	(6%)	12,916	11,353	14%
Non-controlling interests	(395)	201	N.M	352	595	(41%)
	<b>1,355</b>	<b>2,058</b>	(34%)	<b>13,268</b>	<b>11,948</b>	11%

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

	4th quarter ended 31.12.11	4th quarter ended 31.12.10	% Change	Financial year ended 31.12.11	Financial year ended 31.12.10	% Change
<b>Net profit for the period/year</b>	<b>1,355</b>	<b>2,058</b>	(34%)	<b>13,268</b>	<b>11,948</b>	11%
Other Comprehensive income:						
Exchange differences on translation of the financial statements of foreign entities (net)	18	(70)	N.M	(3)	(101)	(97%)
<b>Total comprehensive income for the period/year</b>	<b>1,373</b>	<b>1,988</b>	(31%)	<b>13,265</b>	<b>11,847</b>	12%
Total comprehensive income attributable to:						
Equity holders of the Company	1,748	1,786	(2%)	12,893	11,263	14%
Non-controlling interests	(375)	202	N.M	372	584	(36%)
<b>Total comprehensive income for the period/year</b>	<b>1,373</b>	<b>1,988</b>	(31%)	<b>13,265</b>	<b>11,847</b>	12%

## 1(a)(ii) Notes to income statement

	Group					
	(\$'000)			(\$'000)		
	4th quarter ended 31.12.11	4th quarter ended 31.12.10	%	Financial year ended 31.12.11	Financial year ended 31.12.10	%
Other income including interest income	28	14	<b>100%</b>	116	82	<b>41%</b>
Interest on borrowings	(136)	(74)	<b>84%</b>	(309)	(258)	<b>20%</b>
Depreciation of property, plant and equipment	(590)	(459)	<b>29%</b>	(2,834)	(1,422)	<b>99%</b>
Gain on disposal of property, plant and equipment	-	-	-	31	-	<b>N.M</b>
Foreign exchange gain	720	173	<b>316%</b>	343	14	<b>N.M</b>
Bad debts written off	-	(23)	<b>(100%)</b>	-	(23)	<b>(100%)</b>
Reversal/(Provision) for stock obsolescence	1,977	(968)	<b>(304%)</b>	(247)	(2,120)	<b>(88%)</b>
Write-back of allowance for doubtful debts	-	-	-	511	-	<b>N.M</b>
Allowance for doubtful debts	(1325)	(934)	<b>(22%)</b>	(1325)	(601)	<b>21%</b>
Fair value adjustment of contingent consideration in a business combination	(312)	-	<b>N.M</b>	(312)	-	<b>N.M</b>
Impairment of goodwill arising from consolidation	(180)	-	<b>100%</b>	(180)	-	<b>100%</b>
Impairment loss on investment in associate	(30)	-	<b>N.M</b>	(30)	-	<b>N.M</b>
Reversal of provision of warranty	533	-	<b>N.M</b>	533	-	<b>N.M</b>

**N.M. – Not meaningful**

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

	Group (\$'000)		Company (\$'000)	
	31.12.11	31.12.10	31.12.11	31.12.10
<b>Non-current assets</b>				
Property, plant and equipment	38,573	22,171	-	-
Investment in subsidiaries	-	-	15,535	15,358
Investment in associated companies	6,277	75	6,296	90
Investment in a joint venture	2,015	1,481	826	823
Deferred tax assets	264	160	-	-
Intangible assets	1,578	1,058	49	49
	<b>48,707</b>	<b>24,945</b>	<b>22,706</b>	<b>16,320</b>

**Current assets**

Inventories	56,552	47,329	-	-
Due from customers on construction contracts	20,378	2,547	-	-
Amount due from joint venture (trade)	334	881	-	-
Trade receivables	37,641	34,861	-	-
Other receivables	2,344	1,538	41,133	34,077
Cash and cash equivalents	16,952	24,484	139	11,847
<b>Total current assets</b>	<b>134,201</b>	<b>111,640</b>	<b>41,272</b>	<b>45,924</b>
<b>Total assets</b>	<b>182,908</b>	<b>136,585</b>	<b>63,978</b>	<b>62,244</b>

**Non current liabilities**

Deferred Tax Liability	975	-	-	-
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**Current liabilities**

