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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)

UPDATE ANNOUNCEMENT: LITIGATION IN RELATION TO VERY SUBSTANTIAL DISPOSAL – DISPOSAL OF INTEREST IN 95% ORDINARY SHARES OF BGMC BRAS POWER

Reference is made to the announcement BGMC International Limited (“**Company**”) dated 27 June 2022 in relation to, among others, the disposal of interest in 95% ordinary shares of BGMC Bras Power (the “**Announcement**”).

Unless otherwise specified, terms used in this announcement shall have the meanings as defined in the Announcement.

The Company hereby announces that, as of the date of this announcement, Kazuomi Kaneto (sole director of DPI Solar 1) and DPI Solar 1 (which indirectly holds shares in Sparks Energy Sdn Bhd) (the “**Plaintiffs**”) have commenced the lawsuit (“**Suit**”) at the High Court of Malaya at Kuala Lumpur (Commercial Division) (the “**Court**”) against 25 defendants, among others, Dato’ Teh Kok Lee (“**Dato’ Michael Teh**”, an executive director of the Company), BGMC Corporation, BGMC Holdings, the Company, BGMC Energy, BGMC Bras Power, Ee Kian Yiau (a director of certain subsidiaries of the Company), the Land Companies and others (in total 9 individuals and 16 companies as defendants, collectively the “**Defendants**”). The Plaintiffs’ allegations in the Suit are, among others, regarding the legality of (i) BGMC Group’s disposal of interest in BGMC Bras Power; (ii) BGMC Bras Power’s termination of operation, maintenance & management services agreement (“**OMMA**”) between BGMC Bras Power and Sparks Energy Sdn Bhd; and (iii) the Land Companies’ redemption of preference shares held by DPI Solar 1.

As disclosed on page 12 of the Company’s Announcement, *Sparks Energy and its subsidiaries (collectively, “Sparks Energy Group of Companies”) and Sparks Energy Group of Companies’ related companies, DPI Solar 1, AD Solar Pte Ltd and/or Hasilwan Solar Sdn Bhd may file legal proceedings in respect of the Transaction or any subject matter which is related to the Transaction or the Existing Legal Proceedings (“Anticipated Legal Proceedings”). ...*

(The Existing Legal Proceedings and the Anticipated Legal Proceedings shall collectively be referred to as the “Relevant Legal Proceedings”). Accordingly, the parties agree and covenant to cooperate in respect of the Relevant Legal Proceedings and the parties shall not use or refer to the Relevant Legal Proceedings as a basis for either party to terminate the Transaction and the Deed of Arrangement.

As such, the Company is of the view that the Suit falls within the definition of Relevant Legal Proceedings which would not be a basis for either BGMC Group or reNIKOLA to terminate the Transaction and the Deed of Arrangement.

However, as disclosed on page 9 of the Company’s Announcement, the Completion is subject to the conditions which include, among others, the results and findings of the operational, technical, legal, financial and tax due diligence review undertaken on BGMC Bras Power, the Company will further announce if the Suit would have impact on the due diligence process.

As at the date of this announcement, BGMC Group, Dato’ Michael Teh and Ee Kian Yiaw (director of certain subsidiaries of Company) (being the Defendants) are seeking legal advice from legal advisors on the Suit, and have engaged legal advisors to resist the Suit.

The Company will make further announcements on the development of the Suit as and when necessary.

For and on behalf of
BGMC International Limited
Datuk Kamalul Arifin Bin Othman
Chairman and Independent Non-Executive Director

Malaysia, 5 July 2022

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