

BCM ALLIANCE BERHAD (1135238-U)
(Incorporated in Malaysia under Companies Act 1965)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017 ⁽¹⁾**

(The figures have not been audited)

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 30 September 2017 RM'000	(Unaudited) 30 September 2016 RM'000	(Unaudited) 30 September 2017 RM'000	(Unaudited) 30 September 2016 RM'000
Revenue	A7	18,954	13,800	56,463	46,345
Cost of Sales		(13,832)	(9,264)	(39,926)	(29,797)
Gross Profit		5,122	4,536	16,537	16,548
Other operating income		285	87	599	315
Administrative expenses		(3,995)	(3,489)	(11,353)	(9,742)
Profit from operations		1,412	1,134	5,783	7,121
Finance costs		(92)	(158)	(303)	(329)
Profit before taxation	A7	1,320	976	5,480	6,792
Taxation	B5	(128)	(354)	(1,127)	(1,806)
Profit for the financial period		1,192	622	4,353	4,986
Total comprehensive income for the financial period		1,192	622	4,353	4,986
Profit for the financial period attributed to:					
- Owners of the Company		1,192	622	4,353	4,986
Total comprehensive income attributed to:					
- Owners of the Company		1,192	622	4,353	4,986
Weighted average number of ordinary shares in issue after the IPO ('000)	B10	421,250	95,935	421,250	95,935
Earnings per share attributable to owners of the Company (sen):					
- Basic ⁽³⁾ /Diluted ⁽⁴⁾	B10	0.28	0.65	1.03	5.20

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017 (Continued) ⁽¹⁾**

(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, audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2016 as well as the accompanying explanatory notes attached to this interim financial report.
- (2) This is the sixth interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (3) Basic earnings per share is calculated based on the ordinary shares in BCM Alliance Berhad ("BCM") in issuance of 421,250,200 after the acquisition by BCM and IPO.
- (4) Diluted earnings per share of the Group for the current quarter and cumulative quarter ended 30th September 2017 is equivalent to the basic earnings per share as the Group does not have convertible securities as at the end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017 ⁽¹⁾

(The figures have not been audited)

	(Unaudited) As at 30 September 2017 RM'000	(Audited) As at 31 December 2016 ⁽²⁾ RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	9,174	7,445
CURRENT ASSETS		
Inventories	13,989	10,543
Trade receivables	10,505	8,171
Other receivables, prepayments and deposits	1,621	549
Derivative financial assets	-	120
Tax recoverable	1,730	693
Fixed deposits with licensed banks	4,830	2,179
Cash and bank balances	13,707	24,768
TOTAL CURRENT ASSETS	46,382	47,023
TOTAL ASSETS	55,556	54,468
EQUITY AND LIABILITIES		
EQUITY		
Share capital	21,063	21,063
Share premium	11,057	11,057
Merger reserve	(16,049)	(16,049)
Retained earnings	23,173	18,820
TOTAL EQUITY	39,244	34,891
CURRENT LIABILITIES		
Trade payables	4,771	7,381
Other payables	5,435	6,236
Amount owing to directors	-	419
Finance lease payables	523	359
Borrowings	412	760
Tax payable	344	-
TOTAL CURRENT LIABILITIES	11,485	15,155

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017 (Continued) ⁽¹⁾**

(The figures have not been audited)

		(Unaudited)	(Audited)
		As at	As at
		30 September	31 December
		2017	2016 ⁽²⁾
Note		RM'000	RM'000
NON-CURRENT LIABILITIES			
	B7	1,523	895
	B7	3,164	3,387
		140	140
		4,827	4,422
		16,312	19,577
		55,556	54,468
		0.09	0.08

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Prospectus dated 28 September 2016, audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2016 as well as 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 as at 31 December 2016.
- (3) Net assets per share is calculated based on the ordinary shares in BCM in issuance of 421,250,200 after the acquisition by BCM and IPO.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017 ⁽¹⁾**

(The figures have not been audited)

	<----- Non-Distributable ----->			Distributable	
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 January 2017	21,063	11,057	(16,049)	18,820	34,891
Profit for the financial period					
- Total comprehensive income for the financial period	-	-	-	4,353	4,353
Balance as at 30 September 2017	21,063	11,057	(16,049)	23,173	39,244

	<----- Non-Distributable ----->			Distributable	
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 January 2016	*(2)	-	-	(47)	(47)
Acquisition of subsidiary companies				16,745	16,745
Profit for the financial period					
-Total comprehensive income for the financial period	-	-	-	4,986	4,986
Effect arising from merger method of accounting	16,850		(16,049)	-	801
Balance as at 30 September 2016	16,850	-	(16,049)	21,684	22,485

Notes:-

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Prospectus dated 28th September 2016, audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2016 as well as the accompanying explanatory notes attached to this interim financial report.

