

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 31 March 2019 RM'000	(Unaudited) 31 March 2018 RM'000	(Unaudited) 31 March 2019 RM'000	(Unaudited) 31 March 2018 RM'000
Revenue	A7	28,012	24,379	28,012	24,379
Cost of Sales		(19,058)	(16,236)	(19,058)	(16,236)
Gross Profit		8,954	8,143	8,954	8,143
Other operating incomes		392	894	392	894
Administrative expenses		(5,187)	(4,466)	(5,187)	(4,466)
Profit from operations		4,159	4,571	4,159	4,571
Finance costs		(181)	(131)	(181)	(131)
Profit before taxation	A7	3,978	4,440	3,978	4,440
Taxation	B5	(1,063)	(940)	(1,063)	(940)
Profit for the financial period		2,915	3,500	2,915	3,500
Total comprehensive income for the financial period		2,915	3,500	2,915	3,500
Profit/(Loss) for the financial period attributed to:					
Owners of the Company		2,952	3,378	2,952	3,378
Non-controlling interest		(37)	122	(37)	122
		2,915	3,500	2,915	3,500
Total comprehensive income/(loss) attributed to:					
Owners of the Company		2,952	3,378	2,952	3,378
Non-controlling interest		(37)	122	(37)	122
		2,915	3,500	2,915	3,500
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 ⁽²⁾ /Diluted ⁽³⁾	B10	0.70	0.80	0.70	0.80

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

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 2018 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 31 March 2019 is equivalent to the basic earnings per share as the Group does not have convertible securities as at the end of the reporting period.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019 ⁽¹⁾***(The figures have not been audited)*

	Note	(Unaudited) As at 31 March 2019 RM'000	(Audited) As at 31 December 2018 ⁽²⁾ RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		9,557	11,984
Right-of-use assets		2,996	-
Other investment		9,056	-
		21,609	11,984
CURRENT ASSETS			
Inventories		20,160	17,617
Trade receivables		23,077	14,669
Other receivables, prepayments and deposits		3,217	3,230
Tax recoverable		664	972
Fixed deposits with licensed banks		1,145	1,142
Cash and bank balances		8,982	28,365
TOTAL CURRENT ASSETS		57,245	65,995
TOTAL ASSETS		78,854	77,979
EQUITY AND LIABILITIES			
EQUITY			
Share capital		32,120	32,120
Merger reserve		(16,049)	(16,049)
Retained earnings		33,411	30,505
Equity attributable to owners of the Company		49,482	46,576
Non-controlling interest		2,512	2,554
TOTAL EQUITY		51,994	49,130
CURRENT LIABILITIES			
Contract liabilities		378	375
Trade payables		10,042	12,272
Other payables and accruals		8,317	9,523
Finance lease payables	B7	1,123	619
Borrowings	B7	1,560	811
TOTAL CURRENT LIABILITIES		21,420	23,600

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019 (Continued) ⁽¹⁾***(The figures have not been audited)*

	Note	(Unaudited) As at 31 March 2019 RM'000	(Audited) As at 31 December 2018 ⁽²⁾ RM'000
NON-CURRENT LIABILITIES			
Finance lease payables	B7	2,347	2,065
Borrowings	B7	2,805	2,879
Deferred tax liabilities		288	305
TOTAL NON-CURRENT LIABILITIES		5,440	5,249
TOTAL LIABILITIES		26,860	28,849
TOTAL EQUITY AND LIABILITIES		78,854	77,979
Net assets per share (RM) ⁽³⁾		0.12	0.11

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 2018 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 2018.
- (3) Net assets per share is calculated based on the ordinary shares in BCM in issuance of 421,250,200 shares.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾***(The figures have not been audited)*

