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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)

**MAJOR TRANSACTIONS –
JOINT VENTURE AND OPTION ARRANGEMENTS
IN CONNECTION WITH
THE PROVISION OF MANAGEMENT AND SUPPORT SERVICES TO
SOLAR POWER PLANT PROJECTS**

The Board is pleased to announce that on 29 August 2019 (after trading hours), the Group entered into the following agreements with the following parties:

- (a) the Agreements:
 - (i) the Shareholders' Agreement, with DPI Solar 1, Hasilwan Solar, AD Solar, BV Energy, IDIQA Energy and the JV Company in connection with the joint venture arrangement among the JV Shareholders for purpose of regulating their rights and obligations, including their further investments and/or contributions, in the JV Company;
 - (ii) the Option Agreements, with BV Energy and IDIQA Energy, respectively; and
 - (iii) the DPI Solar 1 Call and Put Option Agreement, with DPI Solar 1 and the JV Company,
- and
- (b) the RCPS Subscription Agreement, with BGMC BRAS Power; and
- (c) the Sparks Energy 1 Subscription Agreement, with Sparks Energy 1.

The Shareholders' Agreement

With a view to regulating their rights and obligations, including their further investment and/or contributions, in the JV Company, the JV Shareholders and the JV Company entered into the Shareholders' Agreement on 29 August 2019. Pursuant to the Shareholders' Agreement, a capital commitment in the sum of approximately RM88.5 million (equivalent to approximately HK\$165.6 million) is expected to be contributed by the JV Shareholders through the issuance of JV Shares and other forms of financing in accordance with the Agreed Proportion for the purpose of funding the Projects. The capital commitment to be made by BGMC Energy pursuant to the Shareholders' Agreement is approximately RM39.9 million (equivalent to approximately HK\$74.6 million).

The Option Agreements

In connection with the Shareholders' Agreement, BGMC Energy has also entered into the Option Agreements with each of BV Energy and IDIQA Energy. Pursuant to the Option Agreements, BGMC Energy is granted the option to acquire the JV Shares held by BV Energy and IDIQA Energy (as the case may be) in accordance with the terms of the respective Option Agreements. Each of the Sale Options is granted at a nominal value of HK\$10.00 to BGMC Energy.

The DPI Solar 1 Call and Put Option Agreement

DPI Solar 1 is one of the JV Shareholders and pursuant to the Shareholders' Agreement, 21.43 million Preference Shares (i.e. the DPI Solar 1 Option Shares) are to be issued by the JV Company to DPI Solar 1. Pursuant to the DPI Solar 1 Call and Put Option Agreement:

- (a) DPI Solar 1 has irrevocably agreed to grant to BGMC Energy a call option which may be exercised by BGMC Energy at its sole discretion to purchase the Call Option Shares. The consideration of the grant of the DPI Solar 1 Call Option to BGMC Energy is at a nominal value of USD10.00; and
- (b) the Company has irrevocably agreed to grant to DPI Solar 1 a put option which may be exercised by DPI Solar 1 at its sole discretion to require the Company to purchase the Put Option Shares. The consideration of the grant of the DPI Solar 1 Put Option to DPI Solar 1 is at a nominal value of USD10.00.

The exercise price of the DPI Solar 1 Options is to be determined with reference to the subscription price of the Option Shares together with any arrears or accruals of dividends payable by the JV Company to DPI Solar 1.

The RCPS Subscription Agreement

Pursuant to the RCPS Subscription Agreement, BGMC Corporation has agreed to subscribe for the 86,000,000 RCPS (at the value of RM1.00 each up to a total amount of RM86.0 million) to be issued by BGMC BRAS Power at a consideration of RM86.0 million (equivalent to approximately HK\$160.9 million). Upon the completion of the RCPS Subscription Agreement, BGMC Corporation will hold 100% of the RCPS of BGMC BRAS Power, which may be converted into approximately 99.9% of the enlarged issued share capital of BGMC BRAS Power.

The Sparks Energy 1 Subscription Agreement

Pursuant to the Sparks Energy 1 Subscription Agreement, Sparks Energy 1 has agreed to subscribe for the 86,000,000 RPS to be issued by BGMC Corporation (at the value of RM1.00 each up to a total amount of RM86.0 million) at a consideration of RM86.0 million (equivalent to approximately HK\$160.9 million). Upon the completion of the Sparks Energy 1 Subscription Agreement, Sparks Energy 1 will hold 100% of the RPS of BGMC Corporation.

The RCPS Subscription Agreement and the Sparks Energy 1 Subscription Agreement are back-to-back arrangements to each other pursuant to which BGMC Corporation will fund the consideration for the RCPS Subscription Agreement from the proceeds of the issuance of the RPS under the Sparks Energy 1 Subscription Agreement.

Listing Rules implications

The Shareholders' Agreement

As one or more of the applicable percentage ratios in respect of the Shareholders' Agreement and the transactions contemplated thereunder exceed 25% but all of the percentage ratios are less than 100%, the entering into of the Shareholders' Agreement and the transactions contemplated thereunder constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Option Agreements

As the exercise of the BV Energy Sale Option is at the sole discretion of BGMC Energy, pursuant to Rule 14.75 of the Listing Rules, only the premium will be taken into consideration for the purposes of transaction classification at the time of the acceptance of the grant of the BV Energy Sale Option by BGMC Energy. As the premium payable is HK\$10.00, all the applicable percentage ratios in respect of the BV Energy Option Agreement and the transactions contemplated thereunder are less than 5%. Accordingly, the entering into of the BV Energy Option Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the exercise of the IDIQA Energy Sale Option is at the sole discretion of BGMC Energy, pursuant to Rule 14.75 of the Listing Rules, only the premium will be taken into consideration for the purposes of transaction classification at the time of the acceptance of the grant of the IDIQA Energy Sale Option by BGMC Energy. As the premium payable is HK\$10.00, all the applicable percentage ratios in respect of the IDIQA Energy Option Agreement and the transactions contemplated thereunder are less than 5%. Accordingly, the entering into of the IDIQA Energy Option Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The DPI Solar 1 Call and Put Option Agreement

As the exercise of the DPI Solar 1 Call Option is at the sole discretion of BGMC Energy, pursuant to Rule 14.75 of the Listing Rules, only the premium will be taken into consideration for the purposes of transaction classification at the time of the acceptance of the grant of the DPI Solar 1 Call Option by BGMC Energy. As the premium payable is USD10.00, all the applicable percentage ratios in respect of the DPI Solar 1 Call Option and the transactions contemplated thereunder are less than 5%. Accordingly, the grant of the DPI Solar 1 Call Option under the DPI Solar 1 Call and Put Option Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The exercise of the DPI Solar 1 Put Option is at the sole discretion of DPI Solar 1. As the exercise price of the DPI Solar 1 Put Option is to be determined with reference to the subscription price of the Option Shares together with any arrears or accruals of dividends payable by the JV Company to DPI Solar 1, which cannot be ascertained at the time of the grant, the actual monetary value of the exercise price of the DPI Solar 1 Put Option cannot be determined at the time of the grant. Accordingly, pursuant to Rule 14.76 of the Listing Rules, the grant (and presumed exercise) of the DPI Solar 1 Put Option under the DPI Solar 1 Call and Put Option Agreement constitutes a major transaction of the Company subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The RCPS Subscription Agreement

Given that both BGMC Corporation and BGMC BRAS Power are indirect subsidiaries of the Company and the allotment and issue of the RCPS by BGMC BRAS Power will not result in the reduction or dilution of the equity interest of the Company in BGMC BRAS Power, the entering into of the RCPS Subscription Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The Sparks Energy 1 Subscription Agreement

Given that the RPS of BGMC Corporation does not carry voting rights except in limited circumstances and there is no convertible feature in the RPS, the allotment and issue of the RPS by BGMC Corporation will not result in the reduction or dilution of the equity interest of the Company in BGMC Corporation. As such, the entering into of the Sparks Energy 1 Subscription Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Aggregation under Rule 14.22 of the Listing Rules

On 25 July 2019, BGMC Holdings entered into the Land Companies RCPS Subscription Agreements pursuant to which BGMC Holdings subscribed for 50% of the RCPS of each of the Land Companies at a total consideration of USD5,363,196.0 (equivalent to approximately HK\$41.7 million), details of which are set out in the announcements of the Company dated 25 July 2019 and 14 August 2019.

