

**BCM ALLIANCE BERHAD (1135238-U)**

(Incorporated in Malaysia under Companies Act 1965)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2016 <sup>(1)</sup>***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 31 December 2016 RM'000	(Unaudited) 31 December 2015 <sup>(2)</sup> RM'000	(Unaudited) 31 December 2016 RM'000	(Unaudited) 31 December 2015 <sup>(2) &amp; (7)</sup> RM'000
Revenue	A7	18,736	13,659	65,083	64,335
Cost of Sales		(13,607)	(11,401)	(43,405)	(45,297)
Gross Profit		5,129	2,258	21,678	19,038
Other operating income		71	176	421	335
Administrative expenses		(5,753)	(3,471)	(15,535)	(10,987)
Finance costs		(108)	(120)	(438)	(362)
(Loss)/Profit from operations		(661)	(1,157)	6,126	8,024
Taxation	B5	(434)	410	(2,239)	(1,945)
(Loss)/Profit for the financial year	A7	(1,095)	(747)	3,887	6,079
<b>Total comprehensive (loss)/income for the financial year</b>		<b>(1,095)</b>	<b>(747)</b>	<b>3,887</b>	<b>6,079</b>
(Loss)/Profit for the financial year attributed to:					
- Owners of the Company		(1,095)	(747)	3,887	6,079
Total comprehensive (loss)/income attributed to:					
- Owners of the Company		(1,095)	(747)	3,887	6,079
Weighted average number of ordinary shares in issue after the IPO ('000) <sup>(4)</sup>	B10	400,188	<sup>(6)</sup>	173,809	<sup>(6)</sup>
(Loss)/Earnings per share attributable to owners of the Company (sen):					
- Basic/Diluted <sup>(5)</sup>	B10	(0.27)	(373,500)	2.24	3,039,500

## **BCM ALLIANCE BERHAD (1135238-U)**

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### **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2016 (con'd) <sup>(1)</sup>**

*(The figures have not been audited)*

#### **Notes:**

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Prospectus dated 28 September 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) The Unaudited Condensed Combined Statement of Comprehensive Income for the corresponding quarter and corresponding year should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (3) This is the third interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (4) Basic earnings per share is calculated based on the shares in issue of 421,250,200 after the acquisition by BCM Alliance Berhad ("BCM") of the entire issued and paid up capital of CS Laundry Sdn Bhd ("CS Laundry"), Best Contact Sdn Bhd ("Best Contact") and Maymedic Technology Sdn Bhd ("Maymedic") of BCM and after Public Issue of 84,250,000 new shares which has been listed on the ACE Market of Bursa Securities on 24 October 2016.
- (5) Diluted earnings per share of the Group for the current quarter and cumulative quarter ended 31 December 2016 is equivalent to the basic earnings per share as the Group does not have convertible options as at the end of the reporting period.
- (6) Represent weighted average number of 200 shares in issuance before the acquisition of CS Laundry, Best Contact and Maymedic and before the Public Issue.
- (7) The summary of the statement of financial position prepared based on the Audited Financial Statement of the BCM Group for the financial year ended as at 31 December 2015.

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**BCM ALLIANCE BERHAD (1135238-U)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016** <sup>(1)</sup>

*(The figures have not been audited)*

	Note	(Unaudited) As at 31 December 2016 RM'000	(Unaudited) As at 31 December 2015 <sup>(2)</sup> RM'000
<b>ASSET</b>			
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment		7,445	7,568
<b>CURRENT ASSETS</b>			
Inventories		10,543	11,933
Trade receivables		8,183	6,274
Other receivables, prepayments and deposits		251	1,160
Tax recoverable		698	499
Fixed deposits with licensed banks		2,179	1,548
Cash and bank balances		24,760	6,732
<b>TOTAL CURRENT ASSETS</b>		46,614	28,146
<b>TOTAL ASSETS</b>		54,059	35,714
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	B10	21,062	801 <sup>(4)</sup>
Share premium		11,057	-
Merger reserve		(16,049)	-
Retained earnings		18,899	16,697
<b>TOTAL EQUITY</b>		34,969	17,498
<b>CURRENT LIABILITIES</b>			
Trade payables		7,106	4,999
Other payables		5,953	7,170
Amount owing to directors		505	365
Borrowings	B7	1,135	855
<b>TOTAL CURRENT LIABILITIES</b>		14,699	13,389

