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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)

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR AP CAPITALISATION

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR AP CAPITALISATION

On 6 January 2026 (after trading hours of the Stock Exchange), the Company (as issuer) and the Trustee (as subscriber) entered into the AP Capitalisation Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Trustee (acting for and on behalf of the Trade Creditors) has conditionally agreed to subscribe for, a total of 7,489,496 AP Capitalisation Shares at the price of HK\$2.350 per AP Capitalisation Share for the settlement of the Outstanding Trade Payables owed by the Relevant Debtors to the Trade Creditors. The subscription amount in the sum of HK\$17,600,315.60 payable by the Subscriber under the AP Capitalisation Agreement shall be satisfied by setting off against the Outstanding Trade Payables due by the Group to the Trade Creditors in full.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the AP Capitalisation Shares represent (i) approximately 18.92% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.91% of the issued share capital of the Company as enlarged by the allotment and issue of the AP Capitalisation Shares.

LISTING RULES IMPLICATIONS

The AP Capitalisation Shares will be allotted and issued by the Company to the Trade Creditors under Specific Mandate. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the AP Capitalisation Shares.

None of the Directors has a material interest in the AP Capitalisation and hence, no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the AP Capitalisation Agreement and the transactions contemplated thereunder.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the AP Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholders or any of their associates has any material interest in the AP Capitalisation Agreement and the transactions contemplated thereunder, and will be required to abstain from voting at the EGM in respect of the AP Capitalisation Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the AP Capitalisation Agreement; (ii) a notice to convene the EGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 29 January 2026.

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR AP CAPITALISATION

On 6 January 2026 (after trading hours of the Stock Exchange), the Company (as issuer) and the Trustee (as subscriber) entered into the AP Capitalisation Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Trustee (acting for and on behalf of the Trade Creditors) has conditionally agreed to subscribe for, a total of 7,489,496 AP Capitalisation Shares at the price of HK\$2.350 per AP Capitalisation Share for the settlement of Outstanding Trade Payables due by the Group to the Trade Creditors in full.

Details of the AP Capitalisation Agreement are summarised as follow:

Date

6 January 2026 (after trading hours of the Stock Exchange)

Parties

- (1) The Company (as issuer); and
- (2) The Trustee (acting for and on behalf of the Trade Creditors as subscriber)

AP Capitalisation Shares

The Company has conditionally agreed to allot and issue, and the Trustee (acting for and on behalf of the Trade Creditors) has conditionally agreed to subscribe for, a total of 7,489,496 AP Capitalisation Shares at the price of HK\$2.350 per AP Capitalisation Share.

As at the date of this announcement, the Relevant Debtors are in debt to the Trade Creditors the Outstanding Trade Payables in the amount of RM9,188,368.63 (equivalent to approximately HK\$17,600,320.11). The subscription price in the amount of HK\$17,600,315.60 payable by the Subscriber under the AP Capitalisation Agreement shall be satisfied by setting off the Outstanding Trade Payables due by the Group to the Trade Creditors in full.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the AP Capitalisation Shares represent (i) approximately 18.92% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.91% of the issued share capital of the Company as enlarged by the allotment and issue of the AP Capitalisation Shares.

The aggregate nominal value of the AP Capitalisation Shares (with a par value of HK\$0.5 each) is HK\$3,744,748.00.

Issue Price

The Issue Price of HK\$2.350 per AP Capitalisation Share represents:

- (i) a premium of approximately 14.63% over the closing price per Share of HK\$2.050 as quoted on the Stock Exchange on 6 January 2026, being the date of the AP Capitalisation Agreement;
- (ii) the average closing price per Share of HK\$2.350 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the AP Capitalisation Agreement; and
- (iii) a premium of approximately 3.66% over the average closing price per Share of HK\$2.267 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the AP Capitalisation Agreement.

Taking into account that the Issue Price was determined with reference to the recent market conditions and the current financial position and the business prospects of the Group, the Directors (including the independent non-executive Directors) consider that the Issue Price and the terms of the Capitalisation Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The amount of the total Issue Price of HK\$17,600,315.60 shall be satisfied by way of setting-off against the Outstanding Trade Payables owed by the Relevant Debtors to the Trade Creditors in full. In addition, the Group will use its internal resources to settle the professional fees and all related expenses which may be borne by the Company in connection with the AP Capitalisation.

