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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)**

### **ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

#### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group decreased from RM82.3 million in the Corresponding Period to RM35.7 million for the Period.
- The Group’s gross loss deteriorated from RM6.7 million in the Corresponding Period to a gross loss of RM23.1 million for the Period.
- Loss attributable to the owners of the Company was RM14.1 million for the Period as compared with a loss of RM10.3 million in the Corresponding Period.
- Basic loss per share was RM0.79 sen for the Period and basic loss per share was RM0.57 sen in the Corresponding Period.

The board (“**Board**”) of directors (“**Directors**”) of BGMC International Limited (“**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, “**Group**” or “**BGMC**” or “**we**” or “**us**”) for the six months ended 30 September 2023 (“**Period**”), together with the unaudited comparative figures for the six months ended 30 September 2022 (“**Corresponding Period**”). The unaudited condensed consolidated financial results of the Group for the Period have been reviewed by the Company’s audit committee (“**Audit Committee**”) and approved by the Board on 20 November 2023. All amounts set out in this announcement are presented in Malaysian Ringgit (“**RM**”) unless otherwise indicated.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Notes	For the six months ended 30 September 2023 RM'000 (Unaudited)	For the six months ended 30 September 2022 RM'000 (Unaudited)
<b>Continuing operations</b>			
Revenue	4	35,660	82,273
Cost of sales		<u>(58,770)</u>	<u>(89,000)</u>
<b>Gross loss</b>		<b>(23,110)</b>	<b>(6,727)</b>
Other income		4,832	348
Reversal of impairment loss on financial assets and contract assets, net		4,914	1,593
Administrative and other expenses		(7,522)	(8,222)
Other gains, net		462	293
Finance costs		<u>(900)</u>	<u>(466)</u>
<b>Loss before tax from continuing operations</b>	5	<b>(21,324)</b>	<b>(13,181)</b>
Income tax credit	6	<u>–</u>	<u>139</u>
<b>Loss for the period from continuing operations</b>		<b>(21,324)</b>	<b>(13,042)</b>
<b>Discontinued operation</b>			
Profit for the period from discontinued operation		<u>9,196</u>	<u>2,961</u>
<b>Loss and total comprehensive loss for the period</b>		<b>(12,128)</b>	<b>(10,081)</b>
<b>Loss and total comprehensive loss for the period attributable to:</b>			
Owners of the Company			
Loss from continuing operations		(23,357)	(13,126)
Profit from discontinued operation		<u>9,210</u>	<u>2,813</u>
Loss attributable to owners of the Company		<u>(14,147)</u>	<u>(10,313)</u>
Non-controlling interests			
Profit from continuing operations		2,033	84
(Loss)/Profit from discontinued operation		<u>(14)</u>	<u>148</u>
Profit attributable to non-controlling interest		<u>2,019</u>	<u>232</u>
		<b>(12,128)</b>	<b>(10,081)</b>
<b>Loss per share</b>			
From continuing and discontinued operations			
Basic (RM sen)	7	<u>(0.79)</u>	<u>(0.57)</u>
Diluted (RM sen)	7	<u>(0.79)</u>	<u>(0.57)</u>
From continuing operations			
Basic (RM sen)	7	<u>(1.30)</u>	<u>(0.73)</u>
Diluted (RM sen)	7	<u>(1.30)</u>	<u>(0.73)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 SEPTEMBER 2023*

	<i>Notes</i>	<b>As at 30 September 2023 RM'000 (Unaudited)</b>	<b>As at 31 March 2023 RM'000 (Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>105</b>	116
Right-of-use assets		<b>287</b>	192
Investment properties		<b>48,159</b>	48,159
Intangible assets		<b>870</b>	964
		<b>49,421</b>	49,431
<b>Current assets</b>			
Investment in redeemable convertible preference shares		–	5,694
Trade and other receivables, deposits and prepaid expenses	9	<b>41,301</b>	50,865
Income tax recoverable		<b>15</b>	1,710
Contract assets		<b>43,683</b>	51,274
Fixed deposits		<b>28,975</b>	28,358
Cash and bank balances		<b>5,947</b>	1,547
		<b>119,921</b>	139,448
Assets classified as held for sale		–	213,932
		<b>119,921</b>	353,380

		As at 30 September 2023 RM'000 (Unaudited)	As at 31 March 2023 RM'000 (Audited)
<b>Current liabilities</b>			
Contract liabilities		21,789	4,504
Trade and other payables	11	85,956	132,380
Borrowings – secured		5,456	2,889
Lease liabilities		115	213
Income tax liabilities		672	738
		<u>113,988</u>	<u>140,724</u>
Liabilities directly associated with assets classified as held for sale		–	104,839
		<u>113,988</u>	<u>245,563</u>
<b>Net current asset</b>		<u>5,933</u>	<u>107,817</u>
<b>Total assets less current liabilities</b>		<u>55,354</u>	<u>157,248</u>
<b>Non-current liabilities</b>			
Lease liabilities		151	33
Redeemable secured loan stock		47,737	48,272
		<u>47,888</u>	<u>48,305</u>
<b>NET ASSETS</b>		<u>7,466</u>	<u>108,943</u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	10	9,862	9,862
Reserves		4,271	107,716
		<u>14,133</u>	<u>117,578</u>
Non-controlling interests		<u>(6,667)</u>	<u>(8,635)</u>
<b>TOTAL EQUITY</b>		<u>7,466</u>	<u>108,943</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) since 9 August 2017. The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 18 November 2016.

The addresses of the Company’s registered office and principal place of business are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and A-3A-02, Block A, Level 3A, Sky Park One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia, respectively.

The Company is an investment holding company and the Group is principally engaged in the provision of a wide range of construction services in Malaysia.