(2) Represent less than RM1,000.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017 ⁽¹⁾**

(The figures have not been audited)

	(Unaudited) 9 months ended 30 September 2017 RM'000	(Unaudited) 9 months ended 30 September 2016 RM'000
Cash Flows From Operating Activities		
Profit before taxation	5,480	6,792
Adjustments for:		
Depreciation of property, plant and equipment	626	458
Gain on disposal of property, plant and equipment	(75)	(3)
Unrealised (gain)/loss on foreign exchange	(3)	142
Interest expense	303	329
Interest income	(346)	(37)
Operating profit before working capital changes	5,985	7,681
Changes in working capital:		
Inventories	(3,446)	2,021
Receivables	(3,406)	2,386
Payables	(3,828)	(5,287)
	(10,680)	(880)
Cash (used in)/generated from operations	(4,695)	6,801
Interest received	346	37
Interest paid	(303)	(329)
Tax paid	(1,969)	(1,915)
Tax refund	238	243
	(1,688)	(1,964)
Net cash (used in)/generated from operating activities	(6,383)	4,837
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	136	-
Proceeds from disposal of derivative financial assets	120	-
Purchase of property, plant and equipment	(1,189)	(266)
Net cash used in investing activities	(933)	(266)
Cash Flows From Financing Activities		
Repayment of bank borrowings	(64)	(184)
Repayment of finance lease payables	(436)	(112)
Upliftment/(Placement) in fixed deposits pledged	1,767	(568)
Net cash generated from/(used in) financing activities	1,267	(864)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017 (Continued) ⁽¹⁾**

(The figures have not been audited)

	(Unaudited) 6 months ended 30 Septmber 2017 RM'000	(Unaudited) 6 months ended 30 June 2016 RM'000
Net (decrease)/increase in cash and cash equivalents	(6,049)	3,707
Cash and cash equivalents at the beginning of the financial period	24,259	6,491
Cash and cash equivalents at the end of the financial period	<u>18,210</u>	<u>10,198</u>
Cash and cash equivalents at the end of the financial period comprises:		
- Fixed deposits with licensed banks	4,830	2,116
- Cash and bank balances	13,707	10,669
- Bank overdrafts	-	(471)
	<u>18,537</u>	<u>12,314</u>
Less: Fixed deposits pledged with licensed banks	(327)	(2,116)
Net cash and cash equivalent at the end of financial period	<u>18,210</u>	<u>10,198</u>

Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Prospectus dated 28 September 2016, audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2016 as well as the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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 Rules 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 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 2016. 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 period, the Group has adopted the following amendments for MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period.

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisition of Interests in Joint Operations
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2012-2014 Cycle - Amendments to MFRS 12	

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

Standards 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.

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
Annual Improvements to MFRSs 2012-2014 Cycle	
- Amendments to MFRS 1	1 January 2018
- Amendments to MFRS 128	1 January 2018
MFRS 9	Financial instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and measurement of share-based payment transactions
Amendments to MFRS 15	Clarification to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
MFRS 16	Leases
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

A2. Auditors' report of preceding annual audited financial statements

The audited financial statements of the Group for the financial period ended 31 December 2016 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 and financial period-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 period-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 period-to-date.

A6. Debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial period-to-date.

A7. Segmental information

The Group's reportable segments comprise of Commercial Laundry Equipment, Medical Devices and Investment Holding segment.

For each reportable segments, the Group's chief operating decision maker which is the Board of Directors of the Company, reviews internal management reports at least on a quarterly basis.

