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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)**

# **VOLUNTARY ANNOUNCEMENT IN RELATION TO THE CONCESSION PROJECT ON THE CONSTRUCTION AND DEVELOPMENT OF LARGE SCALE SOLAR PV PLANT (LSSPV) OF 30.00MWA.C. AT KUALA MUDA, KEDAH, MALAYSIA**

Reference is made to the Company's announcement dated 12 December 2017 (the "**Announcement**") in relation to the receipt of a letter of bid acceptance from the Energy Commission of Malaysia by a subsidiary of the Company, BGMC Corporation Sdn Bhd ("**BGMC Corporation**") and the Proposed JV Partner where BGMC Corporation and the Proposed JV Partner were selected to participate in the Project and to proceed with the commencement of the negotiations with the relevant parties on the project documents, including but not limited to the power purchase agreement (the "**PPA**"). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

For the purpose of undertaking the Project, BGMC Corporation and the Proposed JV Partner, namely Bras Ventures Bhd, jointly formed BGMC Bras Power Sdn Bhd (the "**JV Company**") on 5 January 2018 where BGMC Corporation and Bras Ventures Bhd own as to 95% and 5% of the issued share capital of the JV Company, respectively. The JV Company will undertake the Project.

The Board is pleased to announce that on 27 March 2018, the JV Company has entered into the PPA with Tenaga Nasional Berhad ("**TNB**"), the only national electric utility company of Malaysia. Pursuant to the PPA, it was agreed, among others, that:

- (a) the term of the PPA shall (i) take effect on the date following all the conditions precedent to the commercial operations of the Facility having been satisfied or waived, starting from 00:00 hours and (ii) continue in effect for a term which expires on the day before the 21st anniversary of the date on which all conditions precedent to the effectiveness of the PPA have been satisfied or waived (including such day) (the "**Commercial Operation Date**"), unless otherwise extended in accordance with the terms of the PPA;
- (b) the JV Company will design, construct, own, operate and maintain a solar photovoltaic energy generating facility (the "**Facility**") with a capacity of 30 megawatt alternate current to be located in Lot 3222, Mukim Sungai Petani, Kuala Muda, Kedah, Malaysia to generate and deliver solar photovoltaic energy to TNB;

- (c) the JV Company will sell, and TNB will purchase from the JV Company, the solar photovoltaic energy generated from the Facility and delivered to TNB during the term of the PPA and TNB shall pay energy payment the JV Company calculated in accordance with the terms and conditions of the PPA;
- (d) either party may terminate the PPA by delivering a notice in writing to the other party if, among others (i) any of the conditions precedent to the effectiveness of the PPA has not been satisfied in full before the date being three months after the date of execution of the PPA or such other date as the parties may agree, (ii) the other party commit certain events of defaults under the PPA. Upon the termination of the PPA, the PPA shall cease to have any further force or effect and neither party shall have any obligations or liability (save in respect of antecedent breach); and
- (e) if, due to the fault of the JV Company or its contractors or agent under the PPA, the Commercial Operation Date does not occur on or before the scheduled commercial operation date i.e. 30 September 2020 (or such other date as determined in accordance with the terms of the PPA), the JV Company shall compensate TNB a sum of Ringgit Malaysia 30,000 per day for each day commencing on and including the above scheduled commercial operation date until but excluding the earlier of (i) the Commercial Operation Date, (ii) the date when the PPA is terminated by TNB in accordance with the terms of the PPA, and (iii) 180 days after the above scheduled commercial operation date.

This is a voluntary announcement made by the Company to provide an update to the shareholders of the Company and investors on the above matter.

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

For and on behalf of  
**BGMC International Limited**  
**Tan Sri Dato' Sri Goh Ming Choon**  
*Chairman and Executive Director*

Hong Kong, 27 March 2018

*As at the date of this announcement, the Board comprises Tan Sri Dato' Sri Goh Ming Choon (Chairman), Dato' Mohd Arifin bin Mohd Arif (Vice-chairman), Dato' Teh Kok Lee (Chief Executive Officer) and Ir. Azham Malik bin Mohd Hashim as executive Directors; and Tan Sri Dato' Seri Kong Cho Ha, Chan May May and Ng Yuk Yeung as independent non-executive Directors.*