

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 31 March 2018 RM'000	(Unaudited) 31 March 2017 RM'000	(Unaudited) 31 March 2018 RM'000	(Unaudited) 31 March 2017 RM'000
Revenue	A7	24,379	20,314	24,379	20,314
Cost of Sales		(16,236)	(14,132)	(16,236)	(14,132)
Gross Profit		8,143	6,182	8,143	6,182
Other operating income		894	174	894	174
Administrative expenses		(4,466)	(3,678)	(4,466)	(3,678)
Profit from operations		4,571	2,678	4,571	2,678
Finance costs		(131)	(97)	(131)	(97)
Profit before taxation	A7	4,440	2,581	4,440	2,581
Taxation	B5	(940)	(613)	(940)	(613)
Profit for the financial period		3,500	1,968	3,500	1,968
Total comprehensive income for the financial period		3,500	1,968	3,500	1,968
Profit for the financial period attributed to:					
Owners of the Company		3,378	1,968	3,378	1,968
Non-controlling Interest		122	-	122	-
		3,500	1,968	3,500	1,968
Total comprehensive income attributed to:					
Owners of the Company		3,378	1,968	3,378	1,968
Non-controlling Interest		122	-	122	-
		3,500	1,968	3,500	1,968
Weighted average number of ordinary shares in issue ('000)	B10	421,250	277,679	421,250	277,679
Earnings per share attributable to owners of the Company (sen):					
- Basic ⁽²⁾ / Diluted ⁽³⁾	B10	0.80	0.71	0.80	0.71

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾

(The figures have not been audited)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2017 as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share is calculated based on the ordinary shares in BCM Alliance Berhad ("BCM") in issuance of 421,250,200 shares.
- (3) Diluted earnings per share of the Group for the current quarter and cumulative quarter ended 31st March 2018 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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BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018 ⁽¹⁾***(The figures have not been audited)*

	(Unaudited)	(Audited)
	As at	As at
	31 March	31 December
	2018	2017 ⁽²⁾
Note	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	10,292	9,595
Other investment	3,734	4,393
	14,026	13,988
CURRENT ASSETS		
Inventories	18,966	11,621
Trade receivables	14,013	10,734
Other receivables, prepayments and deposits	4,287	2,155
Tax recoverable	363	881
Fixed deposits with licensed banks	1,099	1,099
Cash and bank balances	14,341	15,272
TOTAL CURRENT ASSETS	53,069	41,762
TOTAL ASSETS	67,095	55,750
EQUITY AND LIABILITIES		
EQUITY		
Share capital	32,120	32,120
Merger reserve	(16,049)	(16,049)
Retained earnings	26,300	23,302
Equity attributable to owners of the Company	42,371	39,373
Non-controlling interest	2,492	-
TOTAL EQUITY	44,863	39,373
CURRENT LIABILITIES		
Trade payables	9,655	2,919
Other payables & accruals	6,501	7,206
Finance lease payables	831	517
Borrowings	677	602
TOTAL CURRENT LIABILITIES	17,664	11,244

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018 (Continued) ⁽¹⁾***(The figures have not been audited)*

		(Unaudited) As at 31 March 2018 RM'000	(Audited) As at 31 December 2017 ⁽²⁾ RM'000
	Note		
NON-CURRENT LIABILITIES			
Finance lease payables	B7	1,363	1,818
Borrowings	B7	3,029	3,139
Deferred tax liabilities		176	176
TOTAL NON-CURRENT LIABILITIES		4,568	5,133
TOTAL LIABILITIES		22,232	16,377
TOTAL EQUITY AND LIABILITIES		67,095	55,750
Net assets per share (RM) ⁽³⁾		0.11	0.09

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2017 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 2017.
- (3) Net assets per share is calculated based on the ordinary shares in BCM in issuance of 421,250,200 shares.