Conditions

Completion is conditional upon the fulfilment of the following conditions:

- (i) the passing of the necessary resolution(s) by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules and other applicable laws and regulations at the EGM to be held and convened to approve the AP Capitalisation Agreement and the transactions contemplated thereunder, including the allotment and issue of the AP Capitalisation Shares under Specific Mandate;
- (ii) the Listing Committee of the Stock Exchange granting, and not having withdrawn or revoked up to Completion, the listing of and permission to deal in the AP Capitalisation Shares;
- (iii) all necessary consents and approvals required to be obtained by the Company and the Relevant Debtors in respect of the AP Capitalisation Agreement and the transactions contemplated thereunder having been obtained; and
- (iv) all necessary consents and approvals required to be obtained by the Trustee and the Trade Creditors in respect of the AP Capitalisation Agreement and the transactions contemplated thereunder having been obtained.

None of the above conditions can be waived. If the above conditions are not fulfilled on or before 31 March 2026 or such later date as the parties to the AP Capitalisation Agreement may agree, all rights, obligations and liabilities of the parties under the AP Capitalisation Agreement shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the Completion Date after satisfaction of the conditions precedent set out above (or such other date as may be agreed between the Company and the Trustee).

Ranking of the Capitalisation Shares

The AP Capitalisation Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares in issue at the date of allotment and issue of the AP Capitalisation Shares.

EFFECT OF THE CAPITALISATION SHARES ON THE SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the AP Capitalisation and the allotment and issue of the AP Capitalisation Shares (assuming there are no other changes to the issued share capital of the Company between the date of this announcement and the Completion Date save for the allotment and issue of the AP Capitalisation Shares and the Trade Creditors will not hold any other Shares save for the AP Capitalisation Shares on the Completion Date):

Shareholders	As at the date of this announcement		Immediately after completion of the AP Capitalisation and the allotment and issue of the AP Capitalisation Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholders				
Prosper International Business Limited (Note 1)	18,000,000	45.47	18,000,000	38.23
Seeva International Limited (Note 1)	6,885,000	17.39	6,885,000	14.62
Public Shareholders				
Trade Creditors (Note 2)	–	–	7,489,496	15.91
Other public Shareholders	14,705,000	37.14	14,705,000	31.23
Total	39,590,000	100.00	47,079,496	100.00

Notes:

- (1) As at the date of this announcement, (i) 18,000,000 Shares are legally and beneficially owned by Prosper International Business Limited which in turn is wholly-owned by Tan Sri Dato' Sri Goh Ming Choon; and (ii) 6,885,000 Shares are legally and beneficially owned by Seeva International Limited which in turn is wholly-owned by Dato' Teh Kok Lee. On 15 December 2016, Tan Sri Dato' Sri Goh Ming Choon and Dato' Teh Kok Lee entered into a concert party confirmatory deed (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 relevant members of the Group since they became shareholders of BGMC Holdings Berhad, an indirect wholly-owned subsidiary of the Company and would continue to act in concert after the signing of the Concert Party Confirmatory Deed. As such, each of Tan Sri Dato' Sri Goh Ming Choon and Dato' Teh Kok Lee is deemed, or taken to be interested in all the Shares held by Prosper International Business Limited and Seeva International Limited in aggregate by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
- (2) As at the date of this announcement, the Trade Creditors consist of 45 parties, whom were suppliers, contractors and service providers of the Group. Immediately after Completion, none of them, whether individually or in aggregate with its associated company(ies) whom is also a Trade Creditor, will hold more than 5% of the total equity interests of the Company.
- (3) Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company had carried out the following equity fund-raising activities in the past twelve months immediately preceding the date of this announcement:

On 2 May 2025, the Company placed 3,590,000 new Shares, representing approximately 9.07% of the then total issued shares of the Company as enlarged by the allotment and issue of the 3,590,000 placing shares, at a subscription price of HK\$1.20 per Share to not less than six placees who are third parties independent of and not connected with the Company (the “**Placing**”). The Company has received total net proceeds of approximately HK\$4.15 million from the Placing. The Company has fully utilised all of the net proceeds from the Placing for its intended use as previously disclosed. For details of the Placing, please refer to the announcements of the Company dated 9 April 2025 and 2 May 2025, respectively.