Given that the (i) Shareholders' Agreement; (ii) Option Agreements; and (iii) DPI Solar 1 Call and Put Option Agreement, together with the Land Companies RCPS Subscription Agreements, were all entered into by the Group within a period of 12 months, and are all part of an arrangement and entered into by the Group for the purpose of facilitating the development and operation of solar concession projects, the Agreements and the Land Companies RCPS Subscription Agreements and the transactions contemplated thereunder are to be aggregated in accordance with Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Shareholders' Agreement, the Option Agreements, the DPI Solar 1 Call and Put Option Agreement, the Land Companies RCPS Subscription Agreements and the transactions contemplated thereunder, in aggregate, exceed 25% but less than 100%, the Shareholders' Agreement, the Option Agreements and the DPI Solar 1 Call and Put Option Agreement constitute major transactions of the Company and are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will, upon the exercise of the (i) BV Energy Sale Option; (ii) IDIQA Energy Sale Option; (iii) DPI Solar 1 Call Option; (iv) DPI Solar 1 Put Option; or (v) the exercise of its rights to convert all or any part of the RCPS of BGMC BRAS Power into ordinary shares of BGMC BRAS Power, comply with the relevant Listing Rules requirements, if applicable.

General

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries,

- (a) no Shareholder was required to abstain from voting if the Company were to convene a general meeting for approving the Shareholders' Agreement, the Option Agreements and the DPI Solar 1 Call and Put Option Agreement; and
- (b) Tan Sri Dato' Sri Goh Ming Choon (who owns 100% of Prosper International) and Dato' Teh Kok Lee (who owns 100% of Seeva International), being a closely allied group of Shareholders pursuant to a concert party confirmatory deed dated 15 December 2016, in aggregate held through Prosper International and Seeva International, respectively, 1,208,250,000 Shares, representing approximately 67.1% of the issued Shares.

Accordingly, pursuant to Rule 14.44 of the Listing Rules, the Company is permitted to seek, and has obtained, written approval from Prosper International and Seeva International in accordance with Rule 14.44 of the Listing Rules in lieu of a general meeting to approve the Shareholders' Agreement, the Option Agreements and the DPI Solar 1 Call and Put Option Agreement and the transactions contemplated thereunder. No general meeting of the Company will be convened for the purpose of approving the aforementioned agreements and the transactions contemplated thereunder.

A circular containing further information on the Agreements will be despatched to the Shareholders on or before 19 September 2019.

Shareholders and potential investors of the Company should note that each of the Agreements and the transactions contemplated thereunder are still subject to, where applicable, the satisfaction of conditions precedent contained in the respective Agreements and may or may not materialise. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing or contemplating in dealing in the Shares.

BACKGROUND

On 24 April 2018, BGMC BRAS Power, an indirect non-wholly owned subsidiary of the Company, accepted a letter of award from the Energy Commission of Malaysia in connection with the construction and development of the Kuala Muda Project, details of which were set out in the Company's announcement dated 24 April 2018.

On 16 October 2018, BGMC Energy, an indirect wholly-owned subsidiary of the Company, and the other JV Shareholders, set up the JV Company for investment holding purpose. As at the date of this announcement, the JV Company has an issued and paid-up capital of HK\$10.00 divided into 1,000 ordinary shares of HK\$0.01 each, and is owned as to approximately 45.1%, 35.0%, 9.9%, 5.0%, 2.5% and 2.5% by BGMC Energy, DPI Solar 1, Hasilwan Solar, AD Solar, BV Energy and IDIQA Energy, respectively.

On 31 May 2019, the Project Companies have respectively appointed an indirect wholly-owned subsidiary of the JV Company as the project manager of the Projects by entering into a management services agreement.

The Board is pleased to announce that on 29 August 2019 (after trading hours), the Group entered into the following agreements with the following parties in connection with the above joint venture arrangement:

- (a) the Agreements:
 - (i) the Shareholders' Agreement, with DPI Solar 1, Hasilwan Solar, AD Solar, BV Energy, IDIQA Energy and the JV Company for purpose of regulating their rights and obligations, including their further investments and/or contributions, in the JV Company;
 - (ii) the Option Agreements, with BV Energy and IDIQA Energy, respectively; and
 - (iii) the DPI Solar 1 Call and Put Option Agreement, with DPI Solar 1 and the JV Company,

and

- (b) the RCPS Subscription Agreement, with BGMC BRAS Power; and
- (c) the Sparks Energy 1 Subscription Agreement, with Sparks Energy 1.

Through such joint venture arrangement and the management services agreement dated 31 May 2019, it is the intention of the relevant parties that the JV Company and its subsidiaries would be undertaking the provision of management services in relation to renewable energy power projects in Malaysia, including the Kuala Muda Project (which has been awarded to BGMC BRAS Power) and the Machang Project (which has been awarded to Idiwani Solar).

THE SHAREHOLDERS' AGREEMENT

- Date:** 29 August 2019
- Parties:**
- (1) BGMC Energy, an indirect wholly-owned subsidiary of the Company;
 - (2) DPI Solar 1;
 - (3) Hasilwan Solar;
 - (4) AD Solar;
 - (5) BV Energy;
 - (6) IDIQA Energy; and
 - (7) the JV Company.
- Principal Objectives of the JV Company:** To conduct the business of:
- (a) investing in and managing the SPVs in providing comprehensive management services in relation to the development, financing, construction, operation and maintenance of renewable energy power plants, including the Projects;
 - (b) investing and financing in renewable energy power projects; and
 - (c) such other business activities which are deemed feasible by the JV Shareholders.
- Capital Contribution:** Pursuant to the Shareholders' Agreement, in view of the appointment of the JV Company or its subsidiaries as the project manager of the Projects by the owners of the Projects, a capital commitment in the sum of approximately RM88.5 million (equivalent to approximately HK\$165.6 million) (the "**JV Capital Commitment**") is to be contributed by the JV Shareholders to the JV Company through the issuance of JV Shares and other forms of financing in accordance with the following proportion (the "**Agreed Proportion**"):
- BGMC Energy: RM39.9 million (equivalent to approximately HK\$74.6 million) (the "**BGMC Commitment**")

- DPI Solar 1: RM33.7 million (equivalent to approximately HK\$63.1 million)
- Hasilwan Solar: RM1.6 million (equivalent to approximately HK\$3.0 million)
- AD Solar: RM8.9 million (equivalent to approximately HK\$16.7 million)
- BV Energy: RM2.2 million (equivalent to approximately HK\$4.1 million)
- IDIQA Energy: RM2.2 million (equivalent to approximately HK\$4.1 million)

The amount of the JV Capital Commitment is determined based on the capital required by the JV Company for, among others, the implementation of the Projects. The BGMC Commitment is expected to be fully funded by a loan to be advanced by DPI Solar 1 to the Company (the “**DPI Loan**”).

Upon the contribution of the JV Capital Commitment, the JV Company will be held as to:

- 45.10% by BGMC Energy, holding 7,463,824,951 JV Shares;
- 38.06% by DPI Solar 1, holding 6,298,462,172 JV Shares;
- 1.84% by Hasilwan Solar, holding 304,788,777 JV Shares;
- 10.00% by AD Solar, holding 1,654,950,050 JV Shares;
- 2.50% by BV Energy, holding 413,737,525 JV Shares;
and
- 2.50% by IDIQA Energy, holding 413,737,525 JV Shares.

