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## **BGMC International Limited**

**璋利國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1693)**

### **CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement (the “**Announcement**”) of BGMC International Limited (the “**Company**”) dated 25 July 2019 in relation to the subscription of 50% of the RCPS of each of the Land Companies at a total consideration of USD5,363,196.00 (equivalent to approximately HK\$41.7 million). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In particular, reference is made to the description of the entitlement of the Company to receiving a fixed cumulative dividend of 20% per annum from the date the RCPS has been subscribed for each of the three Land Companies (the “**Dividend**”).

The Board wishes to clarify that under the terms of the respective Subscription Agreements, whilst the Company is entitled to the Dividend, any entitlement to the distribution of such Dividend is conditional upon, and is subject to, the relevant Land Companies having available “Distributable Profits”, which is defined in the Subscription Agreements as all profits in the form of cash which are available each year for distributions from the Land Companies, which is also in line with the requirements under the Malaysian Companies Act 2016 (the “**Act**”).

As disclosed in the Announcement, each of the Land Companies have made net losses from the period since their dates of incorporation up to the relevant latest financial year end of the respective Land Companies. As at the dates of the Subscription Agreements, the Distributable Profits of the Land Companies were nil. These Land Companies are not expected to have any revenues other than monthly rental incomes from the lease of the Kuala Muda Land by Kuala Muda Estate and the lease of the Machang Land I by Machang Estate. In addition, the lease agreements have not become effective as they are subject to the fulfillment of conditions precedent as outlined in the respective lease agreements. Further, the Land Companies may incur other expenses in the future which will have to be taken into account when determining if the Land Companies will have any “Distributable Profits” in addition to ensuring that they are solvent when they intend to make any distribution of the Dividend. Accordingly, it is uncertain as to when the Land Companies can or will have any “Distributable Profits” for distribution pursuant to which the Land Companies are allowed to distribute the Dividend.

The Company will, upon the exercise of its right to convert all or any part of the RCPS into ordinary shares of the respective Land Companies, comply with relevant Listing Rules requirements, if applicable.

Save for the above, all the information and contents stated in the Announcement remain unchanged.

For and on behalf of  
**BGMC International Limited**  
**Tan Sri Dato' Sri Goh Ming Choon**  
*Chairman and Executive Director*

Hong Kong, 14 August 2019

*As at the date of this announcement, the Board comprises Tan Sri Dato' Sri Goh Ming Choon (Chairman), Dato' Mohd Arifin bin Mohd Arif (Vice-Chairman), Dato' Teh Kok Lee (Chief Executive Officer) and Ir. Azham Malik bin Mohd Hashim as executive Directors; and Tan Sri Dato' Seri Kong Cho Ha, Chan May May and Ng Yuk Yeung as independent non-executive Directors.*