	Non-Distributable Share Capital RM'000	Merger Reserve RM'000	Distributable Retained Earnings RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<i>(Unaudited)</i>						
Balance as at 1 January 2019	32,120	(16,049)	30,505	46,576	2,554	49,130
Cumulative effect of initial application of MFRS 16 ⁽²⁾	-	-	(46)	(46)	(5)	(51)
Restated balance as at 1 January 2019	32,120	(16,049)	30,459	46,530	2,549	49,079
Profit/(Loss) for the period						
- Total comprehensive income/(loss) for the period	-	-	2,952	2,952	(37)	2,915
Balance as at 31 March 2019	32,120	(16,049)	33,411	49,482	2,512	51,994
<i>(Unaudited)</i>						
Balance as at 1 January 2018	32,120	(16,049)	23,302	39,373	-	39,373
Effect of adopting MFRS 15 ⁽³⁾	-	-	(380)	(380)	-	(380)
Restated balance as at 1 January 2018	32,120	(16,049)	22,922	38,993	-	38,993
Acquisition of a subsidiary company	-	-	-	-	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

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

(The figures have not been audited)

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 2018 as well as the accompanying explanatory notes attached to this interim financial report.
- (2) The Company has applied retrospectively of the MFRS 16: Leases which effected on 1 January 2019 by restating the retained earnings as at 1 January 2019 to recognise the cumulative effect of initial recognition of MFRS 16.
- (3) The Company has applied retrospectively of the MFRS 15: Revenue from Contracts with Customers which effected on 1 January 2018 by restating the retained earnings as at 1 January 2018 to recognise 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾***(The figures have not been audited)*

	(Unaudited) 3 months ended 31 March 2019 RM'000	(Unaudited) 3 months ended 31 March 2018 RM'000
Cash Flows From Operating Activities		
Profit before taxation	3,978	4,440
Adjustments for:		
Depreciation of property, plant and equipment	172	290
Depreciation of right-of-use assets	308	-
Gain on disposal of property, plant and equipment	(20)	-
Interest expense	181	131
Interest income	(124)	(102)
Inventories written down	16	-
Negative goodwill arose from acquisition of a subsidiary	-	(748)
Net impairment loss on trade receivables	2	-
Reversal of impairment loss on trade receivables	(26)	-
Unrealised loss on foreign exchange differences	18	-
Operating profit before working capital changes	4,505	4,011
Changes in working capital:		
Inventories	(2,559)	(6,588)
Trade receivables	(8,384)	(1,876)
Other receivables	13	(2,049)
Trade payables	(2,249)	6,881
Other payables	(1,203)	(1,185)
	(14,382)	(4,817)
Cash used in operations	(9,877)	(806)
Interest received	124	102
Interest paid	(181)	(131)
Tax paid	(775)	(668)
Tax refund	19	363
	(813)	(334)
Net cash used in operating activities	(10,690)	(1,140)
Cash Flows From Investing Activities		
Acquisition of a subsidiary (net of cash)	-	594
Purchase of property, plant and equipment	(50)	(867)
Purchase of right-of-use assets	(5)	-
(Acquisition)/Disposal of other investment	(9,056)	659
Net cash (used in)/generated from investing activities	(9,111)	386

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) ⁽¹⁾***(The figures have not been audited)*

	(Unaudited) 3 months ended 31 March 2019 RM'000	(Unaudited) 3 months ended 31 March 2018 RM'000
Cash Flows From Financing Activities		
Repayment of bank borrowings	(69)	(67)
Repayment of finance lease payables	(274)	(141)
Placement of fixed deposits pledged	(3)	-
Proceed from disposal of property, plant and equipment	20	-
Net cash used in financing activities	<u>(326)</u>	<u>(208)</u>
Net decrease in cash and cash equivalents	(20,127)	(962)
Cash and cash equivalents at the beginning of the period	27,832	14,938
Cash and cash equivalents at the end of the period	<u>7,705</u>	<u>13,976</u>
Cash and cash equivalents at the end of the period comprises:		
- Fixed deposits with licensed banks	1,145	1,099
- Cash and bank balances	8,982	14,341
- Bank overdrafts	<u>(1,297)</u>	<u>(386)</u>
	8,830	15,054
Less: Fixed deposits pledged with licensed banks	<u>(1,125)</u>	<u>(1,078)</u>
Net cash and cash equivalent at the end of the period	<u>7,705</u>	<u>13,976</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 2018 as well as the accompanying explanatory notes attached to this interim financial report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