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾***(The figures have not been audited)*

	<----- Non-Distributable ----->			Distributable	Total	Non-	Total
	Share	Share	Merger	Retained	Shareholders'	controlling	Equity
	Capital	Premium	Reserve	Earnings	Equity	Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2018	32,120	-	(16,049)	23,302	39,373	-	39,373
Effects of changes in accounting policies MFRS 15 ⁽²⁾	-	-	-	(380)	(380)	-	(380)
Restated balance as at 1 January 2018	32,120	-	(16,049)	22,922	38,993	-	38,993
Acquisition of a subsidiary	-	-	-	-	-	2,370	2,370
Profit for the period							
- Total comprehensive income for the period	-	-	-	3,378	3,378	122	3,500
Balance as at 31 March 2018	32,120	-	(16,049)	26,300	42,371	2,492	44,863

	<----- Non-Distributable ----->			Distributable	Total	Non-	Total
	Share	Share	Merger	Retained	Shareholders'	controlling	Equity
	Capital	Premium	Reserve	Earnings	Equity	Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2017	21,063	11,057	(16,049)	18,820	34,891	-	34,891
Profit for the period							
- Total comprehensive income for the period	-	-	-	1,968	1,968	-	1,968
Balance as at 31 March 2017	21,063	11,057	(16,049)	20,788	36,859	-	36,859

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2017 as well as the accompanying explanatory notes attached to this interim financial report.
- (2) The Company has applied retrospectively of the MFRS 15 measurement which effected on 1 January 2018 by restating the retained earnings as at 1 January 2018 to reflect the unexpired sales warranties balances as at that date. This restatement is to enable such sales warranties to be recognised over the contracts duration in the subsequent time of periods.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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BCM ALLIANCE BERHAD (1135238-U)

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾***(The figures have not been audited)*

	(Unaudited) 3 months ended 31 March 2018 RM'000	(Unaudited) 3 months ended 31 March 2017 RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,440	2,581
Adjustments for:		
Depreciation of property, plant and equipment	290	184
Negative goodwill	(748)	-
Interest expense	131	97
Interest income	(102)	(92)
Operating profit before working capital changes	<u>4,011</u>	<u>2,770</u>
Changes in working capital:		
Inventories	(6,588)	(676)
Trade receivables	(1,876)	(2,726)
Other receivables	(2,049)	(836)
Trade payables	6,881	(1,125)
Other payables	(1,185)	(26)
	<u>(4,817)</u>	<u>(5,389)</u>
Cash used in operations	(806)	(2,619)
Interest received	102	92
Interest paid	(131)	(97)
Tax paid	(668)	(655)
Tax refund	363	13
	<u>(334)</u>	<u>(647)</u>
Net cash used in operating activities	<u>(1,140)</u>	<u>(3,266)</u>
Cash Flows From Investing Activities		
Acquisition of subsidiary (net of cash)	594	-
Purchase of property, plant and equipment	(867)	(191)
Disposal of other investment	659	-
Net cash generated from/(used in) investing activities	<u>386</u>	<u>(191)</u>
Cash Flows From Financing Activities		
Repayment of bank borrowings	(67)	(66)
Repayment of finance lease payables	(141)	(99)
Uplift of fixed deposits pledged	-	(31)
Net cash used in financing activities	<u>(208)</u>	<u>(196)</u>

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) ⁽¹⁾***(The figures have not been audited)*

	(Unaudited) 3 months ended 31 March 2018 RM'000	(Unaudited) 3 months ended 31 March 2017 RM'000
Net decrease in cash and cash equivalents	(962)	(3,653)
Cash and cash equivalents at the beginning of the period	14,938	24,259
Cash and cash equivalents at the end of the period	<u>13,976</u>	<u>20,606</u>
Cash and cash equivalents at the end of the period comprises:		
- Fixed deposits with licensed banks	1,099	2,210
- Cash and bank balances	14,341	21,230
- Bank overdrafts	(386)	(624)
	<u>15,054</u>	<u>22,816</u>
Less: Fixed deposits pledged with licensed banks	(1,078)	(2,210)
Net cash and cash equivalent at the end of the period	<u>13,976</u>	<u>20,606</u>

Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the BCM Group for the financial year ended 31 December 2017 as well as the accompanying explanatory notes attached to this interim financial report.