Any further capital/financing requirements of the JV Company exceeding the JV Capital Commitment would be financed by other means as stipulated under the Shareholders’ Agreement and if it occurs, the Company will comply with the relevant Listing Rules requirements, if applicable.

**Issue of Preference Shares
to DPI Solar 1:**

Other than the JV Capital Commitment, pursuant to the Shareholders' Agreement, one of the JV Shareholders, DPI Solar 1, has also agreed to subscribe for the Preference Shares at a consideration of USD21.43 million (equivalent to approximately HK\$167.2 million). The Preference Shares shall be fully subscribed by DPI Solar 1 at the time of issuance by the JV Company on conditions as prescribed in the Shareholders' Agreement. The proceeds from this subscription will be used by the JV Company for funding the costs required for the implementation of the Projects.

Subject to the availability of distributable profits as the JV Board deems fit and/or expedient and in the best interest of the JV Company, the Preference Shares shall yield a fixed cumulative dividend of 6.5% per annum from the date on which the Preference Shares are subscribed by DPI Solar 1. DPI Solar 1 shall be entitled to receive dividend in priority to holders of ordinary shares. Under the Companies Act 2016 of Malaysia, a company may only make a distribution of dividend to its shareholders out of profits that are available in the company and if the company is solvent (i.e. able to pay its debts as and when they become due within 12 months immediately after the dividend distribution is made).

As disclosed in the section headed "*Information on the JV Company*" in this announcement, the JV Company and its subsidiaries have made net losses for the eight months financial period ended 30 June 2019. As at the date of the Shareholders' Agreement, the distributable profit of the JV Company was nil and in determining if the JV Company will have any distributable profits when it intends to make any distribution of dividend, in addition to ensuring that it is solvent, any other expenses which may be incurred by the JV Company will have to be taken into account. Accordingly, it is uncertain as to whether the JV Company can or will have any distributable profits for distribution pursuant to which it is allowed to distribute dividend to the holder(s) of the Preference Share.

DPI Solar 1 (as the holder of the Preference Shares) shall have no voting rights save for matters relating to, among others, the variation of the rights attached to the Preference Shares, a change in dividend policy, the creation of share capital except for the Preference Shares which is not in all aspects uniform with ordinary shares and the winding up of the JV Company.

Condition Precedent: The obligations of the parties in relation to all of the arrangements and regulations between the parties under the Shareholders' Agreement, including but not limited to the contribution of the JV Capital Commitment, are conditional on the Company having obtained the approval from its Shareholders in accordance with the requirements of the Listing Rules.

If this condition precedent is not fulfilled upon the expiry of three months from the date of the Shareholders' Agreement (or such other period as may be mutually agreed by the parties), the Shareholders' Agreement shall be deemed terminated on the date immediately after the date of such expiration period.

Further Capitalisation: Subject to the terms of the Shareholders' Agreement and compliance with the Listing Rules, the JV Board may, with the prior authorisation of the JV Shareholders, request financing from the JV Shareholders in the Agreed Proportion as the JV Shareholders may from time to time think fit in keeping up with the ongoing business development and operation, the capital requirements of the JV Company, and in the event where there is a requirement pertaining to the setting up and maintenance of a facility service reserve account arising from the financing of the Projects via the issuance of sukuk bonds.

Financing: Subject to compliance with the Listing Rules, the JV Shareholders shall, at the request of the JV Board, provide further financing to the JV Company through any of the following channels:

- (a) additional pro-rata equity financing;
- (b) issuance of the Preference Shares;
- (c) cash call on the JV Shares; or
- (d) shareholder loan financing.

The JV Shareholders shall also agree that the JV Company may obtain third party debt financing in order to fund the business.

Transfer of shares:

Any transfer of either all or part of the JV Shares by a JV Shareholder to either its Affiliate, the other JV Shareholders or a third party shall be:

- (a) deemed to include at the same time, the sale or transfer of such JV Shareholder's relevant proportion of any shareholders' loan advanced to the JV Company (or any part thereof proportionate to the transferred JV Shares) and guarantees provided by such JV Shareholder in respect of a loan to the JV Company (if any);
- (b) subject to compliance with the specific conditions precedent set out in the Shareholders' Agreement prior to any transfer of the JV Shares;
- (c) subject to the prior written approval of the other JV Shareholders;
- (d) for transferee Affiliates, bound to ensure the due performance of the Shareholders' Agreement by its transferee Affiliate;
- (e) for transferee Affiliates, such JV Shares or the right to receive or subscribe such JV Shares are required to be transferred back to the JV Shareholder who first transferred such JV Shares or the right to receive or subscribe such JV Shares to the transferee Affiliate, or to an Affiliate nominated by such JV Shareholder, within 30 business days, unless otherwise agreed by the other JV Shareholders in writing, should the transferee Affiliate cease to become an affiliate of the particular JV Shareholder; and
- (f) for third parties, conditional upon the JV Shareholder first making an offer in writing to the other JV Shareholders on terms no less favourable than those offered to the third parties.

Sale Options:

The JV Shareholders acknowledge and agree that subject to the terms of the Shareholders' Agreement:

- (a) BGMC Energy has the right to acquire the JV Shares held by BV Energy in accordance with the BV Energy Option Agreement. Each of DPI Solar 1, AD Solar, Hasilwan Solar and IDIQA Energy has waived its pre-emptive right in respect of the JV Shares held by BV Energy; and

- (b) BGMC Energy has the right to acquire the JV Shares held by IDIQA Energy in accordance with the IDIQA Energy Option Agreement. Each of DPI Solar 1, AD Solar, Hasilwan Solar and BV Energy has waived its pre-emptive right in respect of the JV Shares held by IDIQA Energy.

For further details of the Sale Options, please refer to the section headed “*The Option Agreements*” in this announcement.

Change of Control option: Where a change in Control is proposed in any of the JV Shareholders (the “**CoC Party**”), the other JV Shareholders shall have the option to purchase the JV Shares held by the CoC Party in accordance with the Agreed Proportion.

The purchase price of such JV Shares shall be determined in accordance with the following:

- (a) in the case where there is a price offered by a bona fide third party to purchase such JV Shares, such third party offer price shall be the purchase price of the JV Shares; or
- (b) where there is no third party offer price and no agreement between the JV Shareholders are reached within a prescribed period, the purchase price of such JV Shares shall be determined based on the fair market value as assessed by an independent assessor appointed by the CoC Party or the other JV Shareholders who intend to purchase the JV Shares. In this circumstance and in determining the fair market value, no premium or discount for the of CoC Party’s shareholding or for the rights or restrictions shall apply to such JV Shares.

Board composition: The JV Board will consist of five (5) directors, whom may be Malaysian or foreign nationals.

BGMC Energy shall be entitled to nominate two (2) directors, DPI Solar 1 shall be entitled to nominate two (2) directors and AD Solar shall be entitled to nominate one (1) director provided that the directors nominated by the JV Shareholders meet the relevant statutory requirements and they shall be duly appointed by the relevant JV Shareholders to serve on the JV Board.

Dividend and distribution policy:

So far as is consistent with (i) the applicable laws; (ii) the terms of any loan made to the JV Company; and (iii) sound business practice, the JV Shareholders procure that the JV Company will declare and pay maximum dividends up to 100% of the profits made by the JV Company, taking into consideration available cash, the working capital requirement, distributable income and tax cover. The amounts and intervals of the dividend payment shall be determined and declared by the JV Board.

Term:

The Shareholders' Agreement shall become effective and enforceable from the Effective Date and shall continue until terminated upon the occurrence of any of the following events:

- (a) the termination of the Shareholders' Agreement by written consent of all the JV Shareholders;
- (b) the dissolution of the JV Company or otherwise the JV Company ceases to exist as a separate entity;
- (c) the termination of the businesses of the JV Company;
- (d) the listing of or quotation for securities of the JV Company on any stock exchange; or
- (e) all JV Shares being held by one JV Shareholder.

