

BCM ALLIANCE BERHAD ("BCM" OR "COMPANY")

- **PROPOSED SUBSCRIPTION OF 133,333 NEW ORDINARY SHARES IN FOODICT MAKER SDN BHD ("FOODICT"), REPRESENTING 25% ENLARGED EQUITY INTEREST OF FOODICT BY BCM ("PROPOSED SUBSCRIPTION"); AND**
- **PROPOSED ACQUISITION FROM LEE CHIN FONG, LEE BENG WAI AND HSU FENG CHIH OF A TOTAL OF 138,667 EXISTING ORDINARY SHARES REPRESENTING 26% ENLARGED EQUITY INTEREST IN FOODICT BY BCM ("PROPOSED ACQUISITION")**

(COLLECTIVELY "PROPOSED TRANSACTIONS")

(Unless otherwise defined, all definitions and terms used in this announcement shall have the same meaning as defined in the previous announcements in relation to the Proposed Transactions)

1. INTRODUCTION

We refer to the announcements dated 3 September 2019, 31 October 2019, 29 November 2019 and 30 March 2020 in relation to the Proposed Transactions.

On behalf of the Board, M&A Securities wishes to announce that the Subscription Agreement and SPA has been terminated due to non-fulfillment of conditions precedent by the extended cut-off date of 1 June 2020 ("**Cut-off Date**") as stipulated in the Subscription Agreement and SPA ("**Termination**"). Pursuant to the Termination, the Subscription Agreement and SPA shall be null and void and of no further effect whatsoever.

For the avoidance of doubt, consequential to the termination of the Subscription Agreement and the SPA, the SHA and the Profit Guarantee Agreement shall be terminated forthwith and be null and void and of no further effect whatsoever.

2. RATIONALE

The termination of the Subscription Agreement was due to non-fulfilment of the conditions precedent by the expiry of the Cut-off Date including amongst others, the issuance of the audited accounts for Foodict for the 7 months period commencing from 1 June 2019 to 31 December 2019 being one of the requirement arising from the outcome of the financial due diligence on Foodict.

The SPA was subject to and conditional upon the Subscription Agreement being unconditional in accordance with its terms therein, thus consequential to the termination of the Subscription Agreement, the condition precedent in the SPA remains unfulfilled by the expiry of the Cut-off Date.

3. FINANCIAL EFFECTS OF THE TERMINATION

The Termination will have no material effect on the following:-

- (i) the issued share capital or the substantial shareholders' shareholdings of BCM;
- (ii) the earnings and earnings per share of BCM for the financial year ending 31 December 2020;
- (iii) the net assets of BCM for the financial year ending 31 December 2020; and

(iv) the gearing level of BCM.

4. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

None of the Directors, major shareholders and persons connected with the Directors and/or major shareholders of BCM, have any interest, direct or indirect, in the Termination.

5. APPROVALS REQUIRED

The Termination is not subject to the approval of BCM shareholders or any authorities.

6. STATEMENT BY THE BOARD

The Board, having considered all aspects of the Proposed Transactions is of the opinion that the Termination is in the best interest of BCM.

This announcement is dated 2 June 2020.