

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

(Incorporated in Malaysia)

**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME <sup>(1)</sup>***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 30 September 2018 RM'000	(Unaudited) 30 September 2017 RM'000	(Unaudited) 30 September 2018 RM'000	(Unaudited) 30 September 2017 RM'000
Revenue	A7	19,629	18,954	70,670	56,463
Cost of Sales		(13,249)	(13,832)	(47,564)	(39,926)
Gross Profit		6,380	5,122	23,106	16,537
Other operating incomes		100	285	1,306	599
Administrative expenses		(5,113)	(3,995)	(14,739)	(11,353)
Profit from operations		1,367	1,412	9,673	5,783
Finance costs		(140)	(92)	(386)	(303)
Profit before taxation	A7	1,227	1,320	9,287	5,480
Taxation	B5	(172)	(128)	(2,317)	(1,127)
Profit for the financial period		1,055	1,192	6,970	4,353
<b>Total comprehensive income for the financial period</b>		<b>1,055</b>	<b>1,192</b>	<b>6,970</b>	<b>4,353</b>
Profit for the financial period attributed to:					
Owners of the Company		997	1,192	6,774	4,353
Non-controlling Interest		58	-	196	-
		1,055	1,192	6,970	4,353
Total comprehensive income attributed to:					
Owners of the Company		997	1,192	6,774	4,353
Non-controlling Interest		58	-	196	-
		1,055	1,192	6,970	4,353
Weighted average number of ordinary shares in issue ('000)	B10	421,250	421,250	421,250	421,250
Earnings per share attributable to owners of the Company (sen):					
- Basic <sup>(2)</sup> /Diluted <sup>(3)</sup>	B10	0.24	0.28	1.61	1.03

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME <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 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 30 September 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)**

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2018 <sup>(1)</sup>***(The figures have not been audited)*

	<b>Note</b>	<b>(Unaudited) As at 30 September 2018 RM'000</b>	<b>(Audited) As at 31 December 2017 <sup>(2)</sup> RM'000</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		11,453	9,595
Other investment		9,166	4,393
		20,619	13,988
<b>CURRENT ASSETS</b>			
Inventories		12,630	11,621
Trade receivables		14,826	10,734
Other receivables, prepayments and deposits		1,850	2,155
Tax recoverable		427	881
Fixed deposits with licensed banks		1,107	1,099
Cash and bank balances		15,629	15,272
<b>TOTAL CURRENT ASSETS</b>		46,469	41,762
<b>TOTAL ASSETS</b>		67,088	55,750
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		32,120	32,120
Merger reserve		(16,049)	(16,049)
Retained earnings		29,685	23,302
Equity attributable to owners of the Company		45,756	39,373
Non-controlling interest		2,510	-
<b>TOTAL EQUITY</b>		48,266	39,373
<b>CURRENT LIABILITIES</b>			
Trade payables		3,484	2,919
Other payables & accruals		7,903	7,206
Finance lease payables	B7	588	517
Borrowings	B7	2,049	602
<b>TOTAL CURRENT LIABILITIES</b>		14,024	11,244

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AS AT 30 SEPTEMBER 2018 (Continued) <sup>(1)</sup>***(The figures have not been audited)*

	<b>Note</b>	<b>(Unaudited) As at 30 September 2018 RM'000</b>	<b>(Audited) As at 31 December 2017 <sup>(2)</sup> RM'000</b>
<b>NON-CURRENT LIABILITIES</b>			
Finance lease payables	B7	1,681	1,818
Borrowings	B7	2,941	3,139
Deferred tax liabilities		176	176
<b>TOTAL NON-CURRENT LIABILITIES</b>		4,798	5,133
<b>TOTAL LIABILITIES</b>		18,822	16,377
<b>TOTAL EQUITY AND LIABILITIES</b>		67,088	55,750
Net assets per share (RM) <sup>(3)</sup>		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.