The termination of the Shareholders' Agreement for any cause will not release any of the JV Shareholders from any liability which at the time of termination has already accrued to the other JV Shareholders or which thereafter may accrue in respect of any act or omission prior to such termination.

THE OPTION AGREEMENTS

In connection with the Shareholders' Agreement, on 29 August 2019, BGMC Energy entered into (i) the BV Energy Option Agreement with BV Energy in relation to the BV Energy Sale Option; and (ii) the IDIQA Energy Option Agreement with IDIQA Energy in relation to the IDIQA Energy Sale Option, respectively. The principal terms of the BV Energy Option Agreement and the IDIQA Energy Option Agreement are summarised as follows:

BV Energy Option Agreement

Date: 29 August 2019

Parties: (1) BGMC Energy; and
(2) BV Energy

Call Option: BV Energy grants BGMC Energy an option, but not the obligation, to exercise at BGMC Energy's sole discretion the BV Energy Sale Option at any time between the Unconditional Date and the date when BV Energy ceases to be the registered proprietor or holder of its JV Shares.

Option Price: A nominal value of HK\$10.00

BGMC Energy will fund the payment of the option price by the Group's internal resources.

Exercise Price: To be determined having considered the undertaking given by BGMC Energy to assist BV Energy in making of all the contributions required by the JV Company in the subscription of the JV Shares. If BGMC Energy decides to exercise the BV Energy Sale Option, it will fund the payment of the exercise price by the Group's internal resources.

Both the option price and the exercise price were arrived at after arm's length negotiations between BGMC Energy and BV Energy.

The exercise of the BV Energy Sale Option by BGMC Energy is subject to compliance with applicable Listing Rules.

Option Period: Any time between the Unconditional Date and the date when BV Energy ceases to be the registered proprietor or holder of its JV Shares.

Condition Precedent The acceptance and exercise of the BV Energy Sale Option by BGMC Energy is conditional upon the Company having obtained the approval from its Shareholders in accordance with the requirements of the Listing Rules.

IDIQA Energy Option Agreement

Date: 29 August 2019

Parties: (1) BGMC Energy; and
(2) IDIQA Energy

Call Option: IDIQA Energy grants BGMC Energy an option, but not the obligation, to exercise at BGMC Energy's sole discretion the IDIQA Energy Sale Option at any time between the Unconditional Date and the date when IDIQA Energy ceases to be the registered proprietor or holder of its JV Shares.

Option Price: A nominal value of HK\$10.00

BGMC Energy will fund the payment of the option price by the Group's internal resources.

Exercise Price: To be determined having considered the undertaking given by BGMC Energy to assist IDIQA Energy in making of all the contributions required by the JV Company in the subscription of the JV Shares. If BGMC Energy decides to exercise the IDIQA Energy Sale Option, it will fund the payment of the exercise price by the Group's internal resources.

Both the option price and the exercise price were arrived at after arm's length negotiations between BGMC Energy and IDIQA Energy.

The exercise of the IDIQA Energy Sale Option by BGMC Energy is subject to compliance with applicable Listing Rules.

Option Period: Any time between the Unconditional Date and the date when IDIQA Energy cease to be the registered proprietor or holder of its JV Shares.

Condition Precedent The acceptance and exercise of the IDIQA Energy Sale Option by BGMC Energy is conditional upon the Company having obtained the approval from its Shareholders in accordance with the requirements of the Listing Rules.

THE DPI SOLAR 1 CALL AND PUT OPTION AGREEMENT

On 29 August 2019, BGMC Energy entered into the DPI Solar 1 Call and Put Option Agreement with DPI Solar 1, the Company and the JV Company in relation to the DPI Solar 1 Options. The principal terms of the DPI Solar 1 Call and Put Option Agreement are summarised as follows:

Date: 29 August 2019

Parties:

- (1) BGMC Energy;
- (2) the Company;
- (3) DPI Solar 1; and
- (4) the JV Company

DPI Solar 1 Call Option: DPI Solar 1 has irrevocably agreed to grant to BGMC Energy a call option which may be exercised by BGMC Energy at its sole discretion to purchase the Call Option Shares.

The call option may be exercised by BGMC Energy at any time during the date of first issue of the Option Shares by DPI Solar 1 and ending on 18 months thereafter (or such later time as may be mutually agreed by the parties), subject to BGMC Energy having repaid all amounts owing to DPI Solar 1 under the DPI Loan.

DPI Solar 1 Put Option: The Company has irrevocably agreed to grant to DPI Solar 1 a put option which may be exercised by DPI Solar 1 at its sole discretion to require the Company to purchase the Put Option Shares.

The put option may be exercised by DPI Solar 1 at any time during the date of first issue of the Option Shares by DPI Solar 1 and ending on 18 months thereafter (or such later time as may be mutually agreed by the parties), but no earlier than the Put Option Trigger Date.

Option Price of the DPI Solar 1 Call Option: A nominal value of USD10.00

Option Price of the DPI Solar 1 Put Option: A nominal value of USD10.00

Exercise Price of the DPI Solar 1 Call Option: The subscription price of the Option Shares plus any arrears or accruals of the preferential dividend payable by the JV Company to DPI Solar 1 in respect of the Option Shares but remains unpaid as at the completion date of the DPI Solar 1 Call and Put Option Agreement. If BGMC Energy decides to exercise the DPI Solar 1 Call Option, it will fund the payment of exercise price by the Group's internal resources and/or third party debt financing.

The exercise of the DPI Solar 1 Call Option by BGMC Energy is subject to compliance with applicable Listing Rules.

Exercise Price of the DPI Solar 1 Put Option: The subscription price of the Option Shares plus any arrears or accruals of the preferential dividend payable by the JV Company to DPI Solar 1 in respect of the Option Shares but remains unpaid as at the completion date of the DPI Solar 1 Call and Put Option Agreement. The payment of the exercise price will be funded by the Group's internal resources and/or third party debt financing.

Both the option price and the exercise price of the DPI Solar 1 Call Option and the DPI Solar Put Option were arrived at after arm's length negotiations between BGMC Energy, the Company and DPI Solar 1.

The exercise of the DPI Solar 1 Put Option by BGMC Energy is subject to compliance with applicable Listing Rules.

Condition Precedent: The acceptance and exercise of the DPI Solar 1 Call Option by BGMC Energy, the grant of the DPI Solar 1 Put Option by the Company and the exercise of the DPI Solar 1 Put Option by DPI Solar 1 are conditional upon the Company having obtained the approval from its Shareholders in accordance with the Listing Rules.

THE RCPS SUBSCRIPTION AGREEMENT

On 29 August 2019, BGMC Corporation entered into the RCPS Subscription Agreement with BGMC BRAS Power pursuant to which BGMC Corporation will subscribe for the RCPS issued by BGMC BRAS Power at a total consideration of RM86.0 million (equivalent to approximately HK\$160.9 million). The principal terms of the RCPS Subscription Agreement are summarised as follows:

Date: 29 August 2019

Parties:

- (1) BGMC Corporation, an indirect wholly-owned subsidiary of the Company; and
- (2) BGMC BRAS Power, a company owned as to 95% by BGMC Corporation and 5% by BRAS Ventures

As a term of the RCPS Subscription Agreement, a subscription agreement is to be entered into between BGMC Corporation and Sparks Energy 1 in relation to the RPS to be issued by BGMC Corporation and to be subscribed by Sparks Energy 1 simultaneously with the execution of the RCPS Subscription Agreement. Please refer to the section headed "*The Sparks Energy 1 Subscription Agreement*" in this announcement for details.

Assets to be acquired: 86,000,000 RCPS (at the value of RM1.00 each up to a total amount of RM86.0 million) to be issued by BGMC BRAS Power. Up to RM31.7 million and RM54.3 million RCPS are to be issued by BGMC BRAS Power on 30 August 2019 and 27 September 2019, respectively.