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016 (Cont'd) <sup>(1)</sup>**

*(The figures have not been audited)*

	Note	(Unaudited) As at 31 December 2016 RM'000	(Unaudited) As at 31 December 2015 <sup>(2)</sup> RM'000
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	B7	4,267	4,674
Deferred tax liabilities		124	153
<b>TOTAL NON-CURRENT LIABILITIES</b>		4,391	4,827
<b>TOTAL LIABILITIES</b>		19,090	18,216
<b>TOTAL EQUITY AND LIABILITIES</b>		54,059	35,714
Net assets per share (RM) <sup>(3)</sup>		0.08	0.04

**Notes:**

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Prospectus dated 28 September 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) The summary of the statement of financial position prepared based on the Audited Financial Statement of the BCM Group for the financial year ended as at 31 December 2015.
- (3) Net assets per share is calculated based on the shares in issue of 421,250,200 after the acquisition by BCM Alliance Berhad ("BCM") of the entire issued and paid up capital of CS Laundry Sdn Bhd ("CS Laundry"), Best Contact Sdn Bhd ("Best Contact") and Maymedic Technology Sdn Bhd ("Maymedic") of BCM and after Public Issue of 84,250,000 new shares which has been listed on the ACE Market of Bursa Securities on 24 October 2016.
- (4) Based on the combined share capital of BCM, Best Contact, Maymedic and CS Laundry for FYE 2015 (prior to the completion of acquisition of the entire equity interest of Best Contact, Maymedic and CS Laundry, which was completed on 14 July 2016).

**BCM ALLIANCE BERHAD (1135238-U)**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2016 <sup>(1)</sup>***(The figures have not been audited)*

	<----- Non-Distributable ----->			Distributable	Total
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Retained Earning RM'000	Equity RM'000
Balance as at 1 January 2016	* (3)	-	-	(47)	(47)
<b>Transaction with owners</b>					
- Issued of shares during the financial year	16,850	-	-	-	16,850
- Arising from merger with subsidiary companies	-	-	(16,049)	-	(16,049)
- Retained earnings prior to acquisition	-	-	-	16,745	16,745
- Arising from the Public Issue	4,212	11,795	-	-	16,007
- Share issuance expenses	-	(738)	-	-	(738)
- Total comprehensive income for the financial year	-	-	-	3,886	3,886
- Dividend	-	-	-	(1,685)	(1,685)
Balance as at 31 December 2016	21,062	11,057	(16,049)	18,899	34,969

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2016 (Cont'd) <sup>(1)</sup>**

*(The figures have not been audited)*

**Notes:**

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Prospectus dated 28<sup>th</sup> September 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year are available as this is the third interim financial report on the statement of changes in equity for the fourth quarter ended 31 December 2016 being announced by the Company in compliance with the Listing Requirement of Bursa Securities.
- (3) Represent less than RM1,000.

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**BCM ALLIANCE BERHAD (1135238-U)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2016 <sup>(1)</sup>**

*(The figures have not been audited)*

	<b>(Unaudited) 12 months ended 31 December 2016 RM'000</b>	<b>(Unaudited) 12 months ended 31 December 2015 <sup>(2)</sup> RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	6,127	8,024
Adjustments for:		
Depreciation of property, plant and equipment	679	547
Unrealised losses/(gain) on foreign exchange	50	(27)
Allowance for slow moving inventories	34	-
Bad debts write off	33	-
Gain on disposal of property, plant and equipment	(3)	-
Interest expense	438	362
Interest income	(151)	(109)
Operating profit before working capital changes	<u>7,207</u>	<u>8,797</u>
<b>Changes in working capital:</b>		
Inventories	1,356	(3,470)
Trade receivables	(1,942)	827
Other receivables	635	1,322
Trade payables	2,057	(661)
Other payables	(944)	(1,183)
Amount owing to/by associate company	-	56
Amount owing to directors	140	(150)
	<u>1,302</u>	<u>(3,259)</u>
Cash generated from operations	8,509	5,538
Interest received	151	109
Interest paid	(438)	(362)
Tax paid	(2,669)	(2,279)
Tax refund	202	47
	<u>(2,754)</u>	<u>(2,485)</u>
Net cash from operating activities	<u>5,755</u>	<u>3,053</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(556)	(2,363)
Proceed from disposal of property, plant and equipment	3	-
Proceeds from disposal of a subsidiary company	-	255
Proceeds from disposal of a subsidiary's associate company	-	3
Net cash used in investing activities	<u>(553)</u>	<u>(2,105)</u>
<b>Cash Flows From Financing Activities</b>		
(Repayment)/Drawdown of bank borrowings	(244)	490
Dividend paid	(1,685)	(2,183)
Repayment of hire purchase payables	(150)	(322)
(Increase)/Decrease in fixed deposits pledged	(631)	531
Proceeds from issuance of shares	15,269	-
Net cash from/(used in) financing activities	<u>12,559</u>	<u>(1,484)</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2016 (Cont'd) <sup>(1)</sup>***(The figures have not been audited)*