Due to customers on construction contracts	-	2,095	-	-
Trade payables	22,149	12,975	-	-
Bank borrowings	28,353	5,329	-	-
Other payables	8,989	7,827	1,027	2,657
Finance lease liabilities	51	20	-	-
Tax payable	3,358	2,596	19	70
	<b>62,900</b>	<b>30,842</b>	<b>1,046</b>	<b>2,727</b>

<b>Total liabilities</b>	<b>63,875</b>	<b>30,842</b>	<b>1,046</b>	<b>2,727</b>
<b>Net assets</b>	<b>119,033</b>	<b>105,743</b>	<b>62,932</b>	<b>59,517</b>

**Shareholders' equity**

Share capital	43,461	43,461	43,461	43,461
Translation reserves	(91)	(88)	-	-
Accumulated profits	69,540	59,965	19,471	16,056
Attributable to equity holders of the Company, total	<b>112,910</b>	<b>103,338</b>	<b>62,932</b>	<b>59,517</b>
Non-controlling interests	<b>6,123</b>	<b>2,405</b>	-	-
<b>Total shareholders' equity</b>	<b>119,033</b>	<b>105,743</b>	<b>62,932</b>	<b>59,517</b>

**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 31.12.11 (\$'000)		As at 31.12.10 (\$'000)	
Secured	Unsecured	Secured	Unsecured
17,862	10,491	2,362	2,967

## Amount repayable after one year

As at 31.12.11 (\$'000)		As at 31.12.10 (\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

### 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 \$8.84 million (31.12.2010: \$9.12million)
- Corporate guarantee by the Company.
- Fixed deposits from subsidiaries.
- Joint and several guarantees by certain directors of a subsidiary.
- Fixed charge for all monies over a subsidiary's present and future contracts financed or to be financed directly or indirectly, wholly or partly.
- Existing first fixed charge over a subsidiary's fixed property and assets.

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

	Group			
	\$'000	\$'000	\$'000	\$'000
	4th quarter ended 31.12.11	4th quarter ended 31.12.10	Financial year ended 31.12.11	Financial year ended 31.12.10
<b>Cash flows from operating activities</b>				
Profit before tax	2,261	2,513	16,502	14,542
<b>Adjustments for :</b>				
Depreciation	590	459	2,834	1,422
Unrealised translation loss/(gain)	71	(63)	46	(32)
Interest income	(12)	(9)	(36)	(17)
Interest expense	136	74	309	258
Share of results of a joint venture	(238)	13	(557)	(215)
Share of results of associated companies	(59)	4	(47)	15
Impairment of goodwill arising from consolidation	180	-	180	-
Gain on disposal of property, plant and equipment	-	-	(31)	-
Fair value adjustment of contingent consideration in a business combination	312	-	312	-

<b>Operating cash before movements in working capital</b>	<b>3,241</b>	<b>2,991</b>	<b>19,512</b>	<b>15,973</b>
Inventories	(253)	309	(9,223)	(5,106)
Due from customers on construction contract, net	718	1,837	(19,926)	(452)
Receivables	(3,264)	1,019	(3,039)	2,753
Payables	3,946	(4,285)	12,522	(8,223)
<b>Net cash from / (used in) operations</b>	<b>4,387</b>	<b>1,871</b>	<b>(154)</b>	<b>4,945</b>
Interest paid	(136)	(74)	(309)	(258)
Income tax refund /(paid)	57	(465)	(2,529)	(4,743)
<b>Net cash from/(used) in operating activities</b>	<b>4,308</b>	<b>1,332</b>	<b>(2,992)</b>	<b>(56)</b>
<b>Cash flows from investing activities</b>				
Fixed deposits	-	-	(268)	(1,332)
Purchase of property, plant and equipment	(4,352)	(1,052)	(15,017)	(4,625)
Proceeds from disposal of property, plant and equipment	-	2,748	33	2,748
Interest received	12	9	36	17
Capital injection from the minority shareholders	3,365	-	3,365	-
Investment in joint venture	-	-	-	(900)
Investment in an associated company	80	-	(6,155)	(90)
Other investment	-	-	-	(49)
Cash flow on acquisition of subsidiary, net of cash (See note A)	(3,919)	(103)	(3,919)	(103)
<b>Net cash (used in) / from investing activities</b>	<b>(4,814)</b>	<b>1,602</b>	<b>(21,925)</b>	<b>(4,334)</b>
<b>Cash flows from financing activities</b>				
Proceeds from / (payments to) bankers	6,680	(11,382)	20,526	(567)
Repayment of hire purchase creditors	(29)	(9)	(49)	(16)
Net proceeds from issuance of TDRs	-	20,392	-	20,392
Dividend paid	-	-	(3,360)	(3,360)
<b>Net cash from financing activities</b>	<b>6,651</b>	<b>9,001</b>	<b>17,117</b>	<b>16,449</b>
Net increase/(decrease) in cash and cash equivalents	6,145	11,935	(7,800)	12,059
Cash and cash equivalents at beginning of period	8,571	10,581	22,516	10,457
<b>Cash and cash equivalents at end of period</b>	<b>14,716</b>	<b>22,516</b>	<b>14,716</b>	<b>22,516</b>