Subject to the availability of distributable profits, the RCPS shall yield a fixed cumulative dividend of 7.5% per annum from the date on which the RCPS has been subscribed by BGMC Corporation. Upon the payment of and in addition to such fixed dividend, BGMC Corporation shall further be entitled to share the remaining distributable profits at such amount and intervals to be determined by the board of BGMC BRAS Power. As defined in the RCPS Subscription Agreement, “distributable profits” refers to all profits in the form of cash which are available each year for distribution from BGMC BRAS Power, which is also in line with the requirements under the Companies Act 2016 of Malaysia. Under the Companies Act 2016 of Malaysia, a company may only make a distribution of dividend to its shareholders out of profits that are available in the company and if the company is solvent (i.e. able to pay its debts as and when they become due within 12 months immediately after the dividend distribution is made).

BGMC Corporation shall be entitled to receive dividend in priority to holders of ordinary shares. In the event of winding-up or return of capital of BGMC BRAS Power, BGMC Corporation has the right to receive, in priority to holders of ordinary shares, the cash payment in full of the subscription price of the RCPS after the payment and discharge of all debts and liabilities of BGMC BRAS Power and the costs of winding-up or such capital reduction exercise.

Further, BGMC Corporation (as the RCPS holder) shall have no voting rights save for matters relating to, among others, the variation of the rights attached to the RCPS, a change in dividend policy, the creation of equity share capital except for the RCPS which is not in all aspects uniform with ordinary shares and the winding-up of BGMC BRAS Power.

BGMC Corporation is entitled to, at its option, convert all or any part of the RCPS into ordinary shares of BGMC BRAS Power on the basis of every one RCPS to be converted into one ordinary share of BGMC BRAS Power, and the RCPS shall not be converted prior to the fifth anniversary of the commercial operation date of the Kuala Muda Project, or such other moratorium period on restriction of change or transfer of any of BGMC BRAS Power's shareholding and/or shares, as may be imposed by the Energy Commission of Malaysia, whichever is later. Such number of ordinary shares that are to be issued upon conversion shall be credited as fully paid and rank pari passu in all respects with the ordinary shares then in issue in BGMC BRAS Power.

The RCPS is redeemable by BGMC BRAS Power for cash based on RM1.00 per RCPS plus any arrears or accruals of the preferential dividend payable in respect of the RCPS at any time after the date of allotment and issue of the RCPS, and any redemption of the RCPS shall be subject to (i) the full payment for the subscription of the RCPS by BGMC Corporation; (ii) the redemption being made out of BGMC BRAS Power's profits or a fresh issue of shares by BGMC BRAS Power or the capital of BGMC BRAS Power; and (iii) the redemption will not breach or contravene any of the covenants or financing requirements under the senior debt financing for the Kuala Muda Project.

Consideration: RM86.0 million (equivalent to approximately HK\$160.9 million), which is to be paid in cash in full by BGMC Corporation no later than 30 business days from the date of the RCPS Subscription Agreement.

The consideration was arrived at after arm's length negotiations between BGMC Corporation and BGMC BRAS Power with reference to, among other things, BGMC BRAS Power's capital required in relation to the development of the Kuala Muda Project.

Completion: BGMC Corporation shall, no later than seven business days from the receipt of a written notification to be issued by BGMC BRAS Power, subscribe to the RCPS and pay the consideration in accordance with the RCPS Subscription Agreement.

Upon completion, BGMC Corporation will hold 100% of the RCPS of BGMC BRAS Power. If the RCPS are fully converted, BGMC Corporation will hold approximately 99.9% of the enlarged issued share capital of BGMC BRAS Power. BGMC BRAS Power will remain as a non-wholly owned subsidiary of the Company.

BGMC Corporation will fund the consideration for the above RCPS by allotting and issuing 86,000,000 RPS (at the value of RM1.00 each up to a total amount of RM86.0 million) to Sparks Energy 1 at a total consideration of RM86.0 million (equivalent to approximately HK\$160.9 million). The proceeds from the subscription of the RPS to be issued by BGMC Corporation by Sparks Energy 1 can only be used by BGMC Corporation solely for the purpose of funding its subscription of the RCPS of the BGMC BRAS Power.

Please refer to the section headed “*The Sparks Energy 1 Subscription Agreement*” for details of the terms of the RPS to be issued by BGMC Corporation.

The Sparks Energy 1 Subscription Agreement

On 29 August 2019, BGMC Corporation (an indirect wholly-owned subsidiary of the Company) entered into the Sparks Energy 1 Subscription Agreement with Sparks Energy 1 pursuant to which Sparks Energy 1 will subscribe for the 86,000,000 RPS to be allotted and issued by BGMC Corporation at a total consideration of RM86.0 million (equivalent to approximately HK\$160.9 million). The principal terms of the Sparks Energy 1 Subscription Agreement are summarised as follows:

Date: 29 August 2019

Parties:

- (1) BGMC Corporation, an indirect wholly-owned subsidiary of the Company; and
- (2) Sparks Energy 1, an indirect wholly-owned subsidiary of the JV Company

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Sparks Energy 1 and its ultimate beneficial holders are third parties independent of the Company and its connected persons (other than BGMC Energy which is an indirect wholly-owned subsidiary of the Company).

Assets to be acquired: 86,000,000 RPS (at the value of RM1.00 each up to a total amount of RM86.0 million) to be issued by BGMC Corporation. Up to RM31.7 million and RM54.3 million RPS are to be issued by BGMC Corporation on 29 August 2019 and 26 September 2019, respectively.

Subject to the availability of distributable profits, the RPS shall yield a fixed cumulative dividend of 7.5% per annum from the date on which the RPS has been subscribed by Sparks Energy 1. Upon the payment of and in addition to such fixed dividend, Sparks Energy 1 shall further be entitled to share the remaining distributable profits at such amount and intervals to be determined by the board of BGMC Corporation, subject to the amount of such additional distributable profits being limited to the profits that are derived from additional dividends actually received by BGMC Corporation from its investment or subscription of the RCPS issued by the Project Company. As defined in the Sparks Energy 1 Subscription Agreement, “distributable profits” refers to all profits in the form of cash which are available each year for distribution from BGMC Corporation, which is also in line with the requirements under the Companies Act 2016 of Malaysia. Under the Companies Act 2016 of Malaysia, a company may only make a distribution of dividend to its shareholders out of profits that are available in the company and if the company is solvent (i.e. able to pay its debts as and when they become due within 12 months immediately after the dividend distribution is made).

Sparks Energy 1 shall be entitled to receive dividend in priority to holders of ordinary shares. In the event of winding-up or return of capital of BGMC Corporation, Sparks Energy 1 has the right to receive, in priority to holders of ordinary shares, the cash payment in full of the subscription price of the RPS after the payment and discharge of all debts and liabilities of BGMC Corporation and the costs of winding-up or such capital reduction exercise.

Further, Sparks Energy 1 shall have no voting rights save for matters relating to, among others, the variation of the rights attached to the RPS, a change in dividend policy, the creation of share capital except for the RPS which is not in all aspects uniform with ordinary shares and the winding-up of BGMC Corporation.

The RPS is redeemable by BGMC Corporation for cash based on RM1.00 per RPS plus any arrears or accruals of the preferential dividend payable in respect of the RPS one year after the commercial operation date of the Kuala Muda Project, and any redemption of the RPS shall be subject to (i) the full payment for the subscription of the RPS by Sparks Energy 1; (ii) the redemption being made out of BGMC Corporation’s profits or a fresh issue of shares by BGMC Corporation or the capital of BGMC Corporation; and (iii) the redemption will not breach or contravene any of the covenants or financing requirements under the senior debt financing for the Kuala Muda Project.

Consideration: RM86.0 million (equivalent to approximately HK\$160.9 million), which is to be paid in cash in full by Sparks Energy 1 no later than 30 business days from the date of the Sparks Energy 1 Subscription Agreement.