On 31 December 2025, the Company (as issuer) entered into the RSLs Capitalisation Agreement with the Trustee (as subscriber acting for and on behalf of the Relevant Independent RSLs Holders), pursuant to which the Company has conditionally agreed to allot and issue, and the Trustee has conditionally agreed, for and on behalf of the Relevant Independent RSLs Holders, to subscribe for, a total of 29,588,744 RSLs Capitalisation Shares at the price of HK\$2.320 per RSLs Capitalisation Share for the settlement of the Relevant Outstanding RSLs owed by BGMC Corporation to the Relevant Independent RSLs Holders. The subscription amount in the sum of HK\$68,645,886.08 payable by the Subscriber under the RSLs Capitalisation Agreement shall be satisfied by setting off against the Relevant Outstanding RSLs due by BGMC Corporation to the Relevant Independent RSLs Holders in full. For details of the RSLs Capitalisation, please refer to the announcement of the Company dated 31 December 2025.

Saved as disclosed above, the Company had not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

INFORMATION ON THE COMPANY, THE CREDITORS AND THE TRUSTEE

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

As at 31 July 2025, the Outstanding Trade Payables owed by the Relevant Debtors to the Trade Creditors amounted to RM9,188,368.63 (equivalent to approximately HK\$17,600,320.11). The Trade Creditors comprise 45 parties, whom were suppliers, contractors and service providers of the Group. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, among the Trade Creditors, 14 of them are also Relevant Independent RSLs Holders or otherwise associated with certain Relevant Independent RSLs Holders. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Trade Creditors and their ultimate beneficial owners is an Independent Third Party.

REASONS FOR THE AP CAPITALISATION

The Outstanding Trade Payables mainly comprise of amounts outstanding for trade purchases and ongoing costs incurred by the Relevant Debtors during the ordinary and usual course of its business. As at the date of this announcement, the Outstanding Trade Payables amounted to RM9,188,368.63 (equivalent to approximately HK\$17,600,320.11), which had become overdue.

As disclosed in the 2025 annual report of the Company for the period from 1 April 2024 to 31 August 2025, the Group incurred net loss of approximately RM38.9 million and the amount of fixed deposits and bank balances only amounted to approximately RM37.8 million, which is insufficient to repay the Outstanding Trade Payables and the Relevant Outstanding RSLs in full. In this regard, the Directors have undertaken substantial work for improving the Group's liquidity and financial position.

The AP Capitalisation enables the Group to settle its outstanding indebtedness without utilising existing financial resources of the Company and avoid cash outflows. The Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to preserve as much liquidity as possible in order to strengthen the Group's financial and liquidity position for its business development.

Although the allotment and issue of the AP Capitalisation Shares will have a dilution effect to the existing Shareholders, having considered (i) the capitalisation of the Outstanding Trade Payables can alleviate the repayment and settlement pressure of the Group; and (ii) the AP Capitalisation Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, enlarge the capital base and enhance the net asset position of the Group, the Directors are of the view that the dilution effect arising from the allotment and issue of the AP Capitalisation Shares is justifiable in this regard.

In view of the above, the Directors consider that the terms of the AP Capitalisation Agreement are fair and reasonable based on the current market conditions and are on normal commercial terms. Accordingly, the Directors consider the AP Capitalisation is in the interest of the Company and the Shareholders as a whole.

SPECIFIC MANDATE

The AP Capitalisation Shares will be allotted and issued to the Trade Creditors pursuant to the Specific Mandate proposed to be sought from the Shareholders at the EGM.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the AP Capitalisation Shares.