**Cash and cash equivalents comprises the following**

Cash and cash equivalents	16,952	24,484	16,952	24,484
Less: Fixed Deposits	(2,236)	(1,968)	(2,236)	(1,968)
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>14,716</b>	<b>22,516</b>	<b>14,716</b>	<b>22,516</b>

**Note A**

**Acquisition of subsidiary**

**During the period, the Group acquired 100% equity of PT Dwi Utama Mandiri Sukases. The fair value of assets acquired were as follows:**

	(\$'000)
Plant, property and equipment	4,147
Deferred Tax Liability	(928)
Net identifiable assets acquired	<u>3,219</u>
Goodwill	<u>700</u>
Total consideration paid in cash	3,919
Less: Cash and cash equivalents in subsidiary acquired	-
Cash outflow on acquisition of subsidiary	<u>3,919</u>

**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	Total	Non-Controlling interests	Total shareholders' equity
<b>At 1 January 2011</b>	<b>43,461</b>	<b>(88)</b>	<b>59,965</b>	<b>103,338</b>	<b>2,405</b>	<b>105,743</b>
Loss not recognised in income statement	-	(44)	-	(44)	(10)	(54)
Dividend	-	-	(3,360)	(3,360)	-	(3,360)
Profit for the period	-	-	3,757	3,757	241	3,998
<b>Balance At 31 March 2011</b>	<b>43,461</b>	<b>(132)</b>	<b>60,362</b>	<b>103,691</b>	<b>2,636</b>	<b>106,327</b>
Profit not recognised in income statement	-	41	-	41	14	55
Profit for the period	-	-	3,980	3,980	332	4,312
<b>Balance At 30 June 2011</b>	<b>43,461</b>	<b>(91)</b>	<b>64,342</b>	<b>107,712</b>	<b>2,982</b>	<b>110,694</b>

Loss not recognised in income statement	-	(18)	-	(18)	(4)	(22)
Profit for the period	-	-	3,429	3,429	174	3,603
<b>Balance At 30 September 2011</b>	<b>43,461</b>	<b>(109)</b>	<b>67,771</b>	<b>111,123</b>	<b>3,152</b>	<b>114,275</b>
Profit not recognised in income statement	-	18	-	18	20	38
Profit for the period	-	-	1,750	1,750	(395)	1,355
Additional investment in subsidiary	-	-	-	-	3,365	3,365
Non-controlling interest change in stake	-	-	19	19	(19)	-
<b>Balance At 31 December 2011</b>	<b>43,461</b>	<b>(91)</b>	<b>69,540</b>	<b>112,910</b>	<b>6,123</b>	<b>119,033</b>
	<b>Share capital</b>	<b>Translation reserves</b>	<b>Accumulated profits</b>	<b>Total</b>	<b>Controlling interests</b>	
<b>At 1 January 2010</b>	<b>23,069</b>	<b>2</b>	<b>52,081</b>	<b>75,152</b>	<b>18</b>	<b>75,170</b>
Loss not recognised in income statement	-	(1)	-	(1)	-	(1)
Profit for the period	-	-	3,013	3,013	121	3,134
<b>Balance at 31 March 2010</b>	<b>23,069</b>	<b>1</b>	<b>55,094</b>	<b>78,164</b>	<b>139</b>	<b>78,303</b>
Loss not recognised in income statement	-	(2)	-	(2)	-	(2)
Profit for the period	-	-	2,707	2,707	174	2,881
Dividends	-	-	(3,360)	(3,360)	-	(3,360)
Additional Investment in Subsidiary	-	-	-	-	339	339
<b>Balance At 30 June 2010</b>	<b>23,069</b>	<b>(1)</b>	<b>54,441</b>	<b>77,509</b>	<b>652</b>	<b>78,161</b>
Additional Investment in Subsidiary	-	-	-	-	498	498
Loss not recognised in income statement	-	(30)	-	(30)	-	(30)
Profit for the period	-	-	3,776	3,776	99	3,875
<b>Balance At 30 September 2010</b>	<b>23,069</b>	<b>(31)</b>	<b>58,217</b>	<b>81,255</b>	<b>1,249</b>	<b>82,504</b>