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

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>***(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	
	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 policy MFRS 15 <sup>(2)</sup>	-	-	-	(391)	(391)	-	(391)
Restated balance as at 1 January 2018	32,120	-	(16,049)	22,911	38,982	-	38,982
Acquisition of a subsidiary	-	-	-	-	-	2,314	2,314
<b>Profit for the period</b>							
- Total comprehensive income for the period	-	-	-	6,774	6,774	196	6,970
Balance as at 30 September 2018	32,120	-	(16,049)	29,685	45,756	2,510	48,266

	←---- Non-Distributable -----→			Distributable	Total	Non-	Total
	Share	Share	Merger	Retained	Shareholders'	controlling	Equity
	Capital	Premium	Reserve	Earnings	Equity	Interest	
	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
Transition to no-par value regime on 31 January 2017 <sup>(3)</sup>	11,057	(11,057)	-	-	-	-	-
<b>Profit for the period</b>							
- Total comprehensive income for the period	-	-	-	4,353	4,353	-	4,353
Balance as at 30 September 2017	32,120	-	(16,049)	23,173	39,244	-	39,244

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

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### **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**

#### **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.

- (3) Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act 1965. In accordance with the transitional provisions set out in Section 618(2) of the new Companies Act 2016, on 31 January 2017, the amounts standing to the credit of the share premium account become part of the Company's share capital.

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

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>***(The figures have not been audited)*

	<b>(Unaudited) 9 months ended 30 September 2018 RM'000</b>	<b>(Unaudited) 9 months ended 30 September 2017 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	9,287	5,480
Adjustments for:		
Depreciation of property, plant and equipment	976	626
Negative goodwill arose from acquisition of a subsidiary	(690)	-
Interest expense	386	303
Interest income	(312)	(346)
Gain on disposal of property, plant and equipment	(229)	(75)
Unrealised gain on foreign exchange difference	(14)	(3)
Impairment loss on property, plant and equipment	6	-
Operating profit before working capital changes	9,410	5,985
<b>Changes in working capital:</b>		
Inventories	(252)	(3,446)
Trade receivables	(2,308)	(2,334)
Other receivables	388	(1,072)
Trade payables	724	(2,610)
Other payables	(201)	(1,218)
	(1,649)	(10,680)
Cash generated from/(used in) operations	7,761	(4,695)
Interest received	312	346
Interest paid	(386)	(303)
Tax paid	(2,197)	(1,969)
Tax refund	363	238
	(1,908)	(1,688)
Net cash generated from/(used in) operating activities	5,853	(6,383)
<b>Cash Flows From Investing Activities</b>		
Acquisition of a subsidiary (net of cash)	594	-
Purchase of a property, plant and equipment	(2,134)	(1,189)
Proceeds from disposal of property, plant and equipment	283	136
Proceeds from disposal of derivative financial assets	-	120
Purchase of other investment	(4,773)	-
Net cash used in investing activities	(6,030)	(933)
<b>Cash Flows From Financing Activities</b>		
Repayment of bank borrowings	(192)	(64)
Repayment of finance lease payables	(705)	(436)
(Placement)/ Uplift of fixed deposits pledged	(9)	1,767
Increase in trust receipts	1,794	-
Net cash generated from financing activities	888	1,267

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) <sup>(1)</sup>***(The figures have not been audited)*

	<b>(Unaudited) 9 months ended 30 September 2018 RM'000</b>	<b>(Unaudited) 9 months ended 30 September 2017 RM'000</b>
Net increase/(decrease) in cash and cash equivalents	711	(6,049)
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>15,649</u>	<u>18,210</u>
<b>Cash and cash equivalents at the end of the period comprises:</b>		
- Fixed deposits with licensed banks	1,107	4,830
- Cash and bank balances	15,629	13,707
	<u>16,736</u>	<u>18,537</u>
Less: Fixed deposits pledged with licensed banks	(1,087)	(327)
Net cash and cash equivalent at the end of the period	<u>15,649</u>	<u>18,210</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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## 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.