The condensed consolidated financial statements are presented in RM which is also the functional currency of the Company.

### 2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information on pages 2 to 17 for the six months ended 30 September 2023 (“**Period**”) have been prepared in accordance with the International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s 2023 annual report.

#### Going concern assumption

During the Period, the Group incurred a loss attributable to owners of approximately RM14.1 million. These events or conditions indicate that an uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

The Directors of the Group are of the opinion that the preparation of the condensed consolidated financial statements of the Group on a going concern basis remains appropriate based on the following:

- (i) subsequent to the completion of the disposal of interest in 95% ordinary shares in BGMC Bras Power Sdn Bhd (“**BGMC Bras Power**”) on 26 April 2023, an option price of RM10,450,000 will be received by the Group on or before 31 March 2024;
- (ii) repayment from customers amounting RM6,582,500 which were under dispute but settlement is expected to be received in the next six months; and
- (iii) as at the date of this interim results announcement, the Construction Services sector has secured a new contract with a fixed contract sum of RM540.6 million.

The Group will obtain continuous financial support from the lenders, clients and creditors which will enable the Group to operate in the foreseeable future, and accordingly, realise its assets and discharge its liabilities in the normal course of business.

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

#### New and amended standards and interpretations adopted by the Group

In the current period, the Group has adopted the following IAS and International Financial Reporting Standards (“IFRS”) that are relevant to the operations to the Group and are effective for accounting periods beginning on or after 1 April 2023:

Standards and amendments	Effective date	Key requirements
IFRS 17 (including Amendments to IFRS 17)	1 January 2023	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement	1 January 2023	Disclosure of Accounting Policies
Amendments to IAS 8	1 January 2023	Definition of Accounting Estimates
Amendments to IAS 12	1 January 2023	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	1 January 2023	International Tax Reform – Pillar Two Model Rules

The amendments listed above did not have material impact on the Group’s financial performance for the Period and financial position as at 30 September 2023.

#### New standards and interpretations not yet effective

Standards and amendments	Effective for accounting periods beginning on or after	Key requirements
Amendments to IFRS 16	1 January 2024	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	1 January 2024	Supplier Finance Arrangements
Amendments to IAS 1	1 January 2024	Classification of Liabilities as Current or Non-current
Amendments to IAS 21	1 January 2025	Lack of Exchangeability
Amendments to IFRS 10 and IAS 28	1 January 2025	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The above new and amended accounting standards have been issued but are not effective for the financial year beginning on 1 April 2023 and have not been early adopted by the Group.

#### 4. REVENUE, INCOME FROM CONCESSION AGREEMENT AND SEGMENTAL INFORMATION

##### (a) Revenue

	<b>For the six months ended 30 September 2023 RM'000 (Unaudited)</b>	For the six months ended 30 September 2022 RM'000 (Unaudited)
Building construction revenue	35,526	84,863
Supply and installation of elevators	–	37
Management fee income	134	–
	<u>35,660</u>	<u>84,900</u>
Representing:		
Continuing operations	35,660	82,273
Discontinued operation	–	2,627
	<u>35,660</u>	<u>84,900</u>

##### (b) Income from concession agreement

	<b>For the six months ended 30 September 2023 RM'000 (Unaudited)</b>	For the six months ended 30 September 2022 RM'000 (Unaudited)
Income from concession agreement		
– imputed interest income:		
Renewable Energy Power Purchase Agreement (“REPPA”)	831	5,205
Supply of electricity	269	–
	<u>1,100</u>	<u>5,205</u>
Representing:		
Discontinued operation	1,100	5,205

(c) **Segment Information**

The Group's operating and reportable segments under IFRS 8 *Operating Segments* are as follows:

- (i) Building and structures – provision of construction services in building and structural construction works;
- (ii) Energy infra-structure – provision of construction services in energy transmission and distribution works;
- (iii) Mechanical and electrical – provision of construction services in mechanical and electrical installation works;
- (iv) Earthworks and infra-structure – provision of construction services in earthworks and infra-structure construction works;

In addition to the above reportable segments, the Group has certain operating segments (including supply and installation of elevators) that do not meet any of the quantitative thresholds for determining reportable segments. These operating segments are grouped under “Others” segment.

**Segment Revenue**

*For the six months ended 30 September 2023*

	Building and structures RM'000	Energy infra- structure RM'000	Mechanical and electrical RM'000	Earthworks and infra- structure RM'000	Others RM'000	Sub-total RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>								
External revenue	35,526	-	-	-	134	35,660	-	35,660
Inter-segment revenue	-	-	-	-	1,750	1,750	(1,750)	-
<b>Total</b>	<b>35,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,884</b>	<b>37,410</b>	<b>(1,750)</b>	<b>35,660</b>
<b>RESULT</b>								
Segment result	(24,822)	57	(328)	4,248	(389)	(21,234)	-	(21,234)
Unallocated corporate expenses								(552)
Other gains, net								462
Loss before tax								(21,324)



## Other entity-wide segment information

For the six months ended 30 September 2023

	Building and structures RM'000	Energy infra- structure RM'000	Mechanical and electrical RM'000	Earthworks and infra- structure RM'000	Others RM'000	Sub-total RM'000	Unallocated RM'000	Consolidated RM'000
Amounts included in the measure of segment results or segment assets:								
Additions of property, plant and equipment	-	-	-	-	8	8	-	8
Additions of intangible asset	-	-	-	-	43	43	-	43
Depreciation of property, plant and equipment	6	-	4	-	4	14	-	14
Depreciation of right-of-use assets	129	-	-	-	-	129	-	129
Amortisation of intangible assets	139	-	-	-	3	142	-	142
Impairment/(Reversal of impairment) of:								
Trade receivables	-	(4,625)	-	-	-	(4,625)	-	(4,625)
Property, plant and equipment	-	-	-	-	-	-	-	-
Other receivables	(67)	-	-	-	(211)	(278)	-	(278)
Contract assets	-	160	(171)	-	-	(11)	-	(11)
Gain on disposal of property, plant and equipment	(493)	-	(34)	(70)	-	(597)	-	(597)

