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BENG SOON MACHINERY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1987)

PROFIT WARNING

This announcement is made by Beng Soon Machinery Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions 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 of the Company and potential investors that, based on the information currently available to the Company and a preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, the Group is expected to record a loss after income tax of approximately S\$14 million, as compared to a profit after income tax of approximately S\$3.2 million for the corresponding period in 2019. The expected loss after tax was mainly attributable to (i) the significant negative impact of the outbreak of COVID-19, which resulted in the delay or suspension of the Group’s projects; (ii) the Singapore Government’s implementation of circuit breaker preventative measures to pre-empt the local transmission of COVID-19 since April 2020; (iii) additional costs incurred for the Group to demonstrate its ability to meet prescribed COVID-safe restart criteria to recommence suspended projects; and (iv) the plummet in the price of salvage materials due to its diminished demand in Singapore and other countries such as Mainland China as a result of the adverse market conditions during the period, which collectively affected the Group’s revenue, business and financial results.

As at the date of this announcement, the Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Company and the unaudited consolidated management accounts of the Group, which have not been finalised nor reviewed by the auditors and audit committee of the Company and is subject to adjustments.

Shareholders and potential investors should read the annual results for the year ended 31 December 2020 of the Group carefully, which are expected to be announced on or before 31 March 2021.

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

By Order of the Board
BENG SOON MACHINERY HOLDINGS LIMITED
TAN CHEE BENG
Chairman and Chief Executive Officer

Hong Kong, 3 March 2021

As at the date of this announcement, the Company's Board of Directors comprises the following members: (a) Mr. Tan Chee Beng (who is also the Chairman and Chief Executive Officer of the Company), Mr. Tan Wei Leong, Ms. Tang Ling Ling and Mr. Wang Dongfeng as Executive Directors; (b) Mr. Cheung Kam Fai as Non-executive Director; and (c) Mr. Wee Chorng Kien, Mr. Leung Kee Wai and Mr. Leung Yau Wan John as Independent Non-executive Directors.