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A7. Segmental information (cont'd)

Results for the cumulative (9 months) ended 30 September

In RM'000	2017					2016						
	Business Segments	Commercial Laundry Equipment	Medical Devices	Investment Holding	Adjustments & eliminations	Total Group	Commercial Laundry Equipment	Medical Devices	Investment Holding	Adjustments & eliminations	Total Group	
		Medical imaging equipment	Sterilisation, disinfection & surgical room equipment				Medical imaging equipment	Sterilisation, disinfection & surgical room equipment				
Revenue-(i)external	32,005	17,024	7,434	-	-	56,463	31,875	10,263	4,207	-	-	46,345
(ii)inter-segment	-	-	-	-	-	-	12	-	-	2,197	(2,209)	-
Total revenue	32,005	17,024	7,434	-	-	56,463	31,887	10,263	4,207	2,197	(2,209)	46,345
Results –Segment results	4,376	1,997	130	(1,066)	-	5,437	4,618	2,527	364	1,772	(2,197)	7,084
Interest income	52	27	30	237	-	346	21	1	15	-	-	37
Finance costs	(108)	(103)	(90)	(2)	-	(303)	(82)	(115)	(132)	^	-	(329)
Profit/(Loss) before taxation	4,320	1,921	70	(831)	-	5,480	4,557	2,413	247	1,772	(2,197)	6,792
Taxation	(558)	(465)	(104)	-	-	(1,127)	(1,139)	(604)	(63)	-	-	(1,806)
Profit after taxation	3,762	1,456	(34)	(831)	-	4,353	3,418	1,809	184	1,772	(2,197)	4,986
Other non-cash items:												
-Depreciation of property, plant and equipment	(265)	(227)	(92)	(42)	-	(626)	(183)	(193)	(82)	^	-	(458)
-Gain on disposal of property, plant and equipment	42	-	33	-	-	75	3	-	-	-	-	3
-Unrealised gain/(loss) on foreign exchange	-	3	-	-	-	3	(114)	-	(27)	-	-	(142)
Segment assets	19,446	15,083	9,898	31,810	(22,411)	53,826	17,038	12,277	6,446	19,832	(20,742)	34,851
Segment liabilities	(6,222)	(7,590)	(7,271)	(446)	5,561	(15,968)	(5,710)	(5,740)	(3,873)	(1,257)	3,892	(12,688)

^Represent less than RM1,000.

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(Incorporated in Malaysia under Companies Act 1965)

A7. Segmental information (cont'd)

Results for the current quarter (3 months) ended 30 September

In RM'000	2017					2016						
	Commercial Laundry Equipment	Medical Devices	Investment Holding	Adjustments & eliminations	Total Group	Commercial Laundry Equipment	Medical Devices	Investment Holding	Adjustments & eliminations	Total Group		
Business Segments		Medical imaging equipment	Sterilisation, disinfection & surgical room equipment				Medical imaging equipment	Sterilisation, disinfection & surgical room equipment				
Revenue-(i)external	11,121	6,306	1,527	-	-	18,954	9,839	2,699	1,262	-	-	13,800
(ii)inter-segment	-	-	-	-	-	-	12	-	-	2,197	(2,209)	-
Total revenue	11,121	6,306	1,527	-	-	18,954	9,851	2,699	1,262	2,197	(2,209)	13,800
Results –Segment results	2,082	527	(339)	(985)	-	1,285	1,028	445	(40)	1,883	(2,197)	1,118
Interest income	26	15	24	62	-	127	10	^	5	-	-	15
Finance costs	(29)	(33)	(28)	(2)	-	(92)	(25)	(36)	(97)	^	-	(158)
Profit/(Loss) before taxation	2,079	509	(343)	(925)	-	1,320	1,013	409	(132)	1,883	(2,197)	976
Taxation	-	(128)	-	-	-	(128)	(271)	(114)	31	-	-	(354)
Profit/(Loss) after taxation	2,079	381	(343)	(925)	-	1,192	742	295	(101)	1,883	(2,197)	622
Other non-cash items:												
-Depreciation of property, plant and equipment	(94)	(80)	(33)	(26)	-	(233)	(60)	(66)	(27)	^	-	(153)
-Gain/on disposal of property, plant and equipment	42	-	33	-	-	75	3	-	-	-	-	3
-Unrealised gain/(loss) on foreign exchange	-	3	-	-	-	3	(48)	-	(28)	-	-	(76)

^Represent less than RM1,000.

A8. Dividends Paid

No dividends were paid during the current quarter under review.

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 30 September 2017 except for the disclosure in note B6 (i) and (ii).

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 or financial impact on the current financial period-to-date.