## Segment Revenue

For the six months ended 30 September 2022

	Building and structures RM'000	Energy infra- structure RM'000	Mechanical and electrical RM'000	Earthworks and infra- structure RM'000	Others RM'000	Sub-total RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>								
External revenue	68,994	8,481	2,849	-	1,949	82,273	-	82,273
Inter-segment revenue	-	-	550	-	1,144	1,694	(1,694)	-
<b>Total</b>	<b>68,994</b>	<b>8,481</b>	<b>3,399</b>	<b>-</b>	<b>3,093</b>	<b>83,967</b>	<b>(1,694)</b>	<b>82,273</b>
<b>RESULT</b>								
Segment result	(13,525)	(1,574)	527	(90)	(768)	(15,430)	-	(15,430)
Unallocated corporate expenses								1,956
Other gains, net								293
Loss before tax								(13,181)

## Other entity-wide segment information

For the six months ended 30 September 2022

	Building and structures RM'000	Energy infra- structure RM'000	Mechanical and electrical RM'000	Earthworks and infra- structure RM'000	Others RM'000	Sub-total RM'000	Unallocated RM'000	Consolidated RM'000
Amounts included in the measure of segment results or segment assets:								
Additions of property, plant and equipment	17	-	-	-	-	17	-	17
Depreciation of property, plant and equipment	9	1	9	-	2	21	-	21
Depreciation of right-of-use assets	152	18	3	-	-	173	-	173
Amortisation of intangible assets	139	-	-	-	-	139	-	139
Impairment/(Reversal of impairment) of:								
Trade receivables	-	-	(1,600)	-	-	(1,600)	-	(1,600)
Contract assets	-	7	-	-	-	7	-	7
Gain on disposal of property, plant and equipment	(290)	-	-	-	-	(290)	-	(290)

Segment results represents the profit or loss of each segment without allocation of corporate income and expenses, other losses, and income tax expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

## 5. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations has been arrived after charging/(crediting) the following:

	<b>For the six months ended 30 September 2023 RM'000 (Unaudited)</b>	For the six months ended 30 September 2022 RM'000 (Unaudited)
Amortisation of intangible assets	142	139
Auditor's remuneration		
– Audit services	242	223
Cost of sales and services	58,770	89,000
Depreciation charge of:		
– Property, plant and equipment	14	21
– Right-of-use assets	129	173
Reversal of trade receivables	(4,625)	(1,600)
Reversal of other receivables	(278)	-
(Reversal)/Impairment of contract assets	(11)	7
Gain on disposal of property, plant and equipment	(597)	(290)
Staff costs including directors' emoluments		
– Wages and salaries	4,644	4,907
– Employees Provident Fund	507	551

**6. INCOME TAX EXPENSE/(CREDIT)**

	<b>For the six months ended 30 September 2023 RM'000 (Unaudited)</b>	For the six months ended 30 September 2022 RM'000 (Unaudited)
Malaysia corporate income tax:		
Current period	-	-
Over-provision in prior years	-	(139)
	-	(139)
Deferred tax:		
Current period	-	-
	-	-
	-	(139)
Representing:		
Continuing operations	-	(139)
Discontinued operation	-	-
	-	(139)

**7. LOSS PER SHARE**

	<b>For the six months ended 30 September 2023 (Unaudited)</b>	For the six months ended 30 September 2022 (Unaudited)
From continuing and discontinued operations		
Basic ( <i>RM sen</i> )	<u>(0.79)</u>	<u>(0.57)</u>
Diluted ( <i>RM sen</i> )	<u>(0.79)</u>	<u>(0.57)</u>
From continuing operations		
Basic ( <i>RM sen</i> )	<u>(1.30)</u>	<u>(0.73)</u>
Diluted ( <i>RM sen</i> )	<u>(1.30)</u>	<u>(0.73)</u>

## Basic

The calculation of the basic loss per share is based on the following data:

	<b>For the six months ended 30 September 2023 RM'000 (Unaudited)</b>	For the six months ended 30 September 2022 RM'000 (Unaudited)
Profit/(Loss) for the period attributable to the owners of the Company for the purpose of basic loss per share:		
Loss from continuing operations	(23,357)	(13,126)
Profit from discontinued operation	<u>9,210</u>	<u>2,813</u>
	<b>Number of shares</b>	Number of shares
Weighted average number of ordinary shares for the purpose of calculating basic loss per share:		
At beginning and end of the period	<u>1,800,000,000</u>	<u>1,800,000,000</u>

There is no diluted loss per share for the Period as there is no potential dilutive shares during the current reporting period.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment for RM0.01 million (Corresponding Period: RM0.02 million).

## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	As at 30 September 2023 RM'000 (Unaudited)	As at 31 March 2023 RM'000 (Audited)
Trade receivables:		
Third parties	28,940	47,168
Related parties	1	1
Less: Provision for expected credit loss	(15,002)	(19,627)
	<b>13,939</b>	27,542
Retention receivables:		
Third parties	3,461	3,461
Less: Provision for expected credit loss	(4)	(4)
	<b>3,457</b>	3,457
Other receivables:		
Third parties	14,361	14,535
Related parties	6,860	4,969
Less: Provision for expected credit loss	(6,546)	(6,824)
	<b>14,675</b>	12,680
Refundable deposits	234	278
Building construction related deposit	3,049	2,991
Prepaid expenses	148	204
Prepaid expenses to suppliers and sub-contractor	4,060	3,713
Goods and service tax receivables	1,739	–
	<b>41,301</b>	50,865
Analysed for reporting purposes as:		
Current assets	<b>41,301</b>	50,865
	<b>41,301</b>	50,865

The following is an aged analysis of trade and retention receivables presented based on the invoice date (net of provision for loss allowance of trade and retention receivables) at the end of each reporting period:

	As at 30 September 2023 RM'000 (Unaudited)	As at 31 March 2023 RM'000 (Audited)
0 to 30 days	12,137	12,879
31 to 90 days	76	2,261
Over 90 days	5,183	15,859
	<b>17,396</b>	30,999

Reconciliation of loss allowance for trade and retention receivables:

	<i>RM'000</i>
As at 1 April 2022	21,856
Reversal of impairment loss for the year	(6,550)
Increase in loss allowance for the year	<u>4,325</u>
At 31 March 2023	19,631
Reversal of impairment loss for the period	<u>(4,625)</u>
At 30 September 2023	<u>15,006</u>

Reconciliation of loss allowance for the other receivables:

	<i>RM'000</i>
As at 1 April 2022	2,342
Reversal of impairment loss for the year	(451)
Increase in loss allowance for the year	<u>4,933</u>
As at 31 March 2023	6,824
Reversal of impairment loss for the period	<u>(278)</u>
As at 30 September 2023	<u>6,546</u>

## 10. SHARE CAPITAL

The share capital as at 31 March 2023 and 30 September 2023 represents the share capital of the Company with details as follows:

	<b>Number of shares</b>	<b>Amounts <i>Hong Kong Dollar HK\$'000</i></b>	<b>Amounts <i>RM'000</i></b>
<b>Ordinary shares of HK\$0.01 each Authorised:</b>			
<b>As at 1 April 2022, 31 March 2023 and 30 September 2023</b>	<u>5,000,000,000</u>	<u>50,000</u>	
<b>Issued and fully paid:</b>			
<b>As at 1 April 2022, 31 March 2023 and 30 September 2023</b>	<u>1,800,000,000</u>	<u>18,000</u>	<u>9,862</u>

## 11 TRADE AND OTHER PAYABLES

	As at 30 September 2023 RM'000 (Unaudited)	As at 31 March 2023 RM'000 (Audited)
Trade payables:		
Third parties	34,906	40,595
Retention sum payable:		
Third parties	14,910	14,496
Other payables:		
Third parties	7,942	44,144
Accrued staff costs	545	586
Amount owing to related parties	2,947	3,175
Accrued building construction related expenses	23,471	25,947
Other accrued expenses	1,202	748
Goods and services tax payable	–	2,689
Sales and services tax payable	33	–
	85,956	132,380
Analysed for reporting purposes as:		
Current liabilities	85,956	132,380
	85,956	132,380

The following is an aged analysis of trade payables presented based on the invoice dates.

	As at 30 September 2023 RM'000 (Unaudited)	As at 31 March 2023 RM'000 (Audited)
0–30 days	11,685	14,841
31–90 days	2,631	4,378
Over 90 days	20,590	21,376
	34,906	40,595

## 12. DIVIDENDS

The Board has resolved not to recommend the payment of any interim dividend to the shareholders of the Company (“**Shareholders**”) for the Period.

## 13. CONTINGENT LIABILITIES

- (a) As disclosed in the Company’s announcement dated 30 June 2020, a subsidiary of the Company, in the ordinary course of business, had disputes with Customer A.

On 22 May 2020, Customer A served notices of termination of the construction engagement, alleging that the Group had delayed in completing the works under two contracts arising out of the same project. Customer A had sought to forfeit the Group’s two performance bonds in the amount of approximately RM25,800,000.

On 27 May 2020, the Group has filed for an application for an injunction in the High Court against Customer A’s proposed forfeiture of performance bonds and has obtained an ad-interim injunction order dated 29 May 2020 against the forfeiture of the performance bonds by Customer A. On 16 April 2021, the High Court granted the Group the injunction order. Customer A filed an appeal at the Court of Appeal against the High Court order. The Court of Appeal on 13 January 2023 dismissed Customer A’s appeal and upheld the High Court’s decision. Customer A did not further appeal to Federal Court within the deadline 12 February 2023.

The Group has also initiated arbitrations on 30 June 2020 (which was withdrawn and retained as two arbitrations on 26 October 2020, which was eventually consolidated) to dispute the validity of the terminations by Customer A and claim against Customer A for (i) losses of profit of approximately RM35,000,000, (ii) return of retention sum of approximately RM4,400,000 and (iii) return of the sums under the two performance bonds amounting to approximately RM25,800,000.

On 17 August 2020, Customer A issued a counterclaim of approximately RM126,400,000 (which then became counterclaims of approximately RM83,000,000 in the two arbitrations) in the arbitration proceeding against the Group. The legal proceedings are still ongoing. The hearing of the matter has been fixed for 18-27 September 2024.

- (b) On 20 November 2020, BGMC Corporation Sdn Bhd (“**BGMC Corporation**”) received a demand letter from a licensed bank in Malaysia (“**Bank**”), in which the Bank alleged that it had received a demand against a bank guarantee from a beneficiary (“**Beneficiary**”) being a customer of BGMC Corporation, in the sum of approximately RM5,500,000, and unless the Beneficiary withdraws its demand or the Bank is restrained from performing its obligations, the Bank would effect payment of the sum demanded to the Beneficiary on 24 November 2020.

Based on the demand letter from the Beneficiary to the Bank, the said demand was related to a performance bond provided by BGMC Corporation to the Beneficiary for a development project, for which the Beneficiary alleged that BGMC Corporation has not duly performed its contractual obligation.