	<b>(Unaudited) 12 months ended 31 December 2016 RM'000</b>	<b>(Unaudited) 12 months ended 31 December 2015 <sup>(2)</sup> RM'000</b>
Net increase/(decrease) in cash and cash equivalents	17,761	(536)
Cash and cash equivalents at beginning of the financial year	6,491	7,027
Cash and cash equivalents at end of the financial year	<u>24,252</u>	<u>6,491</u>
<b>Cash and cash equivalents at end of the financial year comprises:</b>		
- Fixed deposits with licensed banks	2,179	1,548
- Cash and bank balances	24,760	6,732
- Bank overdraft	(508)	(241)
	<u>24,431</u>	<u>8,039</u>
Less: Fixed deposits pledged with licensed banks	(2,179)	(1,548)
	<u>24,252</u>	<u>6,491 <sup>(3)</sup></u>

**Notes:**

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Prospectus dated 28 September 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) The summary of the combined statement of cash flow of the Group is presented based on the audited financial disclosures made in the Prospectus of BCM Alliance Berhad dated 28 September 2016 (with RM0.022 million cash and cash equivalent from BCM Alliance Berhad's audited financial statement for the financial year ended 31 December 2015).
- (3) Does not include the amount of RM22,103 of BCM Alliance Berhad which comprised of the losses before taxation of RM46,968, changes of working capital of RM69,061 and cash and cash equivalents at the date of incorporation of RM10.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement").

This is the third interim financial statements on the consolidated results for the 4<sup>th</sup> quarter ended 31 December 2016 announced by the Company in compliance with the Listing Requirements. The interim financial statements should be read in conjunction with the Prospectus dated 28 September 2016 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

**Adoption of new and amended standard**

During the financial year, the Group has adopted the following amendments for MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year.

Amendments to MFRS 119 – Defined Benefits Plans: Employee Contributions  
Annual Improvements to MFRSs 2010 – 2012 Cycle  
Annual improvement to MFRSs 2011 – 2013 Cycle

Adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group.

**Standard issued but not yet effective**

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysia Accounting Standards Board as they have yet to be effective for the Group.

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective dates for financial period beginning on and after</b>
MFRS 14 – Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 – Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127 – Equity Method in Separate Financial Statements	1 January 2016

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective dates for financial period beginning on and after</b>
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 101 - Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 – Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealized Losses	1 January 2017
Amendments to MFRS 107 – Disclosure Initiative	1 January 2017
MFRS 15 – Revenue from Contracts with Customers	1 January 2018
MFRS 9 – Financial Instruments (MFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 16 - Leases	1 January 2019

**A2. Auditors’ report of preceding annual audited financial statements**

The audited financial statements of the Group for the financial year ended 31 December 2015 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

The financial performance of the Group was not affected by seasonal or cyclical factors during the current financial quarter ended 31 December 2016 and financial year-to-date.

**A4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

**A5. Material changes in estimates**

There were no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial quarter and financial year-to-date.

**A6. Debt and equity securities**

Save for the corporate exercise disclosed under notes B6 (i) below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year-to-date.