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective dates for financial period beginning on and after</b>
MFRS 16 Amendments to MFRS 10 and MFRS 128	1 January 2019 Deferred until further notice
Leases 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 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, healthcare 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 THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018**
**A7. Segmental information (cont'd)**
**Results for the cumulative 9 months ended 30 September**

In RM'000

Business Segments	Q3 2018					Total Group	Q3 2017					Total Group
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination		Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination	
Revenue (i)external customers	33,630	32,509	4,531	-	-	70,670	32,005	24,458	-	-	-	56,463
(ii)inter-segment	-	-	-	280	(280)	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>33,630</b>	<b>32,509</b>	<b>4,531</b>	<b>280</b>	<b>(280)</b>	<b>70,670</b>	<b>32,005</b>	<b>24,458</b>	-	-	-	<b>56,463</b>
<b>Results –Segment results</b>	5,264	3,900	512	(1,005)	690	9,361	4,376	2,127	-	(1,066)	-	5,437
Interest incomes	122	56	32	102	-	312	52	57	-	237	-	346
Finance costs	(127)	(247)	-	(12)	-	(386)	(108)	(193)	-	(2)	-	(303)
<b>Profit/(Loss) before taxation</b>	<b>5,259</b>	<b>3,709</b>	<b>544</b>	<b>(915)</b>	<b>690</b>	<b>9,287</b>	<b>4,320</b>	<b>1,991</b>	-	<b>(831)</b>	-	<b>5,480</b>
Taxation	(1,211)	(962)	(143)	(1)	-	(2,317)	(558)	(569)	-	-	-	(1,127)
<b>Profit/(Loss) after taxation</b>	<b>4,048</b>	<b>2,747</b>	<b>401</b>	<b>(916)</b>	<b>690</b>	<b>6,970</b>	<b>3,762</b>	<b>1,422</b>	-	<b>(831)</b>	-	<b>4,353</b>
<b>Other non-cash items:</b>												
-Depreciation of property, plant and equipment	(391)	(444)	(61)	(80)	-	(976)	(265)	(319)	-	(42)	-	(626)
-Gain on disposal of property, plant and equipment	-	229	-	-	-	229	42	33	-	-	-	75
-Impairment loss on property, plant and equipment	-	(6)	-	-	-	(6)	-	-	-	-	-	-
-Unrealised (loss)/gain on foreign exchange difference	(2)	16	-	-	-	14	-	3	-	-	-	3
<b>Segment assets</b>	28,820	30,863	5,515	31,687	(29,797)	67,088	19,446	24,981	-	31,810	(22,411)	53,826
<b>Segment liabilities</b>	(11,250)	(18,050)	(388)	(358)	11,224	(18,822)	(6,222)	(14,861)	-	(446)	5,561	(15,968)

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## A7. Segmental information (cont'd)

### Results for the current 3 months ended 30 September

In RM'000

Business Segments	Q3 2018						Q3 2017					
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination	Total Group
Revenue-(i)external customers	10,197	7,479	1,953	-	-	19,629	11,121	7,833	-	-	-	18,954
(ii)inter-segment	-	-	-	280	(280)	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>10,197</b>	<b>7,479</b>	<b>1,953</b>	<b>280</b>	<b>(280)</b>	<b>19,629</b>	<b>11,121</b>	<b>7,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,954</b>
<b>Results –Segment results</b>	664	716	109	(226)	-	1,263	2,082	188	-	(985)	-	1,285
<b>Interest incomes</b>	44	16	13	31	-	104	26	39	-	62	-	127
<b>Finance costs</b>	(38)	(98)	-	(4)	-	(140)	(29)	(61)	-	(2)	-	(92)
<b>Profit/(Loss) before taxation</b>	<b>670</b>	<b>634</b>	<b>122</b>	<b>(199)</b>	<b>-</b>	<b>1,227</b>	<b>2,079</b>	<b>166</b>	<b>-</b>	<b>(925)</b>	<b>-</b>	<b>1,320</b>
<b>Taxation</b>	(25)	(143)	(3)	(1)	-	(172)	-	(128)	-	-	-	(128)
<b>Profit/(Loss) after taxation</b>	<b>645</b>	<b>491</b>	<b>119</b>	<b>(200)</b>	<b>-</b>	<b>1,055</b>	<b>2,079</b>	<b>38</b>	<b>-</b>	<b>(925)</b>	<b>-</b>	<b>1,192</b>
<b>Other non-cash items:</b>												
-Depreciation of property, plant and equipment	(141)	(158)	(29)	(27)	-	(355)	(94)	(113)	-	(26)	-	(233)
-Gain on disposal of property, plant and equipment	-	50	-	-	-	50	42	33	-	-	-	75
--Impairment loss on property, plant and equipment	-	(3)	-	-	-	(3)	-	-	-	-	-	-
-Unrealised (loss)/gain on foreign exchange difference	(2)	(54)	-	-	-	(56)	-	3	-	-	-	3