On 23 November 2020, through its solicitors, BGMC Corporation filed an application (“**Application**”) to the Kuala Lumpur High Court against the Beneficiary, which restrains the Beneficiary from receiving the sum demanded by the Beneficiary. On 24 November 2020, the Kuala Lumpur High Court granted an interim injunction in favour of BGMC Corporation, which restrained the Beneficiary, their respective agents, employees and/or officers from effecting the claims of the performance bond or receiving the payment or part payment under the performance bond from the Bank until the disposal of the originating summons filed by BGMC Corporation against the Beneficiary. On 20 May 2021, the Kuala Lumpur High Court granted a permanent injunction against the Beneficiary in favour of BGMC Corporation.



The Beneficiary has applied for an appeal against the decision of the High Court. The estimated payout for the bank guarantee is in the sum of approximately RM5,500,000 should the Beneficiary's action be successful in the appeal. The legal proceedings are still ongoing. The matter was initially fixed for hearing on 11 October 2023. The Court has adjourned the said hearing and has fixed 11 December 2023 as the next case management date.

- (c) Maha Alusteel Sdn Bhd (“**Maha**”) served a notice of demand dated 13 July 2022 (“**Notice dated 13 July 2022**”) on BGMC Corporation pursuant to Section 465(1)(e) of the Companies Act 2016, demanding payment of approximately RM285,000 to be made, failing which, Maha would proceed winding up proceedings against BGMC Corporation.

In response, BGMC Corporation filed an originating summons (“**Encl. 1**”), inter alia, to seek for an injunction to restrain Maha from filing a winding up petition against BGMC Corporation pursuant to the Notice dated 13 July 2022. On 19 December 2022, the High Court dismissed Encl. 1 with costs of RM5,000 to Maha (“**Decision**”).

Dissatisfied with the Decision, BGMC Corporation filed an appeal against the Decision to Court of Appeal on 4 January 2023 (“**Appeal**”). BGMC Corporation also sought for an injunction to prevent Maha from presenting a winding up petition against BGMC Corporation pending the conclusion of the Appeal (“**Encl. 31**”). The High Court had on 27 January 2023, allowed Encl. 31 on the condition that BGMC Corporation shall deposit a sum of approximately RM290,000 (inclusive of costs RM5,000 awarded by the High Court) (“**Deposited Sum**”) with its solicitor, pending disposal of the Appeal. The Deposited Sum will be released to Maha in the event if the Appeal is dismissed, and will be refunded to BGMC Corporation if the Appeal is allowed.

The legal proceedings are still ongoing. The Court of Appeal has fixed the next case management of the Appeal on 16 January 2024 and the hearing of the Appeal on 31 January 2024.

- (d) Techtrics Solutions Sdn Bhd (“**Techtrics**”) had served two notices of adjudication to Built-Master Engineering Sdn Bhd (“**BME**”) on 6 January 2023, alleging non-payment of approximately RM310,000 and RM1,674,000 by BME to Techtrics, in relation to the subcontract works for the ICT system and ELV system.

On 25 July 2023, BME and Techtrics had entered into a settlement agreement as a full and final settlement of the disputes, at an agreed sum of RM1,300,000.00. As amicable settlement had been reached, Techtrics discontinued the adjudication proceedings with no order as to costs.

#### **14. EVENT AFTER THE REPORTING PERIOD**

On 3 November 2023, BGMC Corporation, an indirect wholly-owned subsidiary of the Company, entered into a letter of award dated as of 10 October 2023 issued from THR Hotel (KL) Sdn Bhd to BGMC Corporation, with a fixed contract sum of RM540.6 million. For details, please refer to the announcement of the Company dated 3 November 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

BGMC is a full-fledged, integrated solutions provider operating in two business sectors. One of them is the Construction Services sector (comprising Building and Structures segment, Energy Infra-structure segment, Mechanical and Electrical segment, and Earthworks and Infra-structure segment) which undertakes primarily construction service contracts not exceeding five years. The other is the Concession and Maintenance sector which undertakes Public Private Partnership (“PPP”) contracts with a duration of around 20 years.

Core Business	Segment/Model	What BGMC does
Construction Services	Building and Structures segment	Focuses on construction of low-rise and high-rise residential and commercial properties, factories, as well as government led infra-structure and facility projects.
	Energy Infra-structure segment	Has two previously independent businesses: (a) design and construction of medium and high voltage power substations; and (b) installation of medium and high voltage underground cabling systems. Is also responsible for developing and constructing the utility scale solar power plant.
	Mechanical and Electrical segment	Focuses on bringing value-added engineering expertise to the installation of mechanical and electrical components and equipment for buildings and infra-structure, drawing on its all-round capabilities from design and planning to installation of the mechanical and electrical facilities.
Concession and Maintenance	Build, Own and Operate (“BOO”) model	A concession to build a solar power plant, and to generate and to sell such power generated from the plant to national utility company for 21 years. The Group had entered into agreements to dispose of interest in 95% ordinary shares in the subsidiary which holds the solar power plant on 24 March 2022, the details of which are set out in the circular of the Company dated 21 September 2022. The completion of disposal has been announced on 26 April 2023.

## CONSTRUCTION SERVICES SECTOR

The Construction Services sector contributed RM35.5 million, or 99.6%, to the consolidated revenue of the Group for the Period, against RM80.3 million, or 97.6%, in the Corresponding Period. The decrease in revenue was due to additional estimation of liquidated ascertained damages (“**LAD**”) as the Group has yet to obtain extension of time (“**EOT**”) for one of its major projects.

As at 30 September 2023, we have an outstanding order book of RM113.4 million (30 September 2022: RM239.7 million).