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**A7. Segmental information**

The Group's operating activities were derived from two (2) main business segments and the investment holding segment as follows:-

	Individual Quarter Ended		Cumulative Quarter Ended	
	(Unaudited) 31 December 2016 RM'000	(Unaudited) 31 December 2015 RM'000	(Unaudited) 31 December 2016 RM'000	(Unaudited) 31 December 2015 RM'000
<b>Revenue</b>				
Commercial laundry equipment	9,133	7,554	41,009	39,409
Medical devices				
- Medical imaging equipment	5,857	3,507	16,120	17,258
- Sterilisation, disinfection and surgical room equipment	3,675	2,598	7,883	7,668
Sub-total	9,532	6,105	24,003	24,926
Investment holding	71	-	71	-
<b>Total</b>	<b>18,736</b>	<b>13,659</b>	<b>65,083</b>	<b>64,335</b>
<b>(Loss)/Profit before taxation</b>				
Commercial laundry equipment	50	(1,287)	4,607	5,889
Medical devices:-				
- Medical imaging equipment	431	(218)	2,843	2,052
- Sterilisation, disinfection and surgical room equipment	603	240	851	131
Sub-total	1,034	22	3,694	2,183
Investment holding	(1,745)	108	(2,175)	(48)
<b>Total</b>	<b>(661)</b>	<b>(1,157)</b>	<b>6,126</b>	<b>8,024</b>

**A8. Dividends Paid**

An interim single-tier dividend of RM0.004 or 0.4 sen per ordinary share of RM0.05 each, amounting to RM1,685,000.80 in respect of the financial year ended 31 December 2016, was paid to shareholders on 21 November 2016.

**A9. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

**A10. Capital commitments**

There were no capital commitments of the Group as at 31 December 2016 except for the disclosure in note B6 (i).

**A11. Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current financial quarter.

**A12. Contingent liabilities and contingent assets**

Since the last annual balance sheet date, there were no contingent assets and contingent liabilities as at the date of this interim financial report that are expected to have an operational of financial impact on the current financial year-to-date.

**A13. Material events subsequent to the end of the quarter**

There were no other material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in the interim financial report.

**A14. Related party transactions**

Transactions with companies in which Directors have interest were as follows:-

	<b>(Unaudited)</b> <b>Quarter ended</b> <b>31 December 2016</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>Year-to-date ended</b> <b>31 December 2016</b> <b>RM'000</b>
Sales of equipment	-	21
Purchase of equipment	2	4
<b>Total</b>	<u>2</u>	<u>25</u>

The transactions were carried out in the ordinary course of business and on normal commercial term.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1. Review of performance**

For the current financial quarter ended 31 December 2016, the Group recorded revenue of RM18.74 million as compared to RM13.66 million in the corresponding quarter ended 31 December 2015, an increase of RM5.08 million or 37.2%.

Revenue from the commercial laundry equipment business segment increased by RM1.58 million or 20.9% from RM7.55 million in Q4/2015 compared to RM9.13 million in Q4/2016, whilst the medical devices business segment contributed an increase in revenue by RM3.42 million or 56.0% from RM6.11 million in Q4/2015 compared to RM9.53 million in Q4/2016 results.

Overall, the Group's results have improved for the quarter under review (Q4/2016) from a loss before tax of RM0.66 million as compared to a loss before tax of RM1.16 million in the corresponding quarter of last year (Q4/2015) mainly due to revenue contributed from medical devices business segments.

For the cumulative twelve (12) months financial year ended 31 December 2016, the Group's revenue had increased marginally by 1.2% to RM65.08 million as compared to RM64.33 million in the last financial year ended 31 December 2015. As disclosed in Note A7, the increase in revenue was mainly contributed from the contribution from commercial laundry equipment business segment of approximately RM1.61 million. The medical devices business segment recorded a slight decline in revenue due to the delay in delivery of medical devices to the Group's customers to the next quarter at customers' request, thus such revenue has yet to be recorded by our Group.

For the financial year under review, the Group recorded a profit before tax of RM6.13 million as compared to a profit before tax of RM8.02 million in the last financial year. The lower profit recorded was due to higher administrative cost incurred which had increased from RM10.99 million to RM15.53 million. The higher cost incurred were due to listing expenses charged pursuant to the initial public offer listing of the Company, additional headcounts on technical and administration staff to meet customers' satisfaction, higher directors cost and advertisement expenses.

