



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

**FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR
THE PERIOD ENDED 31 MARCH 2012**

**PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF
QUARTERLY (Q1, Q2 & Q3) 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 \$'000		
	1st quarter ended 31.03.12	1st quarter ended 31.03.11	% Change
Revenue	32,904	34,892	(6%)
Cost of sales	(24,002)	(24,713)	(3%)
Gross profit	8,902	10,179	(13%)
Other operating (expenses)/income	(303)	14	N.M.
Selling & Distribution expenses	(2,939)	(3,901)	(25%)
Administrative expenses	(2,791)	(1,586)	76%
Finance costs	(151)	(38)	297%
Profit from operations	2,718	4,668	(42%)
Share of results of associated companies	(99)	(4)	2375%
Share of results of a joint venture	136	98	39%

Profit before taxation	2,755	4,762	(42%)
Tax expense	(341)	(764)	(55%)
Net profit after tax for the period	2,414	3,998	(40%)
Attributable to:			
Equity holders of the Company	2,983	3,757	(21%)
Non-controlling interests	(569)	241	N.M.
	2,414	3,998	(40%)

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

	1st quarter ended 31.3.12	1st quarter ended 31.3.11	% Change
Net profit for the period	2,414	3,998	(40%)
Other Comprehensive income:			
Exchange differences on translation of the financial statements of foreign entities (net)	(1,660)	(54)	2974%
Total comprehensive income for the period	754	3,944	(81%)
Total comprehensive income attributable to:			
Equity holders of the Company	1,424	3,713	(62%)
Non-controlling interests	(670)	231	N.M.
Total comprehensive income for the period	754	3,944	(81%)

1(a)(ii) Notes to income statement

	Group		%
	(S\$'000)	(S\$'000)	
	1st quarter ended 31.3.12	1st quarter ended 31.3.11	
Other income including interest income	16	27	(41%)
Interest on borrowings	(151)	(38)	297%
Depreciation of property, plant and equipment	(761)	(647)	18%
Gain on disposal of property, plant and equipment	-	16	N.M
Foreign exchange loss	(319)	(30)	963%
Provision for stock obsolescence	(62)	(589)	(89%)
Write-back of allowance for doubtful debts	72	134	(46%)

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 (S\$'000)		Company (S\$'000)	
	31.03.12	31.12.11	31.03.12	31.12.11
Non-current assets				
Property, plant and equipment	33,333	34,256	-	-
Investment in subsidiaries	-	-	15,535	15,535
Investment in associated companies	6,209	6,277	6,296	6,296
Investment in a joint venture	2,126	2,015	801	826
Deferred tax assets	364	264	-	-
Intangible assets	1,578	1,578	49	49
	43,610	44,390	22,681	22,706
Current assets				
Inventories	57,472	56,552		
Due from customers on construction contracts	24,767	20,462		
Amount due from joint venture (trade)	319	334		
Trade receivables	34,983	37,645		
Other receivables	5,898	5,166	42,853	43,059
Cash and cash equivalents	10,613	16,952	79	139
Total current assets	134,052	137,111	42,932	43,198
Total assets	177,662	181,501	65,613	65,904

Non current liabilities

Deferred Tax Liability	964	937	-	-
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Current liabilities

Due to customers on construction contracts	-	84	-	-
Trade payables	19,286	22,004	-	-
Other payables	7,553	7,678	2,799	2,953
Bank borrowings	25,927	28,353	-	-
Finance lease liabilities	32	49	-	-
Tax payable	4,061	3,358	13	19
	56,859	61,523	2,812	2,972

Total liabilities	57,823	62,463	2,812	2,972
Net assets	119,839	119,038	62,801	62,932

Shareholders' equity

Share capital	43,461	43,461	43,461	43,461
Translation reserves	(1,650)	(91)	-	-
Accumulated profits	72,527	69,544	19,340	19,471
Attributable to equity holders of the Company, total	114,338	112,914	62,801	62,932
Non-controlling interests	5,501	6,124	-	-
Total shareholders' equity	119,839	119,038	62,801	62,932

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 31.03.12 (\$'000)		As at 31.12.11 (\$'000)	
Secured	Unsecured	Secured	Unsecured
8,154	17,773	8,039	20,314

Amount repayable after one year

As at 31.03.12 (\$'000)		As at 31.12.11 (\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