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 2018 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 2018. 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 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures
Annual Improvements to MFRSs 2015 – 2017 Cycle:	
-Amendments to MFRS 3	
-Amendments to MFRS 11	
-Amendments to MFRS 112	
-Amendments to MFRS 123	

Adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group except for MFRS 16 Leases as disclosed below:

MFRS 16: Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

A1. Basis of preparation (cont'd)

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group has elected to apply MFRS 16 using a modified retrospective approach, whereby the cumulative effect of initial application of MFRS 16 is adjusted to the opening balance of retained earnings at the date of initial application, as shown below:

	RM'000
Retained earnings as at 1 January 2019	30,505
Cumulative effect of initial application of MFRS 16	(46)
Restated retained earnings as at 1 January 2019	<u>30,459</u>

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 Malaysian 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 3 Definition of Business (Amendments to MFRS 3)	1 January 2020
MFRS 101 Definition of Material (Amendments to MFRS 101)	1 January 2020
MFRS 108 Definition of Material (Amendments to MFRS 108)	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
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 2018 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

A7. Segmental information (cont'd)

Results for the current and cumulative 3 months ended 31 March

In RM'000

Business Segments	Q1 2019 (Unaudited)						Q1 2018 (Unaudited)					
	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	7,858	18,290	1,864	-	-	28,012	14,321	9,115	943	-	-	24,379
(ii)inter-segment	-	-	-	366	(366)	-	-	-	-	-	-	-
Total revenue	7,858	18,290	1,864	366	(366)	28,012	14,321	9,115	943	-	-	24,379
Results –Segment results	530	3,753	(73)	(170)	(5)	4,035	2,670	1,170	243	(362)	748	4,469
Interest income	63	37	8	16	-	124	36	22	7	37	-	102
Finance costs	(40)	(128)	(10)	(3)	-	(181)	(52)	(75)	-	(4)	-	(131)
Profit/(Loss) before taxation	553	3,662	(75)	(157)	(5)	3,978	2,654	1,117	250	(329)	748	4,440
Taxation	(132)	(931)	^	-	-	(1,063)	(663)	(277)	-	-	-	(940)
Profit/(Loss) after taxation	421	2,731	(75)	(157)	(5)	2,915	1,991	840	250	(329)	748	3,500
Segment assets	24,829	43,570	6,141	33,695	(29,381)	78,854	24,542	32,276	6,357	32,349	(28,429)	67,095
Segment liabilities	(7,647)	(28,411)	(1,153)	(454)	10,805	(26,860)	(9,030)	(21,359)	(1,267)	(433)	9,857	(22,232)

^ Represent less than RM1,000

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**A7. Segmental information (cont'd)****Results for the current and cumulative 3 months ended 31 March**

In RM'000

Business Segments	Q1 2019 (Unaudited)						Q1 2018 (Unaudited)					
	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
Other non-cash items:												
-Depreciation of property, plant and equipment	(71)	(76)	(22)	(3)	-	(172)	(123)	(130)	(11)	(26)	-	(290)
-Depreciation of right-of-use assets	(141)	(106)	(36)	(25)	-	(308)	-	-	-	-	-	-
-Gain on disposal of property, plant and equipment	20	-	-	-	-	20	-	-	-	-	-	-
-Unrealised (loss)/gain on foreign exchange differences	(43)	25	-	-	-	(18)	-	-	-	-	-	-
-Inventories written down	(14)	(2)	-	-	-	(16)	-	-	-	-	-	-
-Net impairment loss on trade receivables	-	(2)	-	-	-	(2)	-	-	-	-	-	-
-Reversal of impairment loss on trade receivables	13	12	1	-	-	26	-	-	-	-	-	-
- Negative goodwill arose from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	748	748

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

A8. Dividends Paid

No dividends were paid during the current quarter ended 31 March 2019 (31 March 2018: Nil).