A13. Material events subsequent to the end of the quarter

Save from the following, there were no other material events subsequent to the end of the current quarter and financial period-to-date that have not been reflected in the interim financial report:

- (1) On 9 November 2017, the Company announced that it has entered into the following agreements:-
 - a. a conditional share subscription agreement with Cypress Medic Sdn Bhd ("Cypress") and Law Soo Chin, Koh Lap Hing, Liaw Chong Lin, Hew Chun Shun, Chung Eng Lam, Kew Kin Chee and Chong Wai Mun (collectively, the "Existing Cypress Shareholder) to subscribe for 2,100,000 new ordinary shares in Cypress for a total cash consideration of RM1,722,000 ("Proposed Subscription");
 - b. profit guarantee agreement with the Existing Cypress Shareholders in relation to the guarantee of a profit after taxation of at least RM600,000 to be achieved by Cypress for the financial year ending 31 December 2018; and
 - c. shareholders' agreement with the Existing Cypress Shareholders and Cypress to regulate the conduct of the business and organisation of Cypress as well as the rights and obligations as shareholders of Cypress.

Subject to the relevant regulatory approvals being obtained and the fulfilment of the conditions of the Agreements, the Company will, upon completion of the Proposed Subscription, hold 51.03% equity interest in Cypress, thereby making Cypress a direct subsidiary of the Company.

A14. Related party transactions

There were no significant transaction with companies in which directors have interest during the quarter under review.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	Individual Quarter (Unaudited) 30 September 2017 RM'000	(Unaudited) 30 September 2016 RM'000	Changes (RM'000 /%)	Cumulative Quarter (Unaudited) 30 September 2017 RM'000	(Unaudited) 30 September 2016 RM'000	Changes (RM'000 / %)
Revenue	18,954	13,800	5,154/ 37.35%	56,463	46,345	10,118/ 21.83%
Operating profit	1,127	1,047	80/ 7.64%	5,184	6,806	(1,622)/ (23.83%)
Profit before interest and tax	1,412	1,134	278/ 24.51%	5,783	7,121	(1,338)/ (18.79%)
Profit before tax	1,320	976	344/ 35.25%	5,480	6,792	(1,312)/ (19.32%)
Profit after tax	1,192	622	570/ 91.64%	4,353	4,986	(633)/ (12.70%)
Profit attributable to ordinary equity holders of the parent	1,192	622	570/ 91.64%	4,353	4,986	(633)/ (12.70%)

Current quarter (3 months)

For the current quarter ended 30 September 2017, the Group recorded revenue of RM18.95 million as compared to RM13.80 million in the corresponding quarter ended 30 September 2016, an increase of RM5.15 million or 37.35%.

Revenue from the commercial laundry equipment business segment increased by RM1.28 million or 13.03% from RM9.84 million in the corresponding quarter ended 30 September 2016 compared to RM11.12 million in current quarter ended 30 September 2017, whilst the medical devices business segment contributed an increase in revenue by RM3.87 million or 97.75% from RM3.96 million in the corresponding quarter ended 30 September 2016 compared to RM7.83 million in the current quarter ended 30 September 2017.

Overall, the Group's profit before tax increased during the current quarter ended 30 September 2017 to profit before tax of RM1.32 million as compared to profit before tax of RM0.98 million in the corresponding quarter ended 30 September 2016. The increase is mainly due to revenue of medical business segment increased during the current quarter under review.

Cumulative quarter (9 months)

For the cumulative quarter ended 30 September 2017, the Group's revenue had increased by 21.83% to RM56.46 million as compared to RM46.35 million in the corresponding cumulative quarter ended 30 September 2016. As disclosed in Note A7, the increase in revenue was mainly contributed from the contribution from medical devices business segment of approximately RM9.99 million. This improvement in revenue from medical devices segment was mainly due to increase in medical imaging equipment by RM6.76 million and sterilisation, disinfection and surgical room equipment by RM3.23 million.

For the current cumulative quarter under review, the Group registered a profit before tax of RM5.48 million as compared to a profit before tax of RM6.79 million in the correspondence cumulated quarter ended 30 September 2016. The lower profit recorded was due to higher administrative costs incurred which had increased from RM9.74 million to RM11.35 million. The higher administrative costs incurred during the current cumulative quarter under review were mainly due to increase in staff costs and additional professional fees such as ISO audit fee etc.

B1. Review of performance (Cont'd)

The Group recorded approximately the same gross profit figures of RM16.5 million during the current cumulative quarter under review as compared to the corresponding cumulative quarter ended 30 September 2016, despite the higher revenue achieved during the current cumulative quarter under review. Mainly due to the Group had undertaken a marketing strategy of offering our medical devices at a more competitive pricing to secure orders from certain customers during the cumulative quarter under review.