As at the date of this interim result announcement, the Construction Services sector has secured a new contract with a fixed contract sum of RM540.6 million. For details, please refer to the announcement of the Company dated 3 November 2023.

The Group’s major ongoing projects are as follows:

<b>Project Name and Description</b>
<b>The Sky Seputeh:</b> Construction of two 37-storey towers with 290 apartment units, car parks and other facilities at Taman Seputeh, Wilayah Persekutuan, Malaysia.
<b>Bangsar 61:</b> Construction of Earthworks, Basement and Associated Works for a 4-storey basement car park at Bangsar, KL, Malaysia.

### Building and Structures

As the leading segment of the Construction Services sector and the Group as a whole with sizeable contracts on hand, Building and Structures contributed RM35.5 million, or 99.6%, to the Group’s consolidated revenue for the Period, compared to RM69.0 million, or 83.9% as at 30 September 2023.

As at 30 September 2023, the Building and Structures segment had an outstanding order book of RM112.0 million (30 September 2022: RM232.4 million).

As at the date of this interim result announcement, this segment has secured a new contract with a fixed contract sum of RM540.6 million.

### Energy Infra-structure

During the Period, the Energy Infra-structure segment has not contributed any revenue to the Group’s consolidated revenue, as compared with RM8.5 million or 10.3% of the consolidated revenue for the Corresponding Period. The decrease was due to completion of all energy infra-structure segment projects.

During the Period, this segment has not secured any new project. As at 30 September 2023, Energy Infra-structure segment had no outstanding order book (30 September 2022: RM0.2 million).

## **Mechanical and Electrical**

The Mechanical and Electrical segment has not recorded any revenue for the Period, as compared with RM2.8 million or 3.5% contribution to consolidated revenue for the Corresponding Period. The decrease is recorded as the projects have been completed.

During the Period, the Mechanical and Electrical segment has not secured any contract. As at 30 September 2023, the Mechanical and Electrical segment recorded an outstanding order book of RM1.4 million (30 September 2022: RM7.2 million).

## **Earthworks and Infra-structure**

The Earthworks and Infra-structure segment has not recorded any revenue for the Period as all the projects were completed. Activities in this segment will be minimal going forward while the resources will be redeployed to other segments.

## **CONCESSION AND MAINTENANCE SECTOR**

BGMC used to have one PPP contract, the Solar Power Purchase Agreement signed with Tenaga Nasional Berhad (“TNB”), a sole power distributor for Peninsular Malaysia, which is operated under BOO model.

### **BOO Model – Large Scale Solar Photovoltaic (“LSSPV”) Power Plant**

This concession contract that the Group has entered into is a contract to build a LSSPV power plant, to generate and to sell the power generated from the plant to TNB. The plant has an output capacity of 30 megawatts alternate current and is located at Kuala Muda, Kedah, Malaysia. The LSSPV power plant has managed to procure the commercial operation date on 22 March 2022 and has since started to generate and sell the solar power to TNB.

The Group has however entered into agreements on 24 March 2022 for the proposed disposal of interest in 95% ordinary shares of BGMC Bras Power, which the proposal was approved in the extraordinary general meeting (“EGM”) held on 7 October 2022. The completion of the disposal was subsequently announced on 26 April 2023.

During the Period, the BOO business has a revenue of RM0.3 million (Corresponding Period: RM2.6 million).

## **FUTURE PROSPECT**

The Group has regained much foothold and resiliency after having carefully implemented some strategic approaches. The Group has seen positive results and procured the project of extending, modifying and upgrading of the previously famous Hotel Istana, located in the centre of the bustling Kuala Lumpur.

The Group is also boosted by the prospect of steady growth trend of the construction industry sector in Malaysia as indicated by the most recent reported data. In Q3 2023, the industry saw a year-on-year expansion of 9.6% (Q2 2023: 8.1%) in the total value of completed projects, reaching a milestone of approximately RM33.4 billion, with the value of work done for buildings being RM16.5 billion (49.4%). The outlook for the construction industry particularly the building sector remains positive as the demand for new semiconductor plants and data centres grow, coupled with multinational corporation diversifying their investments into Malaysia. Although the growth trend is anticipated to persist, skilled-labour shortage and rising costs of raw materials remain as challenges to the construction industry. Winning competitive bids and tenders at sustainable margins will continue to be the challenge for the growth of the industry.

Moving forward, the Group will not only focus on completing the newly secured project but will also continue our endeavours in seeking opportunities in the construction and concession industry, develop projects that may help to generate businesses and recurring income, while exploring new businesses or new business model to ensure the sustainability of the Group. The Group also aims to complete the project soonest possible to fulfil our contractual obligations to our valued clients. All these new objectives and focuses will not only ensure a successful completion of projects for our client, it may also leave behind a good name and track record for other future opportunities.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's total revenue decreased from RM82.3 million in the Corresponding Period to RM35.7 million during the Period. The decrease in revenue was mainly due to slow progress from the Construction Services sector. The Construction Services sector contributed RM35.5 million to the consolidated revenue of the Group for the Period as compared to RM80.3 million in the Corresponding Period, representing decrease by 55.8%. The sharp decline in revenue was also contributed by additional estimation of LAD as the Group has yet to obtain the EOT for one of its major projects.

### **Gross Loss**

The Group recorded total gross loss of RM23.1 million in the Period as compared to a gross loss of RM6.7 million in the Corresponding Period. The decrease in revenue, rising construction costs as a result of surge in building materials prices and higher labour costs due to increase in minimum wages, have negative impact on the profitability of ongoing projects.

### **Administrative and Other Expenses**

Administrative and other expenses decreased from RM8.2 million in the Corresponding Period to RM7.5 million for the Period, mainly due to reduction of staff cost, and the absence of stamping fees during the Period which was incurred in the issuance of redeemable secured loan stock ("RSLs") in the Corresponding Period.