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 2019 except for the disclosure in Note B6(1)(ii).

A11. Changes in the composition of the Group

There were no changes to the composition of the Group during the current financial quarter under review.

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

Save as disclosed below, 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:

- (i) On 8 April 2019, the Company had incorporated a new wholly-owned subsidiary company, namely Wellness Gate Sdn. Bhd. ("Wellness Gate"). Wellness Gate has issued share capital of RM10,000.00 comprising 10,000 ordinary shares. Wellness Gate's intended principal activity is to carry on the business of investment holdings.

The incorporation of Wellness Gate is mainly to facilitate the expansion of new business activities of the Group; and

- (ii) On 18 April 2019, CS Laundry System Sdn. Bhd. a wholly-owned subsidiary of the Company, had acquired 100% equity interest in Century Pavilion Sdn. Bhd. ("Century Pavilion") for total cash consideration of RM1.00. The issued share capital of Century Pavilion is RM1.00 comprising 1 ordinary share. Century Pavilion's intended principal activity is to carry on the business of general trading. Century Pavilion has not commenced business since its incorporation on 22 February 2019.

This acquisition is intended to allow the Group to expand its future service offerings to include the provision of commercial laundry services.

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

A14. Related party transactions

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

	(Unaudited) Current quarter ended 31 March 2019 RM'000	(Unaudited) Cumulative quarter ended 31 March 2019 RM'000
Rental expense paid to a company connected to certain directors.	45	45

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS****B1. Review of performance**

	Individual Quarter (Unaudited) 31 March 2019 RM'000	(Unaudited) 31 March 2018 RM'000	Changes (RM'000 / %)	Cumulative Quarter (Unaudited) 31 March 2019 RM'000	(Unaudited) 31 March 2018 RM'000	Changes (RM'000 / %)
Revenue	28,012	24,379	3,633/ 14.90%	28,012	24,379	3,633/ 14.90%
Operating profit	3,767	3,677	90/ 2.45%	3,767	3,677	90/ 2.45%
Profit before interest and tax	4,159	4,571	(412)/ (9.01%)	4,159	4,571	(412)/ (9.01%)
Profit before tax	3,978	4,440	(462)/ (10.41%)	3,978	4,440	(462)/ (10.41%)
Profit after tax	2,915	3,500	(585)/ (16.71%)	2,915	3,500	(585)/ (16.71%)
Profit attributable to owners of the Company	2,952	3,378	(426)/ (12.61%)	2,952	3,378	(426)/ (12.61%)

Current quarter (3 months)

For the current quarter ended 31 March 2019, the Group recorded revenue of RM28.01 million as compared to RM24.38 million in the corresponding quarter ended 31 March 2018, an increase of RM3.63 million or 14.90%.

Medical devices business segment increased in revenue by RM9.18 million or 100.66% from RM9.12 million in the corresponding quarter ended 31 March 2018 compared to RM18.29 million in the current quarter ended 31 March 2019, whilst revenue from the commercial laundry equipment business segment decreased by RM6.46 million or 45.13% from RM14.32 million in the corresponding quarter ended 31 March 2018 compared to RM7.86 million in current quarter ended 31 March 2019.

Healthcare products segment increased in revenue by RM0.92 million or 97.67% from RM0.94 million in the corresponding quarter ended 31 March 2018 compared to RM1.86 million in the current quarter ended 31 March 2019, this represents good demand of its core products named Rossmax.

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 sub-segment.

The decrease in revenue contribution from commercial laundry equipment business segment was mainly due to lower demand in current quarter. New gas system regulation enforcement which requires application of the "Sijil Suruhanjaya Tenaga" prior to open laundry shop will cause additional set-up cost and time to be incurred by new potential customer, directly delaying their progress to open laundry shop. This is one of a factor caused lower demand in current quarter.