Issuance of 60,000,000 new shares	20,392	-	-	20,392	-	20,392
Loss not recognised in income statement	-	(57)	-	(57)	(11)	(68)
Profit for the period	-	-	1,857	1,857	201	2,058
Partial disposal of a subsidiary	-	-	(109)	(109)	109	-
Additional investment in a subsidiary	-	-	-	-	178	178
Acquisition of subsidiaries	-	-	-	-	679	679
<b>Balance At 31 December 2010</b>	<b>43,461</b>	<b>(88)</b>	<b>59,965</b>	<b>103,338</b>	<b>2,405</b>	<b>105,743</b>

**Company**

**(\$'000)**

	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Total shareholders' equity</b>
At 1 January 2011	43,461	16,056	59,517
Loss for the period	-	(137)	(137)
Dividends	-	(3,360)	(3,360)
<b>Balance at 31 March 2011</b>	<b>43,461</b>	<b>12,559</b>	<b>56,020</b>
Loss for the period	-	(298)	(298)
<b>Balance At 30 June 2011</b>	<b>43,461</b>	<b>12,261</b>	<b>55,722</b>
Loss for the period	-	(4)	(4)
<b>Balance At 30 September 2011</b>	<b>43,461</b>	<b>12,257</b>	<b>55,718</b>
Profit for the period	-	7,214	7,214
<b>Balance At 31 December 2011</b>	<b>43,461</b>	<b>19,471</b>	<b>62,932</b>
	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Total shareholders' equity</b>
At 1 January 2010	23,069	12,065	35,134
Loss for the period	-	(53)	(53)
<b>Balance at 31 March 2010</b>	<b>23,069</b>	<b>12,012</b>	<b>35,081</b>

Loss for the period	-	(55)	(55)
Dividends	-	(3,360)	(3,360)
<b>Balance At 30 June 2010</b>	<b>23,069</b>	<b>8,597</b>	<b>31,666</b>
Loss for the period	-	(138)	(138)
<b>Balance At 30 September 2010</b>	<b>23,069</b>	<b>8,459</b>	<b>31,528</b>
Issuance of 60,000,000 new shares	20,392	-	20,392
Profit for the period	-	7,597	7,597
<b>Balance At 31 December 2010</b>	<b>43,461</b>	<b>16,056</b>	<b>59,517</b>

**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.**

	<b>31.12.11</b>	<b>31.12.10</b>
Total number of issued shares (excluding treasury shares)	480,000,000	480,000,000

**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 has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements for the financial year ended 31 December 2010.

**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 adoption of the new and revised FRSs is assessed to have no material impact to the results of the Group and of the Company for the period ending 31 December 2011.

**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:-

	<b>Group</b>			
	<b>4th quarter ended 31.12.11</b>	<b>4th quarter ended 31.12.10</b>	<b>Financial year ended 31.12.11</b>	<b>Financial year ended 31.12.10</b>
(i) Based on number of ordinary shares in issue	0.36 cents	0.40 cents	2.69 cents	2.63 cents
Number of ordinary shares in issue	480,000,000	*467,608,696	480,000,000	*432,000,000
(ii) On a fully diluted basis	0.36 cents	0.40 cents	2.69 cents	2.63 cents
Diluted number of ordinary shares in issue	480,000,000	*467,608,696	480,000,000	*432,000,000

\* The weighted average number of ordinary shares has been adjusted in the computation of earnings per share for 60,000,000 new shares in the capital of the Company on the Taiwan Stock Exchange on 20 October 2010.