### **Finance Costs**

Finance costs for the Period were RM0.9 million compared to RM0.5 million in the Corresponding Period due to increase in bank borrowings and overnight policy rate in Malaysia, as well as accrual for RSLs interest.

### **Income Tax Credit**

There was no income tax credit for the Period as compared to RM0.1 million in the Corresponding Period, mainly due to over provision of income tax expenses in the Corresponding Period.

### **Liquidity, Financial Resources and Capital Structure**

Net gearing ratio of the Group (calculated by dividing the net debts by equity attributable to owners of the Company) is recorded at 0.07 times as at 30 September 2023 as compared to 0.28 times as at 31 March 2023. The decrease in net gearing ratio is due to the repayment of advances amounting to RM35.0 million to reNIKOLA in the Period.

Cash and bank balances (including fixed deposits) stood at RM34.9 million as at 30 September 2023 as compared with RM29.9 million as at 31 March 2023, representing an increase of RM5.0 million.

## **Net Current Assets**

Net current assets of the Group stood at RM5.9 million as at 30 September 2023, as compared with RM107.8 million as at 31 March 2023, representing a decrease of RM101.9 million. The decrease in net current assets was mainly due to the completion of disposal of the interest in 95% ordinary shares in BGMC Bras Power.

For the going concern analysis, please refer to note 2 of the condensed consolidated financial statements, “Basis of Preparation”.

## **Treasury Policies**

The Group’s financing and treasury activities are centrally managed and controlled at the corporate level. Bank borrowings of the Group are all denominated in RM and on a floating-rate basis. It is the Group’s policy not to enter into derivative transactions for speculative purposes.

## **Capital Expenditure**

Capital expenditure mainly consisted of procurement of construction machinery and computer equipment, which was funded by hire purchase and internally generated funds. The Group has acquired computer equipment of RM0.01 million during the Period.

## **Foreign Exchange Exposure**

The functional currency of BGMC’s operation, assets and liabilities is denominated in RM. Therefore, the Company is not exposed to significant foreign exchange risk and has not employed any financial instrument for hedging, except for Hong Kong Dollar denominated bank balances which is not material to the Group as a whole.

## **Significant Investment**

The Group did not hold any significant investment during the Period.

## **Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period except for the completion of disposal of the interest in 95% ordinary shares in BGMC Bras Power as disclosed in announcement of the Company dated 26 April 2023.

## **Employees and Remuneration Policies**

As at 30 September 2023, the Group has 94 employees as compared to 120 as at 30 September 2022. Total staff costs incurred for the Period were RM5.2 million compared to RM5.5 million recorded in the Corresponding Period. The Group has taken continuous actions to review and reorganize the workforce required to run the operation and projects more efficiently, which lead to reduction of administrative expenses for the Period.



Remuneration is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. Periodic in-house training is provided to enhance the knowledge of the workforce. Meanwhile, external training programs conducted by qualified personnel are also attended by employees to enhance their skills set and working experience.

The Group has adopted a share option scheme (“**Share Option Scheme**”) which became effective on 9 August 2017 (“**Listing Date**”), being the date of listing of the shares of the Company on the Stock Exchange, to enable the Board to grant share options to eligible participants giving them an opportunity to have a personal stake in the Company. As at the date of this interim results announcement, there was no outstanding share option granted under the Share Option Scheme.

### **Contingent Liabilities**

Details of the Group’s contingent liabilities up to the date of this interim results announcement are set out in note 13 of the condensed consolidated financial statements.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 September 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (“**SFO**”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer set out in Appendix 10 to the Listing Rules (“**Model Code**”) were as follows:

#### **Interests in the shares of the Company**

<b>Name of Director</b>	<b>Capacity/ Nature of interest</b>	<b>Interests in shares of the Company (Note 1)</b>	<b>Approximate percentage of shareholding (Note 2)</b>
Dato’ Teh Kok Lee (“ <b>Dato’ Michael Teh</b> ”) (Note 1)	Interest of a controlled corporation and interests held jointly with another person	1,208,250,000 (L)	67.1%

“L” denotes long position



*Notes:*

- (1) On 15 December 2016, Dato' Michael Teh and Tan Sri Dato' Sri Goh Ming Choon ("**Tan Sri Barry Goh**"), a former executive Director, entered into a concert party confirmatory deed ("**Concert Party Confirmatory Deed**") to acknowledge and confirm, among other things, that they had been parties acting in concert with each other with respect to their interests in or the business of the relevant members of the Group since they became shareholders of BGMC Holdings Berhad ("**BGMC Holdings**") and would continue to act in concert after the signing of the Concert Party Confirmatory Deed. For further details, please refer to the paragraph headed "History, Development and Reorganisation – Concert Party Confirmatory Deed" in the prospectus of the Company dated 31 July 2017.

As at 30 September 2023, the 1,208,250,000 shares interested by them in aggregate consisted of (i) 864,000,000 shares beneficially owned by Prosper International Business Limited ("**Prosper International**") which in turn is beneficially and wholly-owned by Tan Sri Barry Goh; and (ii) 344,250,000 shares beneficially and wholly owned by Seeva International Limited ("**Seeva International**") which in turn is beneficially and wholly-owned by Dato' Michael Teh. Each of Tan Sri Barry Goh and Dato' Michael Teh is deemed to be interested in all the shares held or deemed to be held by them in aggregate by virtue of the SFO.

- (2) The percentage is calculated on the basis of 1,800,000,000 shares in issue as at 30 September 2023.

