

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HON CORPORATION LIMITED

中國大健康建設產業有限公司

(formerly known as 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 of directors of the Company (the “**Board**”) 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 year ended 31 December 2020 (the “**FY2020 Management Accounts**”), which is subject to further review, the Group is expected to record a net loss of not less than S\$59.0 million for the year ended 31 December 2020 as compared with the net loss of approximately S\$5.7 million for the year ended 31 December 2019. Based on the information available to the Company immediately preceding the publication of this announcement, the Board considers that the expected increase in net loss for the year ended 31 December 2020 as compared to that of 2019, was mainly attributable to (i) a substantial decrease in revenue from one major building and infrastructure project, Project Housing, as the construction work was discontinued with mutual consent during the financial year ended 31 December 2020, while the Group is still required to bear the fixed operating costs; (ii) discontinuation of several projects, which was due to non-performance of sub-letting contractors and limitation on the Group’s resources to continue the jobs; (iii) delays in the construction progress on the projects due to the suspension of construction works during the COVID-19 pandemic which leads to the decrease in gross profit margin as additional costs relating to the COVID-19 pandemic are required on the projects during the year ended 31 December 2020; (iv) certain projects were substantially completed in 2019 and there were no newly awarded project for the year ended 31 December 2020; and (v) an

increase in allowance for credit losses on contract assets arising from the discontinued project with mutual consent and discontinued projects and allowance for credit losses made in respect of other receivables for the year ended 31 December 2020.

As the Company is still under the process of finalising the FY2020 Management Accounts, the information contained in this announcement is only based on the Board's preliminary assessment of the FY2020 Management Accounts and the information currently available. Such FY2020 Management Accounts have not been confirmed or reviewed by the audit committee of the Company nor the auditors of the Company. The actual financial results of the Group for the year ended 31 December 2020 may differ from what is disclosed in this announcement. Further details of the financial performance of the Group will be disclosed in the final results announcement of the Group for the year ended 31 December 2020 which is expected to be published in March 2021.

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, 16 March 2021

As at the date of this announcement, the executive Directors are Mr. Ho Lien Hwai, Mr. Hui Lianwang, Ms. Teng Ley Peng and Mr. Tan Jit Pin (Chen Ribin); the non-executive Directors are Mr. Toh Hock Ghim and Mr. Luo Jiakun; and the independent non-executive Directors are Mr. Lei Xiongpeng, Mr. Lau Wang Lap and Ms. Luk Huen Ling Claire.

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 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 Listed 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.