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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 30 September 2018 except for the disclosure in Note B6 (i) (a) 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 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 significant related party transactions in the current period under review are as follows:

	<b>(Unaudited) Current quarter ended 30 September 2018 RM'000</b>	<b>(Unaudited) Cumulative quarter ended 30 September 2018 RM'000</b>
Rental expense paid to a company connected to certain directors.	39	99
Rental deposits paid to a company connected to certain directors.	-	48

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS****B1. Review of performance**

	<b>Individual Quarter (Unaudited) 30 September 2018 RM'000</b>	<b>Individual Quarter (Unaudited) 30 September 2017 RM'000</b>	<b>Changes (RM'000 / %)</b>	<b>Cumulative Quarter (Unaudited) 30 September 2018 RM'000</b>	<b>Cumulative Quarter (Unaudited) 30 September 2017 RM'000</b>	<b>Changes (RM'000 / %)</b>
Revenue	19,629	18,954	675/ 3.56%	70,670	56,463	14,207/ 25.16%
Operating profit	1,267	1,127	140/ 12.42%	8,367	5,184	3,183/ 61.40%
Profit before interest and tax	1,367	1,412	(45)/ (3.19%)	9,673	5,783	3,890/ 67.27%
Profit before tax	1,227	1,320	(93)/ (7.05%)	9,287	5,480	3,807/ 69.47%
Profit after tax	1,055	1,192	(137)/ (11.49%)	6,970	4,353	2,617/ 60.12%
Profit attributable to owners of the Company	997	1,192	(195)/ (16.36%)	6,774	4,353	2,421/ 55.62%

**Current quarter (3 months)**

For the current quarter ended 30 September 2018, the Group recorded revenue of RM19.63 million as compared to RM18.95 million in the corresponding quarter ended 30 September 2017, an increase of RM0.68 million or 3.56%.

Revenue from the commercial laundry equipment business segment decreased by RM0.92 million or 8.31% from RM11.12 million in the corresponding quarter ended 30 September 2017 compared to RM10.20 million in current quarter ended 30 September 2018, whilst the medical devices business segments decreased in revenue by RM0.35 million or 4.52% from RM7.83 million in the corresponding quarter ended 30 September 2017 compared to RM7.48 million in the current quarter ended 30 September 2018.

The healthcare products segment has contributed RM1.95 million revenue for the Group in current quarter ended 30 September 2018, represents good demand of its core products named Rossmax.

The decrease in revenue contribution from the medical devices business segment was mainly attributable to certain orders secured from medical imaging equipment sub-segment only able to be recognise in next quarter and year 2019 although more order and higher revenue generated from sterilisation equipment sub-segment.

The decrease in revenue contribution from commercial laundry equipment business segment was mainly due to lower demand in current quarter.

Overall, the Group's profit before tax decreased during the current quarter ended 30 September 2018 recorded at RM1.23 million as compared to profit before tax of RM1.32 million in the corresponding quarter ended 30 September 2017. The decrease of RM0.09 million or 7.05% was mainly due to higher staff costs during the current quarter under review.

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#### **B1. Review of performance (cont'd)**

##### **Cumulative quarter (9 months)**

For the cumulative nine (9) months period ended 30 September 2018, the Group's revenue had increased by RM14.21 million or 25.16% to RM70.67 million as compared to RM56.46 million in the corresponding cumulated quarter ended 30 September 2017. As disclosed in Note A7, the increase in revenue were mainly due to increase in the revenue contribution from medical devices business segment and commercial laundry equipment business segment by RM8.05 million and RM1.63 million respectively.

Revenue achieved by the healthcare products segment of RM4.53 million since the subscription of shares in Cypress Medic Sdn. Bhd. was also a factor contributed higher Group's revenue for the cumulative quarter ended 30 September 2018.