### **Interest in the Shares of Associated Corporations**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interest</b>	<b>Interests in ordinary share</b>	<b>Percentage of shareholding</b>
Dato' Michael Teh	Seeva International	Beneficial owner	1	100%

Save as disclosed above, as at 30 September 2023, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, so far as is known to the Directors, the following corporations or persons (other than a Director or the chief executive had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

<b>Name of shareholders</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares of the Company held</b>	<b>Percentage of shareholding (Note 2)</b>
Prosper International (Note 1)	Beneficial owner and interests held jointly with another person	1,208,250,000 (L)	67.1%
Seeva International (Note 1)	Beneficial owner and interests held jointly with another person	1,208,250,000 (L)	67.1%
Kingdom Base Holdings Limited	Beneficial owner	141,750,000 (L)	7.9%

“L” denotes long position

Notes:

- (1) On 15 December 2016, Tan Sri Barry Goh and Dato’ Michael Teh entered into the Concert Party Confirmatory Deed to acknowledge and confirm, among other things, that they had been parties acting in concert with each other with respect to their interests in or the business of the Company and the relevant members of the Group since they became shareholders of BGMC Holdings and would continue to act in concert after the signing of the Concert Party Confirmatory Deed. For further details of the Concert Party Confirmatory Deed, please refer to “Concert Party Confirmatory Deed” sub-section in the section headed “History, Development and Reorganisation” in the prospectus of the Company dated 31 July 2017.

As at 30 September 2023, the 1,208,250,000 shares of the Company interested by them in aggregate consisted of (i) 864,000,000 shares of the Company beneficially owned by Prosper International which in turn is beneficially and wholly owned by Tan Sri Barry Goh; and (ii) 344,250,000 shares of the Company beneficially owned by Seeva International which in turn is beneficially and wholly owned by Dato’ Michael Teh. Each of Prosper International and Seeva International is deemed to be interested in all the shares held or deemed to be held by Tan Sri Barry Goh and Dato’ Michael Teh in aggregate by virtue of the SFO.

- (2) These percentages are calculated on the basis of 1,800,000,000 shares of the Company in issue as at 30 September 2023.

Save as disclosed above, so far as the Directors or the chief executive of the Company are aware of, as at 30 September 2023, no corporation or person (not being a Director or the Chief Executive) had any interests or short position in the shares or underlying shares of the Company, which would be required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company under section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company has adopted the Share Option Scheme on the Listing Date to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. As at 30 September 2023, there were no outstanding share options and no share options were granted, exercised or cancelled or lapsed for the Period. Further details of the Share Option Scheme are set out in the Company's 2023 annual report.

## **PLEDGE OF ASSETS**

All the investment in redeemable convertible preference shares (“**RCPS**”) amounting to RM5.7 million as at 31 March 2023 was fully redeemed as at 30 September 2023. Investment properties of RM47.9 million were pledged to RSLs as at 30 September 2023 (31 March 2023: RM47.9 million). Certain banking facilities of the Group were secured by the Group's fixed bank deposits of RM29.0 million as at 30 September 2023 compared to RM28.4 million as at 31 March 2023.

## **PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES**

For the Period and thereafter up to the date of this interim results announcement, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities.

## **CORPORATE GOVERNANCE CODE COMPLIANCE**

The Company is committed to maintaining a high standard of corporate governance in order to achieve sustainable development and enhance corporate performance especially in the areas of internal control, fair disclosure and accountability to all shareholders of the Company (“**Shareholders**”).

The Company has adopted the code provisions as set out in the Corporate Governance Code set out in Appendix 14 to the Listing Rules (“**CG Code**”) as its own code of corporate governance. For the Period, the Company has complied with the applicable code provisions of the CG Code.

## **AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board of the Company proposed to amend (“**Proposed Amendments**”) the memorandum and articles of association of the Company (“**M&A**”) to reflect and align with the new requirements under the amended Appendix 3 to the Listing Rules which have come into effect on 1 January 2022 and to make some other housekeeping. The Proposed Amendments to the M&A was approved on 4 September 2023.

## **DIVIDEND**

The Board has resolved not to recommend the payment of any interim dividend for the Period (Corresponding Period: Nil).

## **EVENT AFTER THE REPORTING PERIOD**

On 3 November 2023, BGMC Corporation, an indirect wholly-owned subsidiary of the Company, entered into a letter of award dated as of 10 October 2023 issued from THR Hotel (KL) Sdn Bhd to BGMC Corporation, with a fixed contract sum of RM540.6 million. For details, please refer to the announcement of the Company dated 3 November 2023.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct governing securities transactions by the Directors. Following a specific enquiry made by the Company with each of them, all Directors confirmed that they had complied with the required dealing standards set out in the Model Code, throughout the Period.

## **REVIEW OF RESULTS BY THE AUDIT COMMITTEE**

The Audit Committee was established on 3 July 2017 with specific written terms of reference in compliance with code provision D.3 of the CG Code and Rule 3.22 of the Listing Rules. Such written terms of reference were revised on 8 October 2020 to conform with the requirements under the CG Code and the Listing Rules. The Audit Committee has reviewed the unaudited consolidated financial statements and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements and that adequate disclosure has been made.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.bgmc.asia](http://www.bgmc.asia). The interim report containing all the information required by the Listing Rules will be published on the aforesaid websites and will be despatched to the Shareholders as soon as possible.

By Order of the Board  
**BGMC International Limited**  
**Datuk Kamalul Arifin Bin Othman**  
*Chairman and Independent Non-Executive Director*

Malaysia, 20 November 2023

*As at the date of this announcement, the Board comprises Dato' Teh Kok Lee (Chief Executive Officer) as executive Director; and Datuk Kamalul Arifin Bin Othman (Chairman), Kua Choh Leang and Datuk Kang Hua Keong as independent non-executive Directors.*