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

- (a) Legal charge on the Group's leasehold property with net book value of \$8.76million (31.12.2011: \$8.84million)
- (b) Corporate guarantee by the Company.
- (c) Fixed deposits of certain subsidiaries.
- (d) Joint and several guarantees by certain directors of a subsidiary.
- (e) Fixed charge for all monies over a subsidiary's present and future contracts financed or to be financed directly or indirectly, wholly or partly.
- (f) 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	
	1st quarter ended 31.03.12	1st quarter ended 31.03.11
Cash flows from operating activities		
Profit before tax	2,755	4,762
Adjustments for :		
Depreciation	761	647
Interest income	(4)	(7)
Interest expense	135	38
Share of results of a joint venture	(136)	(98)
Share of results of associated companies	99	4
Gain on disposal of property, plant and equipment	-	(16)
Operating cash before movements in working capital	3,610	5,330
Inventories	(920)	1,826
Due to customers on construction contract	(4,389)	865
Receivables	1,945	(9,077)
Payables	(2,843)	809
Currency translation adjustments	(1,117)	49
Net cash used in operations	(3,714)	(198)
Interest paid	(135)	(38)
Income tax refund/(paid)	289	(17)
Net cash used in operating activities	(3,560)	(253)

Cash flows from investing activities		
Purchase of property, plant and equipment	(309)	(1,317)
Proceeds from disposal of property, plant and equipment	-	16
Interest received	4	7
Investment in an associated company	(31)	-
Net cash used in investing activities	(336)	(1,294)
Cash flows from financing activities		
(Repayment to)/Proceeds from bankers	(2,426)	1,847
Repayment of hire purchase creditors	(17)	-
Increase in finance lease liabilities	-	37
Net cash (used in) / from financing activities	(2,443)	1,884
Net (decrease) / increase in cash and cash equivalents	(6,339)	337
Cash and cash equivalents at beginning of period	14,709	22,516
Cash and cash equivalents at end of period	8,370	22,853
Cash and cash equivalents comprises the following		
Cash and cash equivalents	10,613	24,821
Less: Fixed deposits	(2,243)	(1,968)
Cash and cash equivalents as per statement of cash flows	8,370	22,853

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
At 1 January 2012	43,461	(91)	69,544	112,914	6,124	119,038
Loss not recognised in income statement	-	(1,559)	-	(1,559)	(101)	(1,660)
Incorporation of new subsidiary	-	-	-	-	47	47
Profit for the period	-	-	2,983	2,983	(569)	2,414
Balance At 31 March 2012	43,461	(1,650)	72,527	114,338	5,501	119,839
At 1 January 2011	43,461	(88)	59,965	103,338	2,405	105,743
Loss not recognised in income statement	-	(44)	-	(44)	(10)	(54)
Profit for the period	-	-	3,757	3,757	241	3,998
Dividends	-	-	(3,360)	(3,360)	-	(3,360)
Balance At 31 March 2011	43,461	(132)	60,362	103,691	2,636	106,327

Company	(\$'000)		
	Share capital	Accumulated profits	Total shareholders' equity
At 1 January 2012	43,461	19,471	62,932
Loss for the period	-	(131)	(131)
Balance at 31 March 2012	43,461	19,340	62,801
At 1 January 2011	43,461	16,056	59,517
Loss for the period	-	(137)	(137)
Dividends	-	(3,360)	(3,360)
Balance at 31 March 2011	43,461	12,559	56,020

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.

	31.03.12	31.12.11
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 2011.

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 March 2012.

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	
	1st quarter ended 31.03.12	1st quarter ended 31.03.11
(i) Based on number of ordinary shares in issue	0.62 cents	0.78 cents
Number of ordinary shares in issue	480,000,000	480,000,000
(ii) On a fully diluted basis	0.62 cents	0.78 cents
Diluted number of ordinary shares in issue	480,000,000	480,000,000

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	
	31.03.12	31.12.11	31.03.12	31.12.11
Net asset value per ordinary share based on existing share capital	24 cents	24 cents	13 cents	13 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
(1Q2012 Vs 1Q2011)

	Group		% Change
	1Q2012 \$'000	1Q2011 \$'000	
Supply Chain Management			
Marine cables and accessories	13,165	11,981	10%
Marine lighting equipment and accessories	2,949	3,083	(4%)
Others	1,642	1,530	7%
	17,756	16,594	7%
Manufacturing			
Marine switchboards	2,851	2,313	23%
Galvanized steel wire	568	2,559	(78%)
	3,419	4,872	(30%)
Engineering Services			
Engineering and installation	11,729	13,426	(13%)
Total sales revenue	32,904	34,892	(6%)

Supply Chain Management

Supply Chain Management Division accounts for 54% of the Group's turnover in 1Q2012, of which marine cables and accessories contributed 74%, marine lighting equipment and accessories 17% and others 9%. Revenue from Supply Chain Management Division increased by 7% mainly due to higher orders from the offshore sector as a result of higher level of activities.

