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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)

PROFIT WARNING

This announcement is made by BGMC International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on its assessment of its unaudited consolidated management accounts of the Group for the financial year ended 30 September 2019 (the “**FYE 2019**”, or the “**Reporting Year**”), the Group expects to record a loss and total comprehensive loss attributable to the equity holders of the Company (the “**Loss Status**”) for the Reporting Year, as compared to a profit and total comprehensive income attributable to the equity holders of the Company of approximately RM1.4 million (the “**Profit Status**”) for the corresponding financial year ended 30 September 2018.

Based on the information currently available to the Board, the expected turnaround from Profit Status to Loss Status for the Reporting Year was mainly attributable to a substantial decrease in the revenue and consolidated net profit which is due to, among others, (i) an increase in material costs due to the implementation of the new indirect tax system under the Sales Tax Act 2018 and Service Tax Act 2018, a switch from the previous system under Goods and Services Tax Act 2014; (ii) compressed projects margin as a result of a more competitive tender process caused by the subdued local property market; and (iii) impairment of certain long overdue contract assets.

Shareholders and potential investors should note that the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the information currently available to the Board. As at the date of this announcement, the Company is still in the process of finalising its consolidated results for FYE 2019 which may be subject to adjustment and final review by both the audit committee and the auditor of the Company.

Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the consolidated results of the Group for the FYE 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 2 January 2020

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.