**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**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.11</b>	<b>31.12.10</b>	<b>31.12.11</b>	<b>31.12.10</b>
Net asset value per ordinary share based on existing share capital	25 cents	22 cents	13 cents	12 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  
(4Q2011 Vs 4Q2010)**

	<b>Group</b>		
	<b>4Q2011 \$'000</b>	<b>4Q2010 \$'000</b>	<b>% Change</b>
<b>Supply Chain Management</b>			
Marine cables and accessories	8,993	11,186	(20%)
Marine lighting equipment and accessories	2,979	3,211	(7%)
Others	1,718	1,613	7%
	<b>13,690</b>	<b>16,010</b>	<b>(14%)</b>
<b>Manufacturing</b>			
Marine switchboards	4,067	2,922	39%
Galvanized steel wire	618	2,605	(76%)
	<b>4,685</b>	<b>5,527</b>	<b>(15%)</b>
<b>Engineering Services</b>			
Engineering and installation	<b>15,635</b>	<b>8,319</b>	<b>88%</b>
<b>Total sales revenue</b>	<b>34,010</b>	<b>29,856</b>	<b>14%</b>

### Supply Chain Management

Supply Chain Management Division accounts for 40% of the Group's turnover in 4Q2011, of which marine cables and accessories contributed 66%, marine lighting equipment and accessories 22% and others 12%. Revenue from Supply Chain Management Division decreased by 14% due mainly to lower orders from the marine sector as a result of lower level of activities.

### Manufacturing

Manufacturing Division accounts for 14% of the Group's turnover in 4Q2011, of which marine switchboards contributed 87% and galvanized steel wire 13%. The increase in revenue from marine switchboards is due to the higher deliveries in 4Q2011 for orders from previous quarters. The decrease in revenue from galvanized steel wire is due to increased direct competition in the Middle East market.

### Engineering Services

Engineering Services Division accounts for 46% of the Group's turnover in 4Q2011. The significant increase in revenue from engineering and installation is due to higher contributions from our Engineering, Procurement and Construction Management ("EPCM") business and the full year impact of our Electrical, Instrumentation and Telecommunication ("EIT") business which only commenced during 4Q2010.

#### (FY2011 VS FY2010)

	Group		
	2011 \$'000	2010 \$'000	% Change
<b>Supply Chain Management</b>			
Marine cables and accessories	43,922	47,027	(7%)
Marine lighting equipment and accessories	11,658	12,989	(10%)
Others	6,439	6,780	(5%)
	<b>62,019</b>	<b>66,796</b>	(7%)
<b>Manufacturing</b>			
Marine switchboards and services	11,896	12,702	(6%)
Galvanized steel wire	5,212	6,337	(18%)
	<b>17,108</b>	<b>19,039</b>	(10%)
<b>Engineering Services</b>			
Engineering and installation	<b>64,315</b>	<b>17,166</b>	275%
<b>Total sales revenue</b>	<b>143,442</b>	<b>103,001</b>	39%

### **Supply Chain Management**

Supply Chain Management Division accounts for 43% of the Group's turnover in FY2011, of which marine cables and accessories contributed 71%, marine lighting equipment and accessories 19% and others 10%. Revenue from Supply Chain Management Division declined marginally by 7%.

### **Manufacturing**

Manufacturing Division accounts for 12% of the Group's turnover in FY2011, of which marine switchboards contributed 70% and galvanized steel wire 30%. Revenue from marine switchboards is declined marginally by 6%. The decrease in revenue from galvanized steel wire is due to increased direct competition from the Middle East market.

### **Engineering Services**

Engineering Services Division accounts for 45% of the Group's turnover in FY2011. The significant increase in revenue from engineering and installation is due to higher contributions from both our EPCM and fabrication businesses and the full year impact of our EIT business which only commenced during 4Q2010.