Manufacturing

Manufacturing Division accounts for 10% of the Group's turnover in 1Q2012, of which marine switchboards contributed 83% and galvanized steel wire 17%. The increase in revenue from marine switchboards is due to the higher deliveries in 1Q2012 for orders from previous quarters. The decrease in revenue from galvanized steel wire is due to the division's focus on the construction of a steel wire plant which is scheduled to complete by 1Q 2013.

Engineering Services

Engineering Services Division accounts for 36% of the Group's turnover in 1Q2012. The decrease in revenue from engineering and installation is due to the completion of a major project during 1Q2012.

Geographical segment

Revenue derived from Singapore increased by \$2.1million or 13% from 15.7million in 1Q2011 to \$17.8million in 1Q2012. This is mainly due to the increase in revenue from Supply Chain Management Division and Marine Switchboards of Manufacturing Division.

Revenue derived from overseas decreased by \$4.1million or 21% from \$19.2million in 1Q2011 to \$15.1million in 1Q2012. This is mainly due to the lower contribution from the Group's Engineering Services Division and Galvanized Steel Wire of Manufacturing Division which derived their revenue substantially from overseas customers.

Gross profit

The Group's overall gross profit decreased by \$1.3million or 13% from \$10.2million in 1Q2011 to \$8.9million in 1Q2012 due to lower turnover. The Group's overall gross margin decreased marginally by 2% from 29% in 1Q2011 to 27% in 1Q2012.

Other operating (expenses)/income

The increase in other operating expenses in 1Q2012 was mainly due to a higher foreign exchange loss.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The lower selling & distribution expense is due to the lower provision for stock obsolescence as a result of a revised stock policy effective from 4Q2011. The higher administration expense is due to the consolidation of Gulf Steel Specialty Steel LLC which commenced its construction of our steel wire factory in 4Q2011 and higher manpower cost.

Share of results in associated companies

The increase in share of loss in associated companies was due to sharing of the loss from the newly acquired 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 revenue in Dream Marine Ship Spare Parts Trading LLC as compared to 1Q2011.

Interest on borrowing

The increase in interest of borrowing is mainly due to higher usage of bank facilities.

Tax expense

The income tax decreased by \$423,000 from \$764,000 in 1Q2011 to \$341,000 in 1Q2012 as a result of a lower profit before tax and write back of over provision in previous years.

Depreciation

The increase in depreciation in 1Q2011 is due to the addition of property, plant and equipment for the Group's Engineering Services Division.

Foreign Exchange Loss

The increase in foreign exchange loss is mainly due to the depreciation in value of Indonesia Rupiah on outstanding loan to an Indonesia subsidiary as a result of a weaker Indonesia Rupiah in 1Q2012.

Balance Sheet and Cash Flow Analysis**Investment in associated companies**

The increase in investment in associated Company is due to the incorporation of Z-Power Automation (Vietnam) Co., Ltd.

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 \$1million from \$56.5million in FY2011 to \$57.5million in 1Q2012. This is mainly due to the progress in construction of inventories 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 decreased by \$2.7million from \$37.6million in FY2010 to \$35million in 1Q2011. This is mainly due to lower revenue.

Other Receivables

The increase in other receivables of \$731,000 was mainly due to deposit for further acquired equity interest in a subsidiary and prepayment for expenses.

Trade payables

Trade payables decreased by \$2.7million from \$22.0million in FY2011 to \$19.3million in 1Q2012. This was mainly due to repayment of trade payables from the proceeds of a completed project during 1Q2012.

Banks borrowings

The decrease in bank borrowings of \$2.4million was mainly due to repayment of bank borrowings from the proceeds of a completed project during 1Q2012.

Cash flow

Net cash and cash equivalent decreased by \$6.3 million in 1Q2012 as compared to an increase of \$337,000 in 1Q2011. This was mainly due to the repayment to bankers and to trade payables as well as to finance the increase in inventories and work in progress.

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.

High oil price continues to support the robust offshore marine sector but the outlook of the general marine sector remain grim with the weakness in the Baltic Dry Index and vessel over-supply issues.

The Group has invested in new business ventures including galvanized steel wire manufacturing, Engineering Services and LED lighting over the past years. These new businesses will not only diversify the revenue streams, but will also enable the Group to broaden its product and service offerings, expand geographical reach and increase its competitive edge.

FY2012 will be a year of consolidation for BH Global. BH Global is committed to integrate newly acquired businesses into the Group to harness positive synergies. The Group will also dedicate its efforts to ensure smooth execution of the manufacturing plant in Oman and development of the Batam's fabrication facility.

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.

Not applicable.

13. Interested Person Transactions

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial 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 ended 31 March 2012 to be false or misleading, in any material respect.

On behalf of the Board of Directors

Alvin Lim Hwee Hong
Executive Chairman
24 April 2012

Vincent Lim Hui Eng
Chief Executive Officer
24 April 2012