The increase in revenue contribution from the medical devices business segment was mainly attributable to the good reception received by its customers in the medical industry from the introduction of new medical devices and equipment in year 2018 via new distributorship secured. As a result, the Group has managed to secure more orders from existing and new customers for medical imaging equipment and sterilisation equipment in cumulative quarter ended 30 September 2018 as compared to cumulative quarter ended 30 September 2017.

The increase in revenue contribution from commercial laundry equipment business segment of RM1.63 million mainly attributed to the continuous growth in sales of commercial laundry equipment as more laundry outlets has been set up by our customers albeit the revenue dropped in current quarter ended 30 September 2018.

For the current cumulative quarter under review, the Group registered a profit before tax of RM9.29 million as compared to a profit before tax of RM5.48 million in the correspondence cumulative quarter ended 30 September 2017. The better results by RM3.81 million or 69.47% were mainly due to higher revenue generated from commercial laundry equipment business segment, medical devices business segment and injection of new healthcare products business segment in cumulative quarter ended 30 September 2018.

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****B2. Comparison with immediate preceding quarter's results**

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)		
	30 September	30 June	Changes	Changes
	2018	2018		
	RM'000	RM'000	RM'000	%
Revenue	19,629	26,662	(7,033)	(26.38)
Operating profit	1,267	3,423	(2,156)	(62.99)
Profit before interest and tax	1,367	3,735	(2,368)	(63.40)
Profit before tax	1,227	3,620	(2,393)	(66.10)
Profit after tax	1,055	2,415	(1,360)	(56.31)
Profit attributable to owners of the Company	997	2,399	(1,402)	(58.44)

For the current quarter ended 30 September 2018, the Group recorded a revenue of RM19.63 million and profit before tax of RM1.23 million as compared to a revenue of RM26.66 million and profit before tax of RM3.62 million in the immediate preceding quarter ended 30 June 2018.

Lower revenue was recorded in the current quarter under review, represents 26.38% or RM7.03 million decreased as compared to the immediate preceding quarter ended 30 June 2018. It was mainly due to the decrease in revenue contribution from medical devices segment by RM8.44 million.

The decrease in revenue contribution from the medical devices business segment was mainly attributable to certain orders secured from medical imaging equipment sub-segment only able to be recognise in next quarter and year 2019 despite more order and higher revenue generated from sterilisation equipment sub-segment.

However, there were improvement in revenue contribution from commercial laundry equipment business segment and healthcare products segment in current quarter by RM1.09 million and RM0.32 million respectively.

The increase in revenue contribution from commercial laundry equipment business segment was mainly due to higher demand in the current quarter in response of zero-rated Goods and Services Tax for the period from June 2018 to August 2018.

Overall, the Group's profit before tax decreased during the current quarter ended 30 September 2018 by RM2.39 million or 66.10% as compared to profit before tax of RM3.62 million in the immediate preceding quarter ended 30 June 2018. The lower profit recorded were due to lower revenue resulted from the medical device business segment.



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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 had set up the fifth Speed Queen self-service launderette outlet in Taman Pelangi Indah, Johor Bahru in September 2018. The Group is currently assessing options on the suitable locations to set up the remaining six (6) outlets as planned.

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

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

The Group has expanded its product offering to include distribution of healthcare and clinical devices via its newly acquired subsidiary in current year.

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

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

Our management and marketing team are working proactively to secure new customers to expand our current customer base. We also provide continuous sales support to our existing customer by rendering suggestion and recommendation on any suitable device/machine, suitable upgrade, replacement and service packages to our existing customer as an initiative to secure potential sales order in year 2018.

As a result of our efforts, we believe that the prospect of our Group is positive in view of receipt of several purchase orders from certain major customers such as KPJ Healthcare hospital, Columbia Asia hospitals and others which amounting to RM38.51 million for purchase of medical devices. We expect most of these orders to be delivered within periods from the fourth quarter 2018 until year 2019.

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.