The consideration was arrived at after arm's length negotiations between Sparks Energy 1 and BGMC Corporation with reference to, among other things, BGMC Corporation's capital required in relation to the development of the Kuala Muda Project.

Completion: Sparks Energy 1 shall, no later than seven business days from the receipt of a written notification to be issued by BGMC Corporation, subscribe to the RPS and pay the consideration in accordance with the Sparks Energy 1 Subscription Agreement.

Upon completion, Sparks Energy 1 will hold 100% of the RPS of BGMC Corporation.

Information on the JV Company

The JV Company was set up by the JV Shareholders on 16 October 2018 for the purpose of investment holding.

As at the date of this announcement:

- (a) the JV Company has an issued and paid-up capital of HK\$10.00 divided into 1,000 ordinary shares of HK\$0.01 each, which are held as to approximately 45.1%, 35.0%, 9.9%, 5.0%, 2.5% and 2.5% by BGMC Energy, DPI Solar 1, Hasilwan Solar, AD Solar, BV Energy and IDIQA Energy, respectively. It is accounted for as an associate company of the Company; and
- (b) the Project Companies have respectively appointed an indirect wholly-owned subsidiary of the JV Company as the project manager of the Projects by entering into a management services agreement on 31 May 2019. The provision of management services in relation to the Projects is in the ordinary and usual course of business of the JV Company and its subsidiaries.

As mentioned above, the JV Company will fund its future operations on a joint venture basis in the manners as set out in the Shareholders' Agreement. Given that the JV Company was only incorporated on 16 October 2018, the unaudited financial information of the JV Company and its subsidiaries for the eight months financial period ended 30 June 2019 is set out below:

**For the
eight months
financial period
ended
30 June 2019
(RM)**

| | |
|--------------------------|---------|
| Net loss before taxation | 335,732 |
| Net loss after taxation | 335,732 |

As at 30 June 2019, the unaudited net liability value of the JV Company was RM335,721 (equivalent to approximately HK\$628,100).

Information on the Other JV Shareholders

DPI Solar 1 was incorporated in Singapore and through its associates in Japan, possesses extensive experiences as a project developer of large-scale solar power plant projects, with professional knowledge and technical expertise including origination, design, commercial and financial planning, developing and operating of such projects.

Hasilwan Solar was incorporated in Malaysia and is a subsidiary of Hasilwan. Hasilwan was incorporated in Malaysia and is principally engaged in the business of supply and installation of various power electrical equipment and a provider of power engineering solutions.

AD Solar was incorporated in Singapore and is a wholly-owned subsidiary of AD. AD was incorporated in Japan and is principally engaged in the business of solar project development, investment, construction and installation works, commissioning, and operation and maintenance. AD had been involved in large-scale solar power plant projects as a construction contractor as well as a maintenance contractor.

BV Energy was incorporated in Malaysia and is a wholly-owned subsidiary of BRAS Ventures. BRAS Ventures was incorporated in Malaysia with 100% Bumiputra status and is principally engaged in the business of civil and building construction, mechanical and electrical services, and power transmission and distribution.

IDIQA Energy was incorporated in Malaysia and is a wholly-owned subsidiary of IDIQA. IDIQA was incorporated in Malaysia with 100% Bumiputra status and is principally engaged in the business of civil and building construction, mechanical and electrical services, and power transmission and distribution in both private and governmental sectors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of DPI Solar 1, Hasilwan Solar, AD Solar, BV Energy, IDIQA Energy and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information on BGMC BRAS Power

BGMC BRAS Power is a company incorporated in Malaysia. It is principally engaged in the development of projects relating to the provision of renewable energy and is the project company of the Kuala Muda Project. As at the date of this announcement, it is owned as to 95% by BGMC Corporation and 5% by BRAS Ventures and is an indirect non-wholly owned subsidiary of the Company.

BGMC BRAS Power intends to further fund its future operations by way of a debt financing pursuant to which BGMC Corporation has agreed to subscribe for the RCPS to be issued by BGMC BRAS Power at a consideration of RM86.0 million (equivalent to approximately HK\$160.9 million) upon the terms and conditions of the RCPS Subscription Agreement.

BGMC Corporation, in turn, has agreed to issue the RPS to Sparks Energy 1 at a total consideration of RM86.0 million (equivalent to approximately HK\$160.9 million) to fund its subscription of the RCPS to be issued by BGMC BRAS Power upon the terms and conditions of the Sparks Energy 1 Subscription Agreement.

Given that BGMC BRAS Power was only incorporated on 5 January 2018, the audited financial information of BGMC BRAS Power for the nine months financial period ended 30 September 2018 is set out below:

| | For the nine months financial period ended 30 September 2018 (RM) |
|----------------------------|--|
| Net profit before taxation | 151,808 |
| Net profit after taxation | 138,608 |

As at 30 September 2018, the net asset value of BGMC BRAS Power was RM138,708 (equivalent to approximately HK\$259,509).

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

To enhance the Group's profit position and investment portfolio, the Group has been making continuous efforts in identifying projects with promising profit and development potential.

It is in line with the general industry practice involving infrastructure projects in Malaysia that project owners will not handle the entire development, operation and maintenance of projects by themselves. Instead, they will generally outsource the construction and development as well as the management and operation of the projects involved to various external parties which possess the requisite technical expertise, skills, know-how and experience, including management services companies. Considering the potential development in the solar industry in Malaysia and the prospects of management services companies in relevant industries, the Group sees the investment in the JV Company as a valuable investment opportunity and an organic platform to seize upon the potential business opportunities to participate in the development and operation of other solar concession projects in Malaysia and in the ASEAN region in the long run.

The JV Company will enable the Group, together with the other JV Shareholders, to combine their technical expertise, skills, know-how and experience so as to achieve economies of scale and synergy benefits in their provision of comprehensive management services and supports in connection with the construction, management, operation and maintenance of solar power plant projects. In addition, given that BGMC BRAS Power is the project company of the Kuala Muda Project, the issue of the RCPS by BGMC BRAS Power to BGMC Corporation serves to provide the required funding to BGMC BRAS Power in furtherance of the Kuala Muda Project.

Accordingly, the Board considers that it is in the interests of the Group to enter each of the Agreements. The Directors believe that the terms of each of the Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is a full-fledged, integrated solutions provider in the construction service sector and concession and maintenance sector. Construction service sector principally engaged in the provision of a wide range of construction services in Malaysia, such as building and structural construction works, mechanical and electrical installation works, earthwork and infrastructure construction works as well as energy infrastructure works. As for the concession and maintenance sector, the Group undertake long-term concession projects and provide related asset management services.

BGMC Energy, incorporated in Malaysia, is an indirect wholly-owned subsidiary of the Company and is principally engaged in the investment in the solar power infrastructure business.

BGMC Corporation, incorporated in Malaysia, is an indirect wholly-owned subsidiary of the Company and is principally engaged in the businesses of building construction and investment holding.

BGMC BRAS Power, incorporated in Malaysia, is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the development of projects relating to the provision of renewable energy and is the project company of the Kuala Muda Project.