B2. Comparison with immediate preceding quarter's results

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)		
	30 September 2017	30 June 2017	Changes (%)	Changes (Amount)
	RM'000	RM'000		RM'000
Revenue	18,954	17,195	10.23%	1,759
Operating profit	1,127	1,555	(27.52%)	(428)
Profit before interest and tax	1,412	1,694	(16.65%)	(282)
Profit before tax	1,320	1,580	(16.46%)	(260)
Profit after tax	1,192	1,194	(0.17%)	(2)
Profit attributable to ordinary equity holders of the parent	1,192	1,194	(0.17%)	(2)

For the current financial quarter ended 30 September 2017, the Group recorded a revenue of RM18.95 million and profit before tax of RM1.32 million as compared to a revenue of RM17.19 million and profit before tax of RM1.58 million in the preceding financial quarter ended 30 June 2017.

Higher revenue was recorded in the current quarter under review, represents RM1.76 million or 10.23% increased as compared to the preceding financial quarter ended 30 June 2017. The improvement were mainly due to improvement in revenue contributed from commercial laundry equipment business and medical business segment by RM1.25 million and RM0.51 million respectively.

The Group posted lower profit before tax in the current quarter under review, marginally decreased by RM0.26 million. Mainly due to higher staff cost, additional professional fees and corporate event expenses incurred during the current quarter under review.

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 laundrette 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.

B3. Prospects (Cont'd)

In relate to our future plan stated on part B3(a) above, the Group has successfully commenced three (3) Speed Queen self-service launderette outlets in Selayang, Sri Kembangan and Johor Bahru in the month of March 2017, August 2017 and October 2017 respectively. The Group is aggressively looking for the suitable locations in klang valley and Johor for the setting up the remaining planned eight (8) outlets in future.

In relate to our future plan stated on part B3(b) above, the Group has successfully obtained an appointment from KLS Martin SE Asia Sdn Bhd as the non-exclusive distributor on 10 February 2017 to distribute OT lights and accessories, pendants and modular OR. This create the new brand for medical devices during the financial period ended 30 June 2017 and the new appointment is valid until 5th December 2021 which had been approved by MDA.

In relate to our future plan stated on part B3(c) above, the Group is currently conducting feasibility studies in various aspects to analysis the suitability of the market South East Asian region.

Upon completion of Proposed Subscription 51.03% equity interest in Cypress as disclosed in Note A13(1), it will enable the Group to improve its profitability in the near future.

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 under review in any public documents.

B5. Taxation

	Individual Quarter Ended (Unaudited)		Cumulative Quarter Ended (Unaudited)	
	30 Sept 2017	30 Sept 2016	30 Sept 2017	30 Sept 2016
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- Current financial period	128	611	1,127	2,040
- Over provision in prior period	-	(257)	-	(257)
	<u>128</u>	<u>354</u>	<u>1,127</u>	<u>1,783</u>
Deferred tax expense:				
- Current financial period	-	-	-	12
- Under provision in prior year	-	-	-	11
Total tax expense	<u>128</u>	<u>354</u>	<u>1,127</u>	<u>1,806</u>

B6. Status of corporate proposals and utilisation of proceeds

Utilisation of proceeds

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

	Purpose	Approved Utilisation	Actual Utilised	Balance Unutilised	Estimated Timeframe for utilisation (from the date of Listing)
		RM'000	RM'000	RM'000	
i)	Working capital requirements, comprising:-				
	a) Purchase of brand new commercial laundry equipment and medical devices	8,837 ⁽²⁾	5,475	3,362	Up to 24 months
	b) Day-to-day working capital expenses	2,071 ⁽²⁾	2,025 ⁽¹⁾	46	Up to 18 months ⁽³⁾
ii)	Setting up chain of eleven (11) new Speed Queen self-service laundrette outlets	2,600	486	2,114	Up to 36 months ⁽²⁾
iii)	Estimated listing expenses	2,500	2,500	-	Within 1 month
		16,008	10,486	5,522	

There was no deviation between the approved utilisation amount and actual utilised amount.

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 15th November 2017.

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

Notes:

(2) Details of the variation to the utilisation of proceeds raised from the initial public offering ("IPO") has been announced to Bursa on 12th July 2017.

