

BCM ALLIANCE BERHAD (“BCM” OR “THE COMPANY”)

MANUFACTURING AGREEMENT BETWEEN BC MEDICARE SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF BCM AND RLOOP LIMITED AND EURO-CHINA TECHNOLOGY ACHIEVEMENT TRANSFORMATION (TIANJIN) CO., LTD.

1. INTRODUCTION

Reference is made to the Memorandum of Understanding entered between BC Medicare Sdn. Bhd. (“BC Medicare”), a wholly-owned subsidiary of BCM and rLoop Limited (“rLoop”) (individually referred to as “Party” and collectively referred to as “Parties”) on 26 July 2021, the Board of Directors of BCM (“Board”) wishes to announce that BC Medicare had on 23 December 2021 entered into a Manufacturing Agreement (“the Agreement”) with rLoop and Euro-China Technology Achievement Transformation (Tianjin) Co. Ltd. (“EC”) to provide manufacturing services for the virus attenuation devices using photon mediated electrons and emitters under rLoop’s own brand name of “rGuard – rLoop Virus Attenuation Device” (“Product”).

2. INFORMATION ON BC MEDICARE, RLOOP AND EC

2.1 BC Medicare

BC Medicare is a private limited company incorporated in Malaysia with its registered address at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. It is principally engaged in the business of designing, developing, manufacturing, testing, configuring, assembling, packaging and shipping electronic assemblies and systems.

2.2 rLoop Limited

rLoop is a limited company incorporated in Hong Kong with its registered address at Suite 4703, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. It has the licensed right for designing, manufacturing (including contract manufacturing), developing, distributing, marketing and selling the Product in various countries.

2.3 EC

EC is a company incorporated in the People’s Republic of China with its registered office at Suite 6-402-7, 1-1, Harbour Venture Park, Lingang Economic Zone, Binhai New District, Tianjin City, the People’s Republic of China. It has agreed to purchase the agreed quantity of the Product from rLoop at the agreed price.

3. SALIENT TERMS OF THE AGREEMENT

3.1 Transaction

The details of the transaction are as below:-

- (a) rLoop has engaged BC Medicare to manufacture, test, configure, assemble, pack and/or ship the Product.
- (b) EC agrees to purchase 100,000 units of the Product from rLoop at a price of US\$2,000 per unit with a total consideration of US\$200 million, in which such price will include, inter alia, royalties, installation and debugging, operation and technology information training, data monitoring and maintenance services.

(c) The Product will be manufactured by BC Medicare in Malaysia under a separate Original Equipment Manufacturer (OEM) manufacturing agreement between BC Medicare and rLoop.

(d) BC Medicare will be responsible for providing training to EC on the functions and operations of the Product.

3.2 Purchase Order

The total quantity of the Product under the Agreement is 100,000 units. EC will place individual Purchase Order(s) to rLoop no less than 30 days before the scheduled delivery for each Purchase Order.

3.3 Price

US\$2,000 per unit of the Product.

3.4 Payment Term

10% of the purchase sum for each Purchase Order shall be paid by EC in cash term within seven (7) days upon rLoop's confirmation of receipt of the Purchase Order, and the remaining 90% shall be paid prior to shipment in form of standby letter of credit or any other banking instrument to be agreed by rLoop.

3.5 Quality and Return Policy

Within twenty-one (21) business days after the acceptance of the Product, EC shall have the right to request for the return and replacement of the goods if it finds that the Product's varieties, models, specifications and quality are not up to the agreed specifications.

4. RATIONALE

The Agreement enables BCM to penetrate into virus attenuation devices business that might yield attractive return to the Group.

This is in line with BCM's business direction and strategy which is continuously looking for opportunities to further expand its business to ultimately improve its financial performance and enhance shareholders' value.

5. RISK FACTORS

Save for the normal business risk, the Board of BCM is not aware of any other risk factors which may arise as a result of the Agreement.

6. FINANCIAL EFFECTS

The Agreement is not expected to have any effect on the issued share capital and the substantial shareholders' shareholdings of BCM.

The Agreement is also not expected to have any immediate material effect on the earnings per share, net assets per share, and gearing of the BCM for the financial year ending 31 December 2021.

7. APPROVAL REQUIRED

The Agreement is not subject to the approval of the shareholders of BCM and/or any regulatory authorities.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders of the Company and/or persons connected to them have any interest, whether direct or indirect, in the Agreement.

9. STATEMENT OF THE DIRECTORS

The Board, having taken into consideration all aspects of the Agreement, is of the opinion that the Agreement is in the best interest of the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The Agreement is available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 24 December 2021.