LISTING RULES IMPLICATIONS

The Shareholders' Agreement

As the applicable percentage ratios in respect of the Shareholders' Agreement and the transactions contemplated thereunder exceed 25% but all of the percentage ratios are less than 100%, the entering into of the Shareholders' Agreement and the transactions contemplated thereunder constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Option Agreements

As the exercise of the BV Energy Sale Option is at the sole discretion of BGMC Energy, pursuant to Rule 14.75 of the Listing Rules, only the premium will be taken into consideration for the purposes of transaction classification at the time of the acceptance of the grant of the BV Energy Sale Option by BGMC Energy. As the premium payable is HK\$10.00, all the applicable percentage ratios in respect of the BV Energy Option Agreement and the transactions contemplated thereunder are less than 5%. Accordingly, the entering into of the BV Energy Option Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the exercise of the IDIQA Energy Sale Option is at the sole discretion of BGMC Energy, pursuant to Rule 14.75 of the Listing Rules, only the premium will be taken into consideration for the purposes of transaction classification at the time of the acceptance of the grant of the IDIQA Energy Sale Option by BGMC Energy. As the premium payable is HK\$10.00, all the applicable percentage ratios in respect of the IDIQA Energy Option Agreement and the transactions contemplated thereunder are less than 5%. Accordingly, the entering into of the IDIQA Energy Option Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The DPI Solar 1 Call and Put Option Agreement

As the exercise of the DPI Solar 1 Call Option is at the sole discretion of BGMC Energy, pursuant to Rule 14.75 of the Listing Rules, only the premium will be taken into consideration for the purposes of transaction classification at the time of the acceptance of the grant of the DPI Solar 1 Call Option by BGMC Energy. As the premium payable is USD10.00, all the highest applicable percentage ratios in respect of the DPI Solar 1 Call Option and the transactions contemplated thereunder are less than 5%. Accordingly, the grant of the DPI Solar 1 Call Option under the DPI Solar 1 Call and Put Option Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The exercise of the DPI Solar 1 Put Option is at the sole discretion of DPI Solar 1. As the exercise price of the DPI Solar 1 Put Option is to be determined with reference to the subscription price of the Option Shares together with any arrears or accruals of dividends payable by the JV Company to DPI Solar 1, which cannot be ascertained at the time of the grant, the actual monetary value of the exercise price of the DPI Solar 1 Put Option cannot be determined at the time of the grant. Accordingly, pursuant to Rule 14.76 of the Listing Rules, the grant (and presumed exercise) of the DPI Solar 1 Put Option under the DPI Solar 1 Call and Put Option Agreement constitutes a major transaction of the Company subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The RCPS Subscription Agreement

Given that both BGMC Corporation and BGMC BRAS Power are indirect subsidiaries of the Company and the allotment and issue of the RCPS by BGMC BRAS Power will not result in the reduction or dilution of the equity interest of the Company in BGMC BRAS Power, the entering into of the RCPS Subscription Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The Sparks Energy 1 Subscription Agreement

Given that the RPS of BGMC Corporation does not carry voting rights except in limited circumstances and there is no convertible feature in the RPS, the allotment and issue of the RPS by BGMC Corporation will not result in the reduction or dilution of the equity interest of the Company in BGMC Corporation. As such, the entering into of the Sparks Energy 1 Subscription Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Aggregation under Rule 14.22 of the Listing Rules

On 25 July 2019, BGMC Holdings entered into the Land Companies RCPS Subscription Agreements pursuant to which BGMC Holdings subscribed for 50% of the RCPS of each of the Land Companies at a total consideration of USD5,363,196.0 (equivalent to approximately HK\$41.7 million), details of which are set out in the announcements of the Company dated 25 July 2019 and 14 August 2019.

Given that the (i) Shareholders' Agreement; (ii) Option Agreements; and (iii) DPI Solar 1 Call and Put Option Agreement together with the Land Companies RCPS Subscription Agreements, were all entered into by the Group within a period of 12 months, and are all part of an arrangement and entered into by the Group for the purpose of facilitating the development and operation of solar concession projects, the Agreements and the Land Companies RCPS Subscription Agreements and the transactions contemplated thereunder are to be aggregated in accordance with Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Shareholders' Agreement, the Option Agreements, the DPI Solar 1

Call and Put Option Agreement, the Land Companies RCPS Subscription Agreements and the transactions contemplated thereunder, in aggregate, exceed 25% but less than 100%, the Shareholders' Agreement, the Option Agreements and the DPI Solar 1 Call and Put Option Agreement constitute major transactions of the Company and are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will, upon the exercise of the (i) BV Energy Sale Option; (ii) IDIQA Energy Sale Option; (iii) DPI Solar 1 Call Option; (iv) DPI Solar 1 Put Option; and (v) the exercise of its rights to convert all or any part of the RCPS of BGMC BRAS Power into ordinary shares of BGMC BRAS Power, comply with the relevant Listing Rules requirements, if applicable.

GENERAL

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries:

- (a) no Shareholder was required to abstain from voting if the Company were to convene a general meeting for approving the Shareholders' Agreement, the Option Agreements and the DPI Solar 1 Call and Put Option Agreement; and
- (b) Tan Sri Dato' Sri Goh Ming Choon (who owns 100% of Prosper International) and Dato' Teh Kok Lee (who owns 100% of Seeva International), being a closely allied group of Shareholders pursuant to a concert party confirmatory deed dated 15 December 2016, in aggregate held through Prosper International and Seeva International, respectively, 1,208,250,000 Shares, representing approximately 67.1% of the issued Shares.

Accordingly, pursuant to Rule 14.44 of the Listing Rules, the Company is permitted to seek, and has obtained, written approval from Prosper International and Seeva International in accordance with Rule 14.44 of the Listing Rules in lieu of a general meeting to approve the Shareholders' Agreement, the Option Agreements and the DPI Solar 1 Call and Put Option Agreement and the transactions contemplated thereunder. No general meeting of the Company will be convened for the purpose of approving the aforementioned agreements and the transactions contemplated thereunder.

A circular containing further information on the Agreements will be despatched to the Shareholders on or before 19 September 2019.

Shareholders and potential investors of the Company should note that each of the Agreements and the transactions contemplated thereunder are still subject to, where applicable, the satisfaction of conditions precedent contained in the respective Agreements and may or may not materialise. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing or contemplating in dealing in the Shares.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

- “AD” Asahi Dengyo E. C. Co. Ltd., a company incorporated in Japan with limited liability
- “AD Solar” AD Solar Pte. Ltd., a company incorporated in Singapore with limited liability and is a wholly-owned subsidiary of AD
- “Affiliate” means in relation to a JV Shareholder, any person which, directly or indirectly:
- (a) Controls such JV Shareholder;
 - (b) is Controlled by such JV Shareholder; or
 - (c) is Controlled by a person which, directly or indirectly Controls such JV Shareholder.
- For the purposes of this term under the Shareholders’ Agreement, “Control” means the power of a person, directly or indirectly:
- (i) to exercise more than 50% of the voting rights in a company; or
 - (ii) to appoint or dismiss more than 50% of the members of the management board of a company; or
 - (iii) to direct the management of a company through the exercise of majority votes at the management board meetings of such company.
- “Agreed Proportion” has the meaning as described in the section headed “*The Shareholders’ Agreement*” in this announcement
- “Agreements” collectively, the Shareholders’ Agreement, the Option Agreements and the DPI Solar 1 Call and Put Option Agreement
- “ASEAN” the Association of Southeast Asian Nations, its members including Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Burma and Cambodia

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| “BGMC BRAS Power” | BGMC BRAS Power Sdn. Bhd., a company incorporated in Malaysia with limited liability and an indirect non-wholly owned subsidiary of the Company, being the project company that has been awarded the Kuala Muda Project by the Energy Commission of Malaysia |
| “BGMC Corporation” | BGMC Corporation Sdn. Bhd., an indirect wholly-owned subsidiary of the Company |
| “BGMC Energy” | BGMC Energy Sdn. Bhd., an indirect wholly-owned subsidiary of the Company |
| “BGMC Holdings” | BGMC Holdings Berhad (formerly known as BGMC Holdings Sdn. Bhd. and BGMC Builder Sdn. Bhd.), an indirect wholly-owned subsidiary of the Company |
| “BGMC Commitment” | has the meaning as defined under the section headed “ <i>The Shareholders’ Agreement</i> ” in this announcement |
| “Board” | the board of directors of the Company |
| “BRAS Ventures” | BRAS Ventures Bhd., a company incorporated in Malaysia with limited liability |
| “Bumiputra” | a term to describe the Malay and natives of any of the States in Malaysia |
| “BV Energy” | BV Energy Sdn. Bhd., a company incorporated in Malaysia with limited liability and a wholly-owned subsidiary of BRAS Ventures |
| “BV Energy Option Agreement” | the option agreement dated 29 August 2019 and entered into between BGMC Energy and BV Energy in relation to the BV Energy Sale Option |
| “BV Energy Sale Option” | the right of BGMC Energy to acquire the JV Shares held by BV Energy in accordance with the terms of the BV Energy Option Agreement |
| “Call Option Shares” | means up to 45.1% of the DPI Solar 1 Option Shares |
| “Company” | BGMC International Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 1693) |