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### B2. Comparison with immediate preceding quarter's results

	<----- Quarter ended ---->		
	(Unaudited)	(Unaudited)	
	30 September 2016	31 December 2016	Variance
	RM'000	RM'000	RM'000
Revenue	13,800	18,736	4,936
Profit/(Loss) before tax	976	(661)	(1,637)

For the current financial quarter ended 31 December 2016, the Group recorded a revenue of RM18.74 million and a loss before tax of RM0.66 million as compared to a revenue of RM13.80 million and profit before tax of RM0.98 million in the preceding financial quarter ended 30 September 2016.

Despite higher revenue recorded for the financial quarter under review, the Group posted a loss before tax due to higher administrative cost incurred as mentioned in noted B1.

### B3. Prospects

As disclosed in the Prospectus of the Company dated 28 September 2016, the Group has put in place a series of future plans as follows:-

- (a) Setting up eleven (11) new Speed Queen self-service launderette outlets as concept stores across Malaysia as part of our marketing strategy to showcase and promote the Speed Queen brand of vended commercial laundry equipment;
- (b) Continuously expand the Group's existing portfolio of products and brands by obtaining additional product distributorships; and
- (c) Expand the Group's sales and marketing activities as well as expand its market into the South East Asian region.

Barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the prospects for the financial year ending 31 December 2017 will remain favourable.

### B4. Profit forecast or profit guarantee

The Group does not have any profit forecast or profit guarantee for the current quarter in any public documents.

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**B5. Taxation**

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense:				
- Current financial year	324	831	2,107	2,279
- (Over) provision in prior year	161	(1,281)	161	(374)
	<u>485</u>	<u>(450)</u>	<u>2,268</u>	<u>1,905</u>
Deferred tax expense:				
- Current financial year	(22)	-	-	-
-(Over)/Under provision in prior year	(29)	40	(29)	40
Total tax expense/(income)	<u>434</u>	<u>(410)</u>	<u>2,239</u>	<u>1,945</u>

**B6. Status of corporate proposals and utilisation of proceeds**

**(i) Utilisation of proceeds**

The gross proceeds raised from the Public Issue amounting to RM16.01 million was partially utilised in the following manner:-

	<b>Purpose</b>	<b>Approved Utilised</b>	<b>Actual Utilisation</b>	<b>Balance Unutilised</b>	<b>Estimated Timeframe for utilisation (from the date of Listing)</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
i)	Working capital requirements, comprising:-				
a)	Purchase of brand new commercial laundry equipment and medical devices	7,700	1,542	6,158	Up to 24 months
b)	Day-to-day working capital expenses	3,208	1,156 <sup>(1)</sup>	2,052	Up to 12 months
ii)	Setting up chain of eleven (11) new Speed Queen self-service laundrette outlets	2,600	-	2,600	Up to 24 months
iii)	Estimated listing expenses	2,500	2,500	-	Within 1 month
		<u>16,008</u>	<u>5,198</u>	<u>10,810</u>	

**B6. Status of corporate proposals and utilisation of proceeds (Cont'd)**

**(i) Utilisation of proceeds**

**Notes:**

(1) The additional listing expenses of approximately RM0.72 million was due to under estimation of listing expenses of the Group's listing on the ACE Market of Bursa Securities such as underwriting fees, placement fees and professional fees (Reporting Accountant, Legal and Principal Advisor). This amount has been adjusted against the gross proceeds allocated for working capital. The actual utilisation had been updated until 15 February 2017.

**B7. Borrowings**

The Group's borrowings were as follows:-

	<b>(Unaudited)</b> <b>As at</b> <b>31 December</b> <b>2016</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>As at</b> <b>31 December</b> <b>2015</b> <sup>(2)</sup> <b>RM'000</b>
<b>Secured</b>		
Bank overdraft	508	241
Hire purchases	1,256	1,406
Term loan	3,638	3,882
<b>Total bank borrowings</b>	<b>5,402</b>	<b>5,529</b>
<b>Short Term</b>		
Bank overdraft	508	241
Term loan	255	281
Hire purchases	372	333
	<b>1,135</b>	<b>855</b>
<b>Long Term</b>		
Term loan	3,383	3,601
Hire purchases	884	1,073
	<b>4,267</b>	<b>4,674</b>

**Notes:**

(1) All the Group borrowings are denominated on Ringgit Malaysia.