### **Geographical segment**

Revenue derived from Singapore decreased marginally by \$5.8million or 8% from 73.5million in FY2010 to \$67.7million in FY2011. This is mainly due to the decrease in revenue from Supply Chain Management Division.

Revenue derived from overseas increased by \$46.2million or 156% from \$29.5million in FY2010 to \$75.7million in FY2011. This is mainly due to the higher contribution from the Group's Engineering Services Division which derived its revenue substantially from overseas customers.

### **Gross profit**

The Group's overall gross profit increased by \$5.6million or 17% from \$33.4million in FY2010 to \$39million in FY2011 due to a higher turnover. However, overall gross profit margin decreased from 32% in FY2010 to 27% in FY2011. This was mainly due to the higher contribution from Engineering Services Division whose contracts yield a lower gross margin.

### **Other operating income/(expenses)**

The increase in other operating income in 4Q2011 was mainly due to a higher foreign exchange gain.

### **Operating expenses**

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The lower selling & distribution expenses is due to the write back of provision for stock obsolescence offset by increase in allowance of bad debts in 4Q2011. The higher administration expenses is due to the fair value adjustment of contingent consideration in business combination and impairment of goodwill arising from consolidation in 4Q 2011.

**Share of results in associated companies**

The increase in share of results in associated company was due to the contribution from new associated company, GL Lighting Holding Pte Ltd which is the holding company of General Luminaire (Shanghai) Co., Ltd and General Luminaire Co., Ltd (Taiwan).

**Share of results of a joint venture**

The increase in share of results in joint venture was due to more orders secured resulting in higher profits in Dream Marine Ship Spare Parts Trading LLC as compared to 4Q2010.

**Tax expense**

The income tax increased by \$451,000 from \$455,000 in 4Q2010 to \$906,000 in 4Q2011 as a result of a higher profit before tax and losses in certain subsidiaries not qualified for tax relief.

**Depreciation**

The increase in depreciation in 4Q2011 is due to the addition of property, plant and equipment for the Group's new Engineering Services Division.

**Foreign Exchange Gain**

The increase in foreign exchange gain is mainly due to the appreciation in value of US dollar receivables as a result of a stronger US dollar in 4Q2011.

**Balance Sheet and Cash Flow Analysis****Property, plant and equipment**

The increase in property, plant and equipment of \$16.4 million is mainly due to the acquisition of land, machinery and equipment for the Group's Engineering Services Division for the purpose of developing its new fabrication facility.

**Investment in associated companies**

The increase in investment in associated Company is due to the acquisition of a new associated company, GL Lighting Holding Pte Ltd, which is the holding company of General Luminaire (Shanghai) Co., Ltd and General Luminaire Co., Ltd (Taiwan).

**Investment in a joint venture**

The increase in investment in a joint venture is mainly due to the share of results from joint venture in FY2011.

**Inventories**

Inventories increased by \$9.2million from \$47.3million in FY2010 to \$56.6million in FY2011. This is mainly due to purchase of raw materials by the Group's Engineering Services Division in FY2011.

**Due from customers on construction contracts**

The increase in amount due from customers on construction contracts is due to unbilled work-in-progress of new projects of the Engineering Services Division.

**Trade receivables**

Trade receivables increased by \$2.7million from \$34.9million in FY2010 to \$37.6million in FY2011. This is mainly due to higher revenue.

**Other Receivables**

The increase in other receivables of \$806,000 was mainly due to advance payment made for purchase of equipment and materials for Engineering Services Division.

**Due to customers on construction contracts**

The decrease in due to customers on construction contracts is due to the progress completion for projects in FY2011 billed in advance in 4Q2010 by our Engineering Services Division.

**Trade payables**

Trade payables increased by \$9.1million from \$13.0million in FY2010 to \$22.1million in 4Q2011. This was mainly due to the purchase of raw materials for the Engineering Services Division as a result of higher orders.

**Banks borrowings**

The increase in bank borrowings of \$23.0million was mainly due to utilization of bank facilities to finance partially the acquisition of raw materials and fixed assets by the Group's Engineering Services Division.

**Cash flow**

Net cash and cash equivalent decreased by \$5.8 million in 4Q2011 as compared to 4Q2010. This was mainly due to the increase in proceeds from bankers to finance the increase in receivables and acquisition of a subsidiary.