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

B1. Review of performance (cont'd)

Current quarter (3 months)

Overall, the Group's profit before tax during the current quarter ended 31 March 2019 recorded at RM3.98 million as compared to profit before tax of RM4.44 million in the corresponding quarter ended 31 March 2018. The decrease of RM0.46 million or 10.41% was mainly due to exclusion of an one-off non-recurring income of RM0.75 million (i.e. negative goodwill income pertaining to the subscription of Cypress Medic Sdn. Bhd.) which had been recognised in the corresponding quarter ended 31 March 2018.

B2. Comparison with immediate preceding quarter's results

	<----- Quarter ended ----->			
	(Unaudited) 31 March 2019 RM'000	(Unaudited) 31 December 2018 RM'000	Changes RM'000	Changes %
Revenue	28,012	21,876	6,136	28.05
Operating profit	3,767	1,594	2,173	136.32
Profit before interest and tax	4,159	2,432	1,727	71.01
Profit before tax	3,978	2,219	1,759	79.27
Profit after tax	2,915	1,609	1,306	81.17
Profit attributable to owners of the Company	2,952	1,565	1,387	88.63

For the current quarter ended 31 March 2019, the Group recorded a revenue of RM28.01 million and profit before tax of RM3.98 million as compared to a revenue of RM21.88 million and profit before tax of RM2.22 million in the immediate preceding quarter ended 31 December 2018.

Higher revenue was recorded in the current quarter under review, represents 28.05% or RM6.14 million increased as compared to the immediate preceding quarter ended 31 December 2018. The higher revenue was mainly due to the increase in revenue contribution from medical devices segment.

The increase in revenue contribution from the medical devices business segment by RM9.20 million was mainly attributable to more orders secured from its customers for medical imaging equipment and sterilisation equipment sub-segment.

There were lower revenue contribution from commercial laundry equipment business segment and healthcare products segment in current quarter by RM2.76 million and RM0.30 million respectively mainly due to lower demand during the current quarter under review.

Overall, the Group's profit before tax increased during the current quarter ended 31 March 2019 by RM1.76 million or 79.27% as compared to profit before tax of RM2.22 million in the immediate preceding quarter ended 31 December 2018. The higher profit recorded was mainly due to higher revenue resulted from the medical devices business segment.

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

B3. Prospects

The Group focus to enhance its revenue growth, optimise margin, business and operation support functions as well as to increase shareholders' value.

BCM intends to achieve its objectives through the following strategies:

- (i) Continuous introduction of our new portfolio of products and brands.

In 2019, BCM aims to aggressively widen its exposure in the domestic medical device industry by introducing more products and brands into the Malaysian market to enhance the Group's future performance.

- (ii) Pursue active business expansion via organic and inorganic growth.

BCM plans to embark on its first overseas business expansion in financial year 2019 as the Group eyes greater diversification and to benefit from other growth markets. Southeast Asia could potentially be the first market to be explored by BCM, particularly in the medical devices and healthcare products segments. This region's large and growing population holds large potential for the healthcare sector, which spells positive opportunities for BCM.

- (iii) Broaden our client base by attracting new customers and enhancing relationship with our existing customers.

BCM plans to add new private hospitals into its portfolio of clients, especially through the supply of big-ticket medical equipment. This will be supported the Group's continuous effort to widen its product line and after-sales services.

Our management and marketing team are also working proactively to secure new customers to expand our current customer base. We 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 2019.

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

The Group aims to set up five (5) Speed Queen self-service launderette outlets in financial year 2019 and the management is currently assessing options on the suitable locations. These five outlets will be in addition to our existing six outlets. The increasing demand for coin-operated launderettes offer a good business opportunity and continued sales growth for BCM, moving forward. The Group will also explore the opportunity to penetrate into the laundry service business for the healthcare services and hospitality sectors, in order to increase the revenue base.

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 2019 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.