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| “connected person” | has the meaning given to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “DPI Loan” | has the meaning given to it under section headed “ <i>The Shareholders’ Agreement</i> ” in this announcement |
| “DPI Solar 1” | DPI Solar 1 Pte. Ltd., a company incorporated in Singapore with limited liability |
| “DPI Solar 1 Call and Put Option Agreement” | the call and put option agreement dated 29 August 2019 and entered into between BGMC Energy, the Company, DPI Solar 1 and the JV Company |
| “DPI Solar 1 Call Option” | the right for BGMC Energy to purchase the Call Option Shares from DPI Solar 1 in accordance with the DPI Solar 1 Call and Put Option Agreement |
| “DPI Solar 1 Options” | collectively, the DPI Solar 1 Call Option and DPI Solar 1 Put Option |
| “DPI Solar 1 Option Shares” | 21.43 million Preference Shares of USD1.00 per share of the JV Company to be held by DPI Solar 1 as the registered holder |
| “DPI Solar 1 Put Option” | the option for DPI Solar 1 to require the Company to purchase the Put Option Shares from DPI Solar 1 in accordance with the DPI Solar 1 Call and Put Option Agreement |
| “Effective Date” | the date on which the condition precedent of the Shareholders’ Agreement has been fulfilled, as notified in writing by BGMC Energy to other parties |
| “Group” | the Company and its subsidiaries |
| “Hasilwan” | Hasilwan (M) Sdn. Bhd., a company incorporated in Malaysia with limited liability |
| “Hasilwan Solar” | Hasilwan Solar Sdn. Bhd., a company incorporated in Malaysia with limited liability and a subsidiary of Hasilwan |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

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|---------------------------------|--|
| “IDIQA” | IDIQA Holding Sdn. Bhd., a company incorporated in Malaysia with limited liability |
| “IDIQA Energy” | IDIQA Energy Sdn. Bhd., a company incorporated in Malaysia with limited liability and a wholly-owned subsidiary of IDIQA |
| “IDIQA Energy Option Agreement” | the option agreement dated 29 August 2019 and entered into between BGMC Energy and IDIQA Energy in relation to the IDIQA Energy Sale Option |
| “IDIQA Energy Sale Option” | the right of BGMC Energy to acquire the JV Shares held by IDIQA Energy in accordance with the terms of the IDIQA Energy Option Agreement |
| “Idiwan Solar” | Idiwan Solar Sdn. Bhd., a company incorporated in Malaysia with limited liability and is owned as to 95% by IDIQA and 5% by Hasilwan, being the project company that has been awarded the Machang Project by the Energy Commission of Malaysia |
| “JV Board” | the board of directors of the JV Company |
| “JV Capital Commitment” | has the meaning as defined under the section headed “ <i>The Shareholders’ Agreement</i> ” in this announcement |
| “JV Company” | Sparks Energy International Limited, a joint venture company established in the Cayman Islands with limited liability by the JV Shareholders on 16 October 2018 |
| “JV Shares” | the shares of the JV Company |
| “JV Shareholders” | collectively, BGMC Energy, DPI Solar 1, Hasilwan Solar, AD Solar, BV Energy and IDIQA Energy |
| “Kuala Muda Project” | the development of a 30MW _{a.c.} solar photovoltaic energy producing power plant on a piece of land held under Geran 33590, Lot 3222, Tempat Chengai Lama, Mukim Sungai Petani, Daerah Kuala Muda in the state of Kedah |
| “Land Companies” | collectively, Kuala Muda Estate Sdn. Bhd., Machang Estate Sdn. Bhd. and Machang Estate (II) Sdn. Bhd., all being companies incorporated in Malaysia with limited liability |

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| “Land Companies RCPS Subscription Agreements” | collectively, the subscription agreements entered into between BGMC Holdings and each of the Land Companies dated 25 July 2019 with details set out in the announcements of the Company dated 25 July 2019 and 14 August 2019 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Machang Project” | the development of a 30MW _{a.c.} solar photovoltaic energy producing power plant, with a peak installed capacity of the photovoltaic modules of not less than 45.00 megawatt peak and the maximum annual allowable quantity be capped at 82,929.10 megawatt per hour, on a piece of land held under Geran 25516, Lot 4, Mukim Kuala Kerak, Daerah Jajahan Machang in the state of Kelantan |
| “Option Agreements” | collectively, the BV Energy Option Agreement and the IDIQA Energy Option Agreement |
| “Option Shares” | means the Call Option Shares and/or the Put Option Shares, as the case may be |
| “percentage ratio” | has the meaning given to it under Rule 14.07 of the Listing Rules |
| “Preference Shares” | the non-voting class 1 preference shares issued or to be issued by the JV Company |
| “Projects” | collectively, the Kuala Muda Project and the Machang Project |
| “Project Companies” | collectively, BGMC BRAS Power and Idiwan Solar, and a “Project Company” means any of them |
| “Prosper International” | Prosper International Business Limited, a company incorporated in the British Virgin Islands with limited liability and directly owned by Tan Sri Dato’ Sri Goh Ming Choon, and is the controlling shareholder of the Company |
| “Put Option Shares” | means 45.1% to up to 50.1% of the DPI Solar 1 Option Shares |

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| “Put Option Trigger Date” | means the date falling six months after the date on which DPI Solar 1 has fully subscribed and paid for the Option Shares |
| “RCPS” | redeemable convertible preference shares |
| “RCPS Subscription Agreement” | the subscription agreement dated 29 August 2019 and entered into between BGMC Corporation and BGMC BRAS Power in relation to the subscription by BGMC Corporation of the RCPS to be issued by BGMC BRAS Power at a consideration of RM86.0 million |
| “RM” | Malaysian ringgit, the lawful currency of Malaysia |
| “RPS” | redeemable preference shares |
| “Sale Options” | collectively, the BV Energy Sale Option and the IDIQA Energy Sale Option |
| “Seeva International” | Seeva International Limited, a company incorporated in the British Virgin Islands with limited liability and directly owned by Dato’ Teh Kok Lee, and is the controlling shareholder of the Company |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Shareholders’ Agreement” | the shareholders’ agreement dated 29 August 2019 and entered into among BGMC Energy, DPI Solar 1, Hasilwan Solar, AD Solar, BV Energy, IDIQA Energy and the JV Company |
| “Sparks Energy 1” | Sparks Energy 1 Sdn. Bhd., a company incorporated in Malaysia with limited liability and an indirect wholly-owned subsidiary of the JV Company |
| “Sparks Energy 1 Subscription Agreement” | the subscription agreement dated 29 August 2019 and entered into between BGMC Corporation and Sparks Energy 1 in relation to the subscription by Sparks Energy 1 of the RPS to be issued by BGMC Corporation at a consideration of RM86.0 million |

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| “SPV(s)” | special purpose vehicle company(ies) to be established as wholly-owned subsidiaries of the JV Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Unconditional Date” | in respect of the Option Agreements, means the date on which the condition precedent under the respective Option Agreements has been fulfilled, as notified in writing by BGMC Energy to BV Energy and IDIQA Energy (as the case may be) |
| “USD” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |

For illustration purpose only, amounts denominated in RM in this announcement have been translated into HK\$ at the rate of RM1 = HK\$1.8709, and amounts denominated in USD in this announcement have been translated into HK\$ at the rate of USD1 = HK\$7.78. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates or at all.

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

Hong Kong, 29 August 2019

As at the date of this announcement, the Board comprises of 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.