

ANNOUNCEMENT

In its Quarterly Financial Statements for the 4th Quarter and Full Year ended 31 December 2013 (which was released on 28 February 2014), the Group made reference to court proceedings in Indonesia involving its subsidiary, PT BH Marine & Offshore Engineering (**the “Subsidiary”**).

The proceedings relate to three vessels (**the “Vessels”**) in the possession of the Subsidiary. Two of the vessels were constructed by the Subsidiary while the third vessel was under repair at the Subsidiary’s shipyard. As PT Andalan failed to make payment for the construction and repair of the Vessels, delivery was withheld by the Subsidiary and PT Andalan commenced a claim against the Subsidiary for the alleged non-delivery of the Vessels.

Judgement has since been delivered in respect of the proceedings. The District Court of Batam (**the “Court”**) held in favour of the Subsidiary and found that PT Andalan had not fulfilled its obligation to make payment for the construction and repair of the Vessels. The Subsidiary’s retention of the Vessels was therefore legitimate. PT Andalan’s claim and prayer for relief was accordingly rejected in its entirety and PT Andalan was ordered to pay costs in relation to the proceedings.

The Group has been made aware that PT Andalan has filed an appeal against the Court’s decision.

In respect of a less-material counter-claim against PT Andalan, the Court did not accede to the Subsidiary’s prayer for relief based on fraud involved in PT Andalan’s registration of vessels. However, the Subsidiary is seeking to appeal the Court’s decision in this respect on the advice of its lawyers.

The Group will provide a further update in due course.

By Order of the Board

Vincent Lim Hui Eng
Chief Executive Officer
BH Global Corporation Limited

22 April 2014