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 2017 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 2017. 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
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
Annual Improvements to MFRSs 2012-2014 Cycle -Amendments to MFRS 1; Amendments to MFRS 12; Amendments to MFRS 128	

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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	
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

A2. Auditors' report of preceding annual audited financial statements

The audited financial statements of the Group for the financial year ended 31 December 2017 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, health care products 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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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**A7. Segmental information (cont'd)****Results for the current and cumulative 3 months ended 31 March**

In RM'000

Business Segments	Q1 2018					Q1 2017						
	Commercial Laundry Equipment	Medical Devices	Health care Products	Investment Holding	Adjustment & elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Health care Products	Investment Holding	Adjustment & elimination	Total Group
Revenue-(i)external customers	14,321	9,115	943	-	-	24,379	11,017	9,297	-	-	-	20,314
(ii)inter-segment	-	-	-	-	-	-	-	-	-	270	(270)	-
Total revenue	14,321	9,115	943	-	-	24,379	11,017	9,297	-	270	(270)	20,314
Results –Segment results	2,670	1,170	243	(362)	748	4,469	1,250	1,328	-	8	-	2,586
Interest income	36	22	7	37	-	102	4	8	-	80	-	92
Finance costs	(52)	(75)	-	(4)	-	(131)	(33)	(64)	-	^	-	(97)
Profit before taxation	2,654	1,117	250	(329)	748	4,440	1,221	1,272	-	88	-	2,581
Taxation	(663)	(277)	-	-	-	(940)	(305)	(308)	-	-	-	(613)
Profit/(Loss) after taxation	1,991	840	250	(329)	748	3,500	916	964	-	88	-	1,968
Other non-cash items:												
-Depreciation of property, plant and equipment	(123)	(130)	(11)	(26)	-	(290)	(84)	(100)	-	^	-	(184)
Segment assets	24,542	32,276	6,357	32,349	(28,429)	67,095	18,245	27,974	-	32,916	(23,684)	55,451
Segment liabilities	(9,030)	(21,359)	(1,267)	(433)	9,857	(22,232)	(7,130)	(17,679)	-	(618)	6,835	(18,592)

^ Represent less than RM1,000

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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 31 March 2018 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 except the subscription of shares of 51.03% in a subsidiary, Cypress Medic Sdn Bhd.

On 9 February 2018, the conditions precedent set out in the Subscription Agreements has been fulfilled and the subscription consideration of RM1,722,000 has been paid by the Company to Cypress, making the completion of the proposal.

Following the completion of the Proposed Subscription, Cypress is now a 51.03% owned subsidiary of the Company.

A12. Contingent liabilities and contingent assets

Since the last annual balance sheet date, there were no contingent liabilities and contingent assets 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

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:

A14. Related party transactions

The Group's related party transactions in the current period under review are as follows:

	(Unaudited) Quarter ended 31 March 2018 RM'000	(Unaudited) Cumulative quarter ended 31 March 2018 RM'000
Rental expenses paid to a company connected to certain directors.	16	16
Rental deposits paid to a company connected to certain directors.	30	30

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	Individual Quarter (Unaudited) 31 March 2018 RM'000	Individual Quarter (Unaudited) 31 March 2017 RM'000	Changes (RM'000 / %)	Cumulative Quarter (Unaudited) 31 March 2018 RM'000	Cumulative Quarter (Unaudited) 31 March 2017 RM'000	Changes (RM'000 / %)
Revenue	24,379	20,314	4,065/ 20.01%	24,379	20,314	4,065/ 20.01%
Operating profit	3,677	2,504	1,173/ 46.85%	3,677	2,504	1,173/ 46.85%
Profit before interest and tax	4,571	2,678	1,893/ 70.69%	4,571	2,678	1,893/ 70.69%
Profit before tax	4,440	2,581	1,859/ 72.03%	4,440	2,581	1,859/ 72.03%
Profit after tax	3,500	1,968	1,532/ 77.85%	3,500	1,968	1,532/ 77.85%
Profit attributable to Owners of the Company	3,378	1,968	1,410/ 71.65%	3,378	1,968	1,410/ 71.65%

Current quarter (3 months)

For the current quarter ended 31 March 2018, the Group recorded revenue of RM24.38 million as compared to RM20.31 million in the corresponding quarter ended 31 March 2017, an increase of RM4.06 million or 20.01%.

Revenue from the commercial laundry equipment business segment increased by RM3.30 million or 30.00% from RM11.01 million in the corresponding quarter ended 31 March 2017 compared to RM14.32 million in current quarter ended 31 March 2018, whilst the medical devices business and healthcare products segments increase in revenue by RM0.76 million or 8.18% from RM9.30 million in the corresponding quarter ended 31 March 2017 compared to RM10.06 million in the current quarter ended 31 March 2018.

