

**- BREACH OF BANK COVENANT BY A JOINT VENTURE COMPANY**

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The Board of Directors of BH Global Corporation Limited (“**BHG**” and, together with its subsidiaries, “**Group**”) wishes to announce that its joint venture company, Gulf Specialty Steel Industries LLC. (“**GSSI**”) is in breach of certain loan covenants relating to the requirement to maintain a debt equity ratio and debt service coverage ratio as stipulated in its banking facility agreement as at 31 December 2016.

BHG has provided a corporate guarantee proportionately to BHG’s shareholding in GSSI of \$18,057,000 (Omani Rial 4,800,000) for such banking facilities undertaken by GSSI. As at 31 December 2016, total bank borrowings drawn down by GSSI was \$38,822,000. In addition, BHG has also undertaken to provide continuing financial support to GSSI so as to enable it to meet its liabilities as and when they fall due.

GSSI is in discussion with its banker to remedy this breach and had not received any notice from the bank regarding such breach as yet.

The Group will make further announcements once there is any new development.

**BY ORDER OF THE BOARD**

Vincent Lim Hui Eng  
Executive Chairman and Chief Executive Officer

31 March 2017