#### **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.

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****B5. Taxation**

	<b>Individual Quarter Ended (Unaudited) 30 September 2018 RM'000</b>	<b>(Unaudited) 30 September 2017 RM'000</b>	<b>Cumulative Quarter Ended (Unaudited) 30 September 2018 RM'000</b>	<b>(Unaudited) 30 September 2017 RM'000</b>
Income tax expense:				
- Current financial period	172	128	2,317	1,127
Total tax expense	<u>172</u>	<u>128</u>	<u>2,317</u>	<u>1,127</u>

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

## a) Utilisation of proceeds

The gross proceeds raised from the Public Issue amounting to RM16.01 million was partially utilised in the following manner as at 21 November 2018:-

<b>Purpose</b>	<b>Approved Utilisation RM'000</b>	<b>Actual Utilised RM'000</b>	<b>Balance Unutilised RM'000</b>	<b>Estimated Timeframe for utilisation (from the date of Listing)</b>
i) Working capital requirements, comprising:-				
a) Purchase of brand new commercial laundry equipment and medical devices	8,837	8,837	-	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 laundrette outlets	2,600	1,238	1,362	Up to 36 months
iii) Estimated listing expenses	2,500	2,500	-	Within 1 month
	<u>16,008</u>	<u>14,646</u>	<u>1,362</u>	

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

## b) There were no new corporate proposal in the current quarter under review.

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**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****B7. Finance Lease Payable & Borrowings**

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

	<b>As at 30 September 2018</b>		
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
<b>(i) Borrowings</b>			
- Trust Receipt	-	1,794	1,794
- Term loan	2,941	255	3,196
Sub-total	2,941	2,049	4,990
<b>(ii) Finance lease payable</b>			
- Hire purchase	1,681	588	2,269
Grand total	4,622	2,637	7,259

	<b>As at 31 December 2017</b>		
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
<b>(i) Borrowings</b>			
- Bank overdrafts	-	354	354
- Term loan	3,139	248	3,387
Sub-total	3,139	602	3,741
<b>(ii) Finance lease payable</b>			
- Hire purchase	1,818	517	2,335
Grand total	4,957	1,119	6,076

**Notes:**

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

	<b>Rates (%)</b>
Term loan	4.47 – 6.50
Trust Receipt	8.46
Bank overdrafts	8.17
Hire purchase	2.47 – 6.39

- (4) There were no additional borrowing been arranged during the current quarter ended 30 September 2018, except for utilisation of existing Trust Receipt facility.

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#### 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/Declared

There were no dividends proposed/declared 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 (Unaudited)		Cumulative Quarter (Unaudited)	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Profit attributable to owners of the Company (RM'000)	997	1,192	6,774	4,353
Weighted average number of issuance shares ('000)	421,250	421,250	421,250	421,250
Basic <sup>(1)</sup> /Diluted <sup>(2)</sup> earnings per share (sen)	0.24	0.28	1.61	1.03

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#### 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 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 THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2018****B11. Disclosure on selected expense/ (income) items as required by the Listing Requirements**

	<b>Quarter ended 30 September 2018 RM'000</b>	<b>Period-to-date ended 30 September 2018 RM'000</b>
Profit before taxation is arrived at after charging/(crediting) :-		
- Depreciation of property, plant and equipment	355	976
- Negative goodwill arose from acquisition of a subsidiary	-	(690)
- Gain on disposal of property, plant and equipment	(50)	(229)
- (Gain)/ Loss on derivatives	-	-
- (Gain)/ Loss on disposal of quoted or unquoted investments or properties	-	-
- Impairment loss on property, plant and equipment	3	6
- Interest expense	140	386
- Interest income	(100)	(312)
- Provision for and write off of receivables	-	-
- Other income including investment income	-	-
- Provision for and write off of inventories	-	-
- Unrealised loss/(gain) on foreign exchange	56	(14)
- Realised loss on foreign exchange	17	15

**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 21 November 2018, the Group has submitted a total of one hundred and ninety three (193) online applications to register medical devices that 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 21 November 2018, out of the total applications submitted by the Group, there were:-

- (i) One hundred and eight (108) applications have successfully been approved by MDA;
- (ii) Eighteen (18) applications are still under consideration by the MDA; and
- (iii) Sixty seven (67) applications shall either be dropped by the Group due to discontinuance of distribution certain types of medical devices, or being cancelled by the MDA mainly due to misclassification of the particular of certain medical devices under the Medical Devices Act, 2012.

**BY ORDER OF THE BOARD  
28 November 2018**