LISTING RULES IMPLICATIONS

None of the Directors has a material interest in the AP Capitalisation and hence, no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the AP Capitalisation Agreement and the transactions contemplated thereunder.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the AP Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholders or any of their associates has any material interest in the AP Capitalisation Agreement and the transactions contemplated thereunder, and will be required to abstain from voting at the EGM in respect of the AP Capitalisation Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the AP Capitalisation Agreement; (ii) a notice to convene the EGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 29 January 2026.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“AP Capitalisation”	the capitalisation of the Outstanding Trade Payables owed by BGMC Corporation, BME and BMEE to the Trade Creditors
“AP Capitalisation Agreement”	the debt capitalisation agreement dated 6 January 2026 entered into between the Company as the issuer and the Trustee (acting for and on behalf of the Trade Creditors) as the subscriber in relation to the subscription of 7,489,496 AP Capitalisation Shares
“AP Capitalisation Shares”	an aggregate of 7,489,496 new Shares to be allotted and issued by the Company to the Trade Creditors pursuant to the terms and conditions of the AP Capitalisation Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BGMC Corporation”	BGMC Corporation Sdn. Bhd., being a company established in Malaysia with limited liability and an indirect wholly-owned subsidiary of the Company
“BME”	Built-Master Engineering Sdn. Bhd., being a company established in Malaysia with limited liability and an indirect non-wholly-owned subsidiary of the Company
“BMEE”	Built-Master Elevator Engineering Sdn. Bhd., being a company established in Malaysia with limited liability and an indirect non-wholly-owned subsidiary of the Company

“Board”	the board of directors of the Company
“Business Day”	day(s) (excluding Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong and Malaysia are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	BGMC International Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1693)
“Completion”	completion of the AP Capitalisation pursuant to the terms and conditions of the AP Capitalisation Agreement
“Completion Date”	the date of Completion, being the third Business Day (or such other date as the parties to the AP Capitalisation Agreement may agree) after satisfaction of the conditions of the AP Capitalisation Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve, among other things, the AP Capitalisation Agreement, and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent RSLs Holder(s)”	RSLs Holders other than the Company
“Independent Third Party(ies)”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules

“Issue Price”	HK\$2.350 per AP Capitalisation Share
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Trade Payables” or “AP”	the outstanding payables or accounts payables which mainly comprise of amounts outstanding for trade purchases and ongoing costs incurred by the Relevant Debtors during the ordinary and usual course of its business, which amounted to RM9,188,368.63 (equivalent to approximately HK\$17,600,320.11) as at 31 July 2025
“Relevant Debtors”	collectively, BGMC Corporation, BME and BMEE
“Relevant Independent RSLs Holder(s)”	Independent RSLs Holder(s) who did not opt for Properties Swap (as defined under the announcement of the Company dated 31 December 2025)
“Relevant Outstanding RSLs”	the aggregate redemption amount together with the interest accrued thereon owed by BGMC Corporation to the Independent RSLs Holders pursuant to the terms of the RSLs, which amounted to RM35,837,047.98 (equivalent to approximately HK\$68,645,865.41) as at 30 June 2025
“RSLs”	coupon-bearing redeemable secured loan stocks issued by BGMC Corporation to the RSLs Holders pursuant to the Scheme of Arrangement
“RSLs Capitalisation”	the capitalisation of the Relevant Outstanding RSLs owed by BGMC Corporation to the Relevant Independent RSLs Holders
“RSLs Capitalisation Agreement”	the debt capitalisation agreement dated 31 December 2025 entered into between the Company as the issuer and the Trustee (acting for and on behalf of the Relevant Independent RSLs Holders) as the subscriber in relation to the subscription of 29,588,744 RSLs Capitalisation Shares
“RSLs Capitalisation Shares”	an aggregate of 29,588,744 new Shares to be allotted and issued by the Company to the Independent RSLs Holders pursuant to the terms and conditions of the RSLs Capitalisation Agreement
“RSLs Holders”	holders of the RSLs

“Scheme of Arrangement”	the scheme of arrangement entered into by BGMC Corporation with its creditors to settle the sum due and owing by the BGMC Corporation to its creditors in the amount of RM263,663,093.54, which was duly approved by the creditors at the creditors’ meeting on 16 June 2021, and was subsequently sanctioned by the High Court of Malaya by an order dated 13 January 2022, details of which are set out in the announcements of the Company dated 29 March 2021, 25 May 2021, 16 June 2021, 20 January 2022 and 5 July 2022
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share of HK\$0.5 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Shareholders at the EGM to allot and issue the AP Capitalisation Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trade Creditor(s)”	owner(s) of the Outstanding Trade Payables
“Trustee” or “Subscriber”	KP Lee Chambers, being a legal firm in Malaysia, who has been appointed to act as the trustee for the Trade Creditors
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RM1.0000 = HK\$1.9155 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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

Malaysia, 6 January 2026

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), Mr. Kua Choh Leang and Ms. Koong Hui Jiun as independent non-executive Directors.