The increase in revenue contribution from commercial laundry equipment business segment was mainly attributed to the continuous growth in sales of commercial laundry equipment as more outlets has been set up by our customers.

The revenue contribution from the medical devices business segment was consistent albeit drop marginally by RM0.18 million or 1.95%.

The additional revenue of RM0.94 million derive from healthcare products segment was mainly due to good response for its core products such as Rossmax blood pressure monitor, nebulizer, body fat monitor and so on.

Overall, the Group's profit before tax increased during the current quarter ended 31 March 2018 of RM4.44 million as compared to profit before tax of RM2.58 million in the corresponding quarter ended 31 March 2017. The increase is mainly due to higher revenue as mentioned above, improvement in overall gross profit margin and recognition of negative goodwill pertaining to the acquisition of new subsidiary during the current quarter under review.

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**B2. Comparison with immediate preceding quarter's results**

	<----- Quarter ended ----->			
	(Unaudited) 31 March 2018 RM'000	(Unaudited) 31 December 2017 RM'000	Changes (%)	Changes RM'000
Revenue	24,379	19,680	23.88	4,699
Operating profit	3,677	1,339	174.61	2,338
Profit before interest and tax	4,571	1,492	206.37	3,079
Profit before tax	4,440	1,350	228.89	3,090
Profit after tax	3,500	130	2,592.31	3,370
Profit attributable to Owners of the Company	3,378	130	2,498.46	3,248

For the current financial quarter ended 31 March 2018, the Group recorded a revenue of RM24.38 million and profit before tax position of RM4.44 million as compared to a revenue of RM19.68 million and profit before tax position of RM1.35 million in the preceding quarter ended 31 December 2017.

Higher revenue was recorded in the current quarter under review, represents RM4.70 million or 23.88% increased as compared to the preceding financial quarter ended 31 December 2017. The improvement was due to increase in revenue contributed from commercial laundry equipment business segment by RM2.16 million, RM1.60 million from medical devices segments and RM0.94 million from healthcare products segment.

The increase in revenue contribution from commercial laundry equipment business segment was mainly attributed to the continuous growth in sales of commercial laundry equipment as more outlets has been set up by our customers.

The increase in revenue contribution from the medical devices business segment was mainly attributable to more orders secured from its customers for medical imaging equipment and sterilisation equipment.

The additional revenue of RM0.94 million derive from healthcare products segment was mainly due to good response for its core products such as Rossmax blood pressure monitor, nebulizer, body fat monitor and so on.

Overall, the Group's profit before tax increased during the current quarter ended 31 March 2018 of RM4.44 million as compared to profit before tax of RM1.35 million in the corresponding quarter ended 31 December 2017. The increase is mainly due to higher revenue as mentioned above, improve in overall gross profit margin and recognition of negative goodwill pertaining to the acquisition of new subsidiary during the current quarter under review.

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B3. Prospects

The future plans and prospects of our Group focus on certain key areas with the objective to enhance our revenue growth, improve profitability and as well as to enhance our business and operational support functions to meet the demands of our future growth.

We intend to achieve our objectives through the following strategies:

(a) Setting up of Speed Queen self-service launderette outlets

The Group has set up one more Speed Queen self-service launderette outlet in Johor Bahru in April 2018. The Group is currently looking for suitable locations for the setting up the remaining planned seven (7) outlets in future.

(b) Continuous expansion of our existing portfolio of products and brands

The Group was appointed as distributor for Siemens Healthineers cardiac angiography system and fluoroscopy system in February 2018.

Nevertheless, the Group is continuous looking for expansion of new portfolio of products and brands aggressively in year 2018 to enhance future performance.

(c) Expansion of healthcare products segment in year 2018

With the completion of Proposed Subscription in new subsidiary, the Group will be able to expand its product offerings to include the distribution of healthcare products and clinical devices, in addition of its current distribution of consumables medical devices.

In view of positive results contributed from this new business segment in current quarter under review, the Group is confident that the prospect of this segment is in favour to the Group in near future.

