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HON CORPORATION LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8259)

PROFIT WARNING

This announcement is made by Hon Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available to the Board and the preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2020 (the “**FY2020 Interim Management Accounts**”), which is subject to further review, it is expected that the Group may record a net loss of approximately S\$6.6 million for the six months ended 30 June 2020 as compared with a net profit of approximately S\$3,000 for the six months ended 30 June 2019. Based on the information available to the Company immediately preceding the publication of this announcement, the Board considers that the expected net loss for the six months ended 30 June 2020 was mainly attributable to (i) a substantial decrease in revenue from one major building and infrastructure project, as the construction work was discontinued with mutual consent during the six months ended 30 June 2020, while the Group is still required to bear the fixed operating costs; and (ii) delays in the construction progress on the projects due to the suspension of construction works during the COVID-19 pandemic as a result of circuit breaker measures put in place which led to a decrease in revenue, and gross profit margin as additional costs relating to the COVID-19 pandemic are required on the projects during the six months ended 30 June 2020.

As the Company is still under the process of finalising the FY2020 Interim Management Accounts, the information contained in this announcement is only based on the Board's preliminary assessment of the FY2020 Interim Management Accounts and the information currently available. Such FY2020 Interim Management Accounts have not been confirmed or reviewed by the audit committee of the Company. The actual financial results of the Group for the six months ended 30 June 2020 may differ from what is disclosed in this announcement. Further details of the interim results for the six months ended 30 June 2020 will be disclosed in the interim results announcement of the Company, which is expected to be published on or before 14 August 2020.

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

By Order of the Board
Hon Corporation Limited
Ho Lien Hwai

Executive Director and Chief Executive Officer

Singapore, 4 August 2020

As at the date of this announcement, the executive Directors are Mr. Ho Lien Hwai and Ms. Teng Ley Peng; the non-executive Directors are Mr. Toh Hock Ghim and Mr. Luo Jiakun; and the independent non-executive Directors are Mr. Lau Wang Lap, Ms. Luk Huen Ling Claire, Mr. Mahtani Bhagwandas and Mr. Ong Kim Huat.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.honindustries.com.sg.