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**B5. Taxation**

	Individual Quarter Ended (Unaudited) 31 March 2019 RM'000	Quarter Ended (Unaudited) 31 March 2018 RM'000	Cumulative Quarter Ended (Unaudited) 31 March 2019 RM'000	Quarter Ended (Unaudited) 31 March 2018 RM'000
Income tax expense				
-Current financial period	1,064	940	1,064	940
Deferred tax income:				
-Current financial period	(1)	-	(1)	-
Total tax expense	<u>1,063</u>	<u>940</u>	<u>1,063</u>	<u>940</u>

The Group's effective tax rate for the current financial period is higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

B6. Status of corporate proposals and utilisation of proceeds

1) 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 17 May 2019:-

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	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 launderette outlets	2,600	1,971	629	Up to 36 months
iii) Estimated listing expenses	2,500	2,500	-	Within 1 month
	<u>16,008</u>	<u>15,379</u>	<u>629</u>	

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

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

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019**B7. Finance Lease Payables & Borrowings**

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

	As at 31 March 2019 (Unaudited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Borrowings			
- Bank overdrafts	-	1,297	1,297
- Term loans	2,805	263	3,068
Sub-total	2,805	1,560	4,365
(ii) Finance lease payables			
- Hire purchase	1,937	657	2,594
- Lease liabilities	410	466	876
Sub-total	2,347	1,123	3,470
Grand total	5,152	2,683	7,835

	As at 31 December 2018 (Audited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Borrowings			
- Bank overdrafts	-	553	553
- Term loans	2,879	258	3,137
Sub-total	2,879	811	3,690
(ii) Finance lease payables			
- Hire purchase	2,065	619	2,684
Grand total	4,944	1,430	6,374

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:

	Rates (%)
Term loans	4.47-6.42
Bank overdrafts	10.00-10.85
Hire purchase	4.47-11.01
Lease liabilities	4.84-6.35

- (4) There were no additional borrowing been arranged during the current quarter ended 31 March 2019, except for initial recognition of lease liabilities due to initial adoption of MFRS 16.

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

B8. Changes in material litigation

As at 17 May 2019 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial 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

Details of the dividends under the single-tier system approved and declared by the Board of Directors is as follows:

Final Ordinary Dividend

Dividend for the financial year ended	31 December 2018
Declared date	29 April 2019
Dividend per ordinary share	0.2 sen
Entitlement to dividend based on record of	
Depositors as at	28 June 2019
Date payable	12 July 2019

The proposed final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held on 26 June 2019.

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)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Profit attributable to owners of the Company (RM'000)	2,952	3,378	2,952	3,378
Weighted average number of issuance shares ('000)	421,250	421,250	421,250	421,250
Basic ⁽¹⁾ /Diluted ⁽²⁾ earnings per share (sen)	0.70	0.80	0.70	0.80

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 31 March 2019 is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

B11. Financial Instruments**(a) Derivatives**

There were no outstanding derivatives as at 31 March 2019.

(b) Gain/(Loss) arising from fair value changes in financial assets and liabilities

There were no gain/ (loss) arising from fair value changes in financial assets and liabilities during the current quarter and cumulative quarter ended 31 March 2019.

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

	Quarter ended 31 March 2019 RM'000	Cumulative quarter ended 31 March 2019 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
- Depreciation of property, plant and equipment	172	172
- Depreciation of right-of-use assets	308	308
- Gain on disposal of property, plant and equipment	(20)	(20)
- (Gain)/ Loss on derivatives	-	-
- (Gain)/ Loss on disposal of quoted or unquoted investments or properties	-	-
- Impairment loss on property, plant and equipment	-	-
- Interest expense	181	181
- Interest income	(124)	(124)
- Inventories written down	16	16
- Other income including investment income	-	-
- Net impairment loss on trade receivables	2	2
- Reversal of impairment loss on trade receivables	(26)	(26)
- Unrealised loss on foreign exchange differences	18	18
- Realised gain on foreign exchange differences	(214)	(214)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

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 17 May 2019, the Group has submitted a total of two hundred and three (203) 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 17 May 2019, out of the total applications submitted by the Group, there were:-

- (i) One hundred and sixteen (116) applications have successfully been approved by MDA;
- (ii) Eight (8) applications are still under consideration by the MDA; and
- (iii) Seventy nine (79) 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
24 May 2019