(d) To broaden our new customer base and continuous enhance relationship on our existing customer base

Our management and marketing team are aggressively looking for new customers. Besides that, we want to enhance relationship with customers in order to recommend to them on our other suitable device/machine; suitable upgrading, replacement and service packages to secure potential sales order in year 2018.

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 2018 will remain favourable.

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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)	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- Current financial period	940	613	940	613
Total tax expense	<u>940</u>	<u>613</u>	<u>940</u>	<u>613</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	5,475	3,362	Up to 24 months
b) Day-to-day working capital expenses	2,071	2,071	-	Up to 18 months
ii) Setting up chain of eleven (11) new Speed Queen self-service launderette outlets	2,600	486	2,114	Up to 36 months
iii) Estimated listing expenses	2,500	2,500	-	Within 1 month
	<u>16,008</u>	<u>10,532</u>	<u>5,476</u>	

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

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**B6. Status of corporate proposals and utilisation of proceeds (continued)**

There were no corporate proposal in the current quarter under review, except for the subscription of shares of 51.03% in a subsidiary, Cypress Medic Sdn. Bhd.

On 9 February 2018, the conditions precedent set out in the Subscription Agreements has been fulfilled and the subscription consideration of RM1,722,000 has been paid by the Company to Cypress, making the completion of the proposal.

Following the completion of the Proposed Subscription, Cypress is now a 51.03% owned subsidiary of the Company.

B7. Finance Lease Payable & Borrowings

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

	As at 1st quarter ended 31 March 2018		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Borrowings			
- Bank overdraft	-	386	386
- Term loan	3,029	291	3,320
Sub-total	3,029	677	3,706
(ii) Finance lease payable			
- Hire purchase	1,363	831	2,194
Grand total	4,392	1,508	5,900
	As at 4th quarter ended 31 December 2017		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Borrowings			
- Bank overdrafts	-	354	354
- Term loan	3,139	248	3,387
Sub-total	3,139	602	3,741
(ii) Finance lease payable			
- Hire purchase	1,818	517	2,335
Grand total	4,957	1,119	6,076

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.

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**B7. Finance Lease Payable & Borrowings (continued)****Notes:**

(3) The average effective interest rates per annum are as follows:

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

(1) There were no additional borrowings been arranged during the current quarter ended 31 March 2018.

B8. Changes in material litigation

As at the date of this report, the BCM Group is not involved in any litigations or arbitrations either as a defendant or plaintiff, 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.

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)
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
Profit attributable to owners of the Company (RM'000)	3,378	1,968	3,378	1,968
Weighted average number of issuance shares ('000)	421,250	277,679	421,250	277,679
Basic ⁽¹⁾ /Diluted ⁽²⁾ earnings per share (sen)	0.80	0.71	0.80	0.71

Notes:

(1) Basic earnings per share for the quarter and year is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and year respectively.

(2) Diluted earnings per share of the Company for the current quarter and financial period to date ended 31 March 2018 is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.

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FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018**B11. Disclosure on selected expense/ (income) items as required by the Listing Requirements**

	Quarter ended 31 March 2018 RM'000	Period-to-date ended 31 March 2018 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
- Depreciation of property, plant and equipment	290	290
- Negative goodwill arose from acquisition of subsidiary	(748)	(748)
- Gain on disposal of property, plant and equipment	-	-
- Gain or losses on disposal of quoted or unquoted investments or properties	-	-
- Impairment of assets	-	-
- Interest expenses	131	131
- Interest income	(102)	(102)
- Provision for and write off of receivables	-	-
- Other income including investment income	-	-
- Provision for and write off of inventories	-	-
- Unrealised gain on foreign exchange	-	-

B12. 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 May 2018, the Group has submitted a total of one hundred and sixty eight (168) 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 May 2018, out of the total applications submitted by the Group, there were:-

- (i) Seventy nine (79) applications have successfully been approved by MDA and such registration for these particular medical devices are still adopted by the Group;
- (ii) Twenty six (26) applications still under consideration by the MDA; and
- (iii) Sixty three (63) applications shall be either be dropped by the Group due to discontinuance of importing certain types of medical devices, or being cancelled by MDA mainly due to misclassification of the particular of certain medical devices under the Medical Devices Act, 2012.

**BY ORDER OF THE BOARD
25 May 2018**