**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.**

The offshore oil and gas capex cycle continues to be well-supported by robust oil prices and daily charter rates. Exploration and production activities will also continue to stimulate demand for newbuilds. BH Global initiated a new business segment, Engineering Services in 4Q2010 and notably, revenue contribution from this segment has overtaken the traditional business, Supply Chain Management in FY2011. The Group believes that this new segment will continue to be a main driver of the Group's revenue in the near future.

The Group has a 6-hectare fabrication facility in Batam, Indonesia that has the capability of constructing tugs, barges and oil tankers. BH Global recently added new workshops to the facility and has acquired another 30- hectare of yard space which is in the process of obtaining occupancy permits. The Group expects the facility's upgrading and development to continue progressively over the next 3-5 years.

The Group has a strong working relationship with a major oil company in Indonesia and the series of contract wins amounting to approximately S\$30 million demonstrates the confidence level the customer has in BH Global. The Group believes that it is well-poised to benefit from the demand for marine transportation in Indonesia as demand for natural resources like coal continues to surge. The Group's challenge is to build upon the initial contracts of this fledgling business to secure a future stream of revenue and profits.

The Group will also continue to work on building up a track record for its Engineering Services business, expanding existing product portfolio and geographical footprints in Asia and Middle East.

## 11. Dividend

### (a) Current Financial Period Reported On?

#### Any dividend declared for the current financial period reported on?

The directors recommend a first and final dividend for the year ended 31 December 2011 as stated below:

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	0.7 cents per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

**(b)Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	0.7 cents per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

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

**(c) Date payable**                      **To be announced in due course.**

**(d) Books closure date**

To be announced in due course.

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

Not applicable.

**13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**By business segments**

	<b>Group 2011 \$'000</b>	<b>Group 2010 \$'000</b>
<b><u>Revenue by business segment</u></b>		
<b>Supply Chain Management</b>		
Marine cables and accessories	44,551	47,027
Marine lighting equipment and accessories	11,312	12,989
Others	6,156	6,780
	<b>62,019</b>	<b>66,796</b>

<b>Manufacturing</b>		
Marine switchboards and services	11,896	12,702
Galvanized steel wire	5,212	6,337
	<b>17,108</b>	<b>19,039</b>
<b>Engineering Services</b>		
Engineering and installation	<b>64,314</b>	<b>17,166</b>
<b>Total revenue</b>	<b>143,442</b>	<b>103,001</b>
<b>Segment results</b>		
<b>Supply Chain Management</b>		
Marine cables and accessories	9,425	7,819
Marine lighting equipment and accessories	3,359	2,994
Others	1,828	1,556
	<b>14,612</b>	<b>12,369</b>
<b>Manufacturing</b>		
Marine switchboards and services	1,313	1,556
Galvanized steel wire	(236)	(183)
	<b>1,077</b>	<b>1,373</b>
<b>Engineering Services</b>		
Engineering and installation	<b>350</b>	<b>600</b>
<b>Total segment result</b>	<b>16,039</b>	<b>14,342</b>
Share of joint venture results	467	215
Share of results of an associated company	(4)	(15)
<b>Net profit before tax</b>	<b>16,502</b>	<b>14,542</b>
Tax expense	(3,234)	(2,594)
<b>Net profit for the after Tax</b>	<b>13,268</b>	<b>11,948</b>
Non – controlling interests	(352)	(595)
<b>Net profit attributable to equity holders of the company</b>	<b>12,916</b>	<b>11,353</b>

## Group assets and liabilities

### Segment assets

#### Supply Chain Management

Marine cables and accessories	54,590	69,622
Marine lighting equipment and accessories	12,927	17,214
Others	6,378	7,792

#### Manufacturing

Marine switchboards and services	9,608	9,147
Galvanized steel wire	9,915	6,705

#### Engineering Services

Engineering and installation	89,226	25,918
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Unallocated corporate assets	264	160
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<b>Total assets</b>	<b>182,908</b>	<b>136,558</b>
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### Segment liabilities

#### Supply Chain Management

Marine cables and accessories	15,699	11,492
Marine lighting equipment and accessories	3,987	3,174
Others	2,170	1,657