(2) The summary of the statement of financial position prepared based on the Audited Financial Statement of the BCM Group for the financial year ended as at 31<sup>st</sup> December 2015.

**B8. Changes in material litigation**

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.



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**B9. Dividend Proposed**

There were no dividends proposed for the current financial quarter.

**B10. Earnings/(Loss) per share**

The basic/diluted earnings/(loss) per share is calculated based on the Group's profit/(loss) attributable to owners of the Company divided by the weighted average number of ordinary shares as follows

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	(1,095)	(747)	3,887	6,079
Weighted average number of ordinary shares in issue after the IPO ('000)	400,188	(3)	173,809	(3)
Basic/Diluted (loss)/earnings per share <sup>(1)</sup> & <sup>(2)</sup> (sen)	(0.27)	(373,500)	2.24	3,039,500

**Notes:**

- (1) Basic earnings/(loss) per share for the quarter and financial year is calculated based on the net profit/(loss) divided by the weighted average number of ordinary shares for the quarter and financial year respectively.
- (2) Diluted earnings/(loss) per share of the Company for the current quarter and financial year to date ended 31 December 2016 is equivalent to the basic earnings/(loss) per share as the Company does not have convertible options as at the end of the reporting period.
- (3) Represent weighted average number of 200 shares in issuance before the acquisition of CS Laundry, Best Contact and Maymedic and before the Public Issue.
- (4) The 801,000 shares is arrived at based on the combined share capital of BCM, Best Contact, Maymedic and CS Laundry for FYE 2015 (prior to the completion of acquisition of the entire equity interest of Best Contact, Maymedic and CS Laundry, which was completed on 14 July 2016).

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**B11. Retained and unrealised profits**

	<b>(Unaudited) As at 31 December 2016 RM'000</b>	<b>(Unaudited) As at 31 December 2015 <sup>(1)</sup> RM'000</b>
Total retained earnings of the Group		
- Realised	18,725	16,571
- Unrealised	174	126
Total retained profits as per statement of financial position	<b>18,899</b>	<b>16,697</b>

**Notes:**

(1) The summary of the statement of financial position prepared based on the Audited Financial Statement of the BCM Group for the financial year ended as at 31 December 2015.

**B12. Disclosure on selected expense/(income) items as required by the Listing Requirements**

	<b>Quarter ended 31 December 2016 RM'000</b>	<b>Year-to-date ended 31 December 2016 RM'000</b>
(Loss)/Profit before taxation is arrived at after charging/(crediting) :-		
- Depreciation of property, plant and equipment	180	638
- Gain on disposal of property, plant and equipment	-	(3)
- Gain or losses on disposal of quoted or unquoted investments or properties	-	-
- Impairment of assets	-	-
- Interest expense	108	438
- Interest income	(114)	(151)
- Provision for and write off of receivables	33	33
- Other income including investment income	(44)	(44)
- Provision for and write off of inventories	34	34
- Realised losses on foreign exchange	395	260
- Unrealised losses on foreign exchange	50	50

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**B13. Approvals obtained for registration of medical devices from Medical Device Authority of Malaysia for registration**

In relation to the requirements on registration of medical devices, Section 5 (1) of the Medical Devices Act, 2012 requires, amongst others, that all medical products classified as medical devices under the Medical Devices Act, 2012 and Medical Devices Regulation, 2012 shall be registered before they can be imported, exported or placed in the market. As at 15 February 2017, the Group has submitted a total of one hundred and thirteen (113) online applications to register medical devices which we are currently distributing and which are classified as medical devices pursuant to the Medical Devices Act, 2012 and Medical Devices Regulation, 2012 with the Medical Device Authority ("MDA").

**B13. Approvals obtained for registration of medical devices from Medical Device Authority of Malaysia for registration (Cont'd)**

Out of the total applications submitted by the Group, twenty six (26) applications have successfully been approved by the Medical Device Authority for registration and one (1) application has been dropped from the system by MDA, as the medical device is not classified as a medical device within the definition of the Medical Devices Act 2012 which shall be registered.

**BY ORDER OF THE BOARD**

**28<sup>TH</sup> February 2017**