The variation summarised as following:

a. Working capital requirement

	Initial IPO Proceeds Utilisation	Variations of the IPO Proceeds Utilisation	Approved Utilisation
	RM'000	RM'000	RM'000
Purchase of brand new commercial laundry equipment and medical devices	7,700	1,137	8,837
Day-to-day working capital expenses	3,208	(1,137)	2,071

b. Expected timeframe for utilisation of proceeds for setting up chain of 11 new Speed Queen self-service launderette outlets had revised from "up to 24 months" to "up to 36 months".

(3) To-date, the Group has yet to fully utilise the IPO proceeds. The Board has resolved to extend the timeframe for the utilisation of proceeds which have been earmarked for the day-to-day working capital expenses for an additional 6 months (i.e. 18 months from the date of listing).

B7. Finance Lease Payable & Borrowings

The Group's finance lease payable and borrowings were as follows:-

	As at 3rd quarter ended 30 September 2017		
	Long term RM denomination	Short term RM denomination	Total RM denomination
	RM'000	RM'000	RM'000
Secured			
(i) Borrowings			
- Trust receipts	-	128	128
- Term loan	3,164	284	3,448
Sub-total	3,164	412	3,576
(ii) Finance lease payable			
- Hire purchase	1,523	523	2,046
Grand total	4,687	935	5,622

B7. Finance Lease Payable & Borrowings (Cont'd)

	As at 3rd quarter ended 30 September 2016		
	Long term	Short term	Total
	RM denomination	RM denomination	RM denomination
	RM'000	RM'000	RM'000
Secured			
(i) Borrowings			
- Bank overdrafts	-	471	471
- Term loan	3,436	261	3,697
Sub-total	3,436	732	4,168
(ii) Finance lease payable			
- Hire purchase	930	364	1,294
Grand total	4,366	1,096	5,462

Notes:

- (1) All the Group borrowings are denominated in Ringgit Malaysia and there are no foreign currency denomination borrowings.
- (2) All the Group borrowings are secured and no unsecured borrowings.
- (3) The average effective interest rates per annum are as follows:

	Rate (%)
Term loan	4.47 – 6.50
Trust receipts	7.20
Bank overdraft	8.17
Hire purchase	2.47-6.39

- (4) There were additional finance lease arrangements secured for acquisition of new motor vehicles during the current cumulative quarter ended 30 September 2017.

B8. Changes in material litigation

As at the date of this report, the BCM Group is not involved in any litigations or arbitrations, 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.

B9. Dividends Proposed

There were no dividends proposed for the current financial period under review.

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B10. Earnings per share

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

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
Profit attributable to owners of the Company (RM'000)	1,192	622	4,353	4,986
Weighted average number of ordinary shares in issue after the IPO ('000)	421,250	95,935 ⁽³⁾	421,250	95,935 ⁽³⁾
Basic ⁽¹⁾ /Diluted ⁽²⁾ earnings per share (sen)	0.28	0.65	1.03	5.2

Notes:

- (1) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (2) Diluted earnings per share of the Company for the current quarter and financial period to date ended 30 September 2017 is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.
- (3) Prior to fully completion of IPO issuance.

B11. Retained and unrealised earnings

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 December
	2017	2016 ⁽¹⁾
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	23,030	18,511
- Unrealised	143	309
Total retained earnings as per statement of financial position	23,173	18,820

Note:

- (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 2016.

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

	Quarter ended 30 September 2017 RM'000	Period-to-date ended 30 September 2017 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
- Depreciation of property, plant and equipment	233	626
- Gain on disposal of property, plant and equipment	(75)	(75)
- Gain or losses on disposal of quoted or unquoted investments or properties	-	-
- Impairment of assets	-	-
- Interest expense	92	303
- Interest income	(127)	(346)
- Provision for and write off of receivables	-	-
- Other income including investment income	-	-
- Provision for and write off of inventories	-	-
- Realised gain on foreign exchange	(125)	(175)
- Unrealised gain on foreign exchange	(3)	(3)

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 15th November 2017, the Group has submitted a total of one hundred and thirty two (132) online applications to register medical devices which the Group 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").

As at 15 November 2017, out of the total applications submitted by the Group, there were:-

- (i) Forty four (44) applications have successfully been approved by the MDA and such registration currently still adopting by the Group;
- (ii) Forty six (46) applications still under consideration by the MDA; and
- (iii) Forty two (42) applications be either dropped by the Group or cancelled by MDA mainly due to discontinuation of certain medical devices; certain medical devices are not classified as medical device within the definition of the Medical Devices Act 2012 which shall be registered; consolidation of certain medical devices under a group registration basic etc.

BY ORDER OF THE BOARD
24 November 2017