#### Manufacturing

Marine switchboards and services	3,119	3,551
Galvanized steel wire	39	1,311

#### Engineering Services

Engineering and installation	34,529	7,055
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Unallocated corporate assets	4,332	2,602
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<b>Total liabilities</b>	<b>63,875</b>	<b>30,842</b>
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## Other segment information

### Depreciation

#### Supply Chain Management

Marine cables and accessories	664	696
Marine lighting equipment and accessories	169	192
Others	92	100

#### Manufacturing

Marine switchboards and services	117	91
Galvanized steel wire	16	15

#### Engineering Services

Engineering and installation	1,776	329
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<b>2,834</b>	<b>1,423</b>
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### Capital Expenditure

#### Supply Chain Management

Marine cables and accessories	1,599	48
Marine lighting equipment and accessories	406	13
Others	220	7

#### Manufacturing

Marine switchboards and services	131	84
Galvanized steel wire	-	15

#### Engineering Services

Engineering and installation	12,741	6,896
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<b>15,097</b>	<b>7,063</b>
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## By Geographical

<b>Singapore</b>	67,698	73,504
<b>South-East Asia</b>	33,130	12,042
<b>East Asia</b>	2,876	3,539
<b>Middle East</b>	3,826	6,088
<b>Other Countries</b>	35,912	7,828

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<b>143,442</b>	<b>103,001</b>
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**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Revenue from the Supply Change Management Division decreased by \$4.8million or 7% from \$66.8million in FY2010 to \$62.0million in FY2011. Contribution to total revenue decreased from 65% in FY2010 to 43% in FY2011. The decrease in revenue was due to lower orders from the marine sector as a result of lower level of activities for our Supply Chain Management Division.

Revenue from the Engineering Services Division increased by \$47.2million or 276% from \$17.1million in FY2010 to \$64.3million in FY2011. The significant increase in revenue from Engineering Services Division is due to higher contributions from our Engineering, Procurement and Construction Management (“EPCM”) business and higher orders for our Electrical, Instrumentation and Telecommunication (“EIT”) services.

**15. A breakdown of sales**

	<b>Group \$'000</b>		<b>%</b>
	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>Change</b>
Sales reported for first half year	<b>76,009</b>	<b>42,712</b>	<b>78%</b>
Operating profit after tax reported for the first half year	<b>8,310</b>	<b>6,105</b>	<b>36%</b>
Sales reported for second half year	<b>67,433</b>	<b>60,289</b>	<b>12%</b>
Operating profit after tax reported for the second half year	<b>4,958</b>	<b>5,843</b>	<b>(15%)</b>

**16. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.**

	<b>S\$'000</b>	
	<b>FY2011</b>	<b>FY2010</b>
<b>Ordinary share</b>	3,360	3,360

## 17. 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

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Johnny Lim Huay Hua	43	Brother of executive directors and substantial shareholder, Alvin Lim Hwee Hong, Lim Hui Eng and Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA
Eileen Lim Chye Hoon	48	Sister of executive directors and substantial shareholder, Alvin Lim Hwee Hong, Lim Hui Eng and Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA



## 19. Utilisation of proceeds from the Taiwan Depository Receipts issue

Intended use of proceeds	Amount allocated (S\$'000)	Amount transfer to / (from) (S\$'000)	Amount allocated after transfer (S\$'000)	Amount utilised (S\$'000)	Balance as at 5.12.2011 (S\$'000)	Descriptions (S\$'000)
Repayment of bank loans	10,300	0	10,300	10,300	0	Revolving Credit: S\$2,500 Bank trade facilities: S\$6,884 Term loan: S\$916
Investment in galvanized steel wire manufacturing plant	3,000	0	3,000	3,000	0	Shares subscription: S\$3,000
Purchase of fixed assets	2,000	(217)	1,783	1,783	0	Leasehold Property: S\$1,783
Working capital	5,091	217	5,308	5,308	0	Trade Suppliers: S\$5,308
<b>Total</b>	<b>20,391</b>	<b>0</b>	<b>20,391</b>	<b>20,391</b>	<b>0</b>	

On behalf of the Board of Directors

Alvin Lim Hwee Hong  
Executive Chairman  
8 February 2012

Vincent Lim Hui Eng  
Chief Executive Officer  
8 February 2012