

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾
(The figures have not been audited)

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 31 December 2019 RM'000	(Unaudited) 31 December 2018 RM'000	(Unaudited) 31 December 2019 RM'000	(Audited) 31 December 2018 RM'000
Revenue	A7	22,062	21,876	103,753	92,546
Cost of Sales		(14,304)	(13,885)	(73,170)	(61,449)
Gross Profit		7,758	7,991	30,583	31,097
Other operating incomes		296	838	900	2,103
Administrative expenses		(5,992)	(6,366)	(22,505)	(21,116)
Net loss on impairment of financial instruments		(858)	(31)	(858)	(31)
Profit from operations		1,204	2,432	8,120	12,053
Finance costs		(152)	(213)	(619)	(593)
Profit before taxation	A7	1,052	2,219	7,501	11,460
Taxation	B5	(192)	(610)	(2,129)	(2,996)
Profit for the financial period		860	1,609	5,372	8,464
Total comprehensive income for the financial period		860	1,609	5,372	8,464
Profit for the financial period attributed to:					
Owners of the Company		821	1,565	5,141	8,224
Non-controlling interest		39	44	231	240
		860	1,609	5,372	8,464
Total comprehensive income attributed to:					
Owners of the Company		821	1,565	5,141	8,224
Non-controlling interest		39	44	231	240
		860	1,609	5,372	8,464
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	0.19	0.37	1.22	1.95

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Continued) ⁽¹⁾**

(The figures have not been audited)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the 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 weighted average number of ordinary shares in issue of 421,250,200 shares.
- (3) Diluted earnings per share of the Group 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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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
(The figures have not been audited)

	Note	(Unaudited) As at 31 December 2019 RM'000	(Audited) As at 31 December 2018 ⁽²⁾ RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		11,542	11,984
Right-of-use assets		3,450	-
		14,992	11,984
CURRENT ASSETS			
Inventories		17,277	17,617
Trade receivables		17,560	14,669
Other receivables, prepayments and deposits		1,875	3,230
Tax recoverable		769	972
Fixed deposits with licensed banks		1,767	1,142
Cash and bank balances		30,555	28,365
TOTAL CURRENT ASSETS		69,803	65,995
TOTAL ASSETS		84,795	77,979
EQUITY AND LIABILITIES			
EQUITY			
Share capital		32,120	32,120
Merger reserve		(16,049)	(16,049)
Retained earnings		34,826	30,505
Equity attributable to owners of the Company		50,897	46,576
Non-controlling interest		2,623	2,554
TOTAL EQUITY		53,520	49,130
CURRENT LIABILITIES			
Contract liabilities		493	375
Trade payables		12,067	12,272
Other payables and accruals		10,744	9,523
Finance lease payables	B7	1,647	619
Borrowings	B7	1,513	811
TOTAL CURRENT LIABILITIES		26,464	23,600

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued) ⁽¹⁾**

(The figures have not been audited)

	Note	(Unaudited) As at 31 December 2019 RM'000	(Audited) As at 31 December 2018 ⁽²⁾ RM'000
NON-CURRENT LIABILITIES			
Finance lease payables	B7	1,993	2,065
Borrowings	B7	2,607	2,879
Deferred tax liabilities		211	305
TOTAL NON-CURRENT LIABILITIES		4,811	5,249
TOTAL LIABILITIES		31,275	28,849
TOTAL EQUITY AND LIABILITIES		84,795	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 Group for the 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 Group as at 31 December 2018.
- (3) Net assets per share is calculated based on the weighted average number of ordinary shares in issue of 421,250,200 shares.

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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾***(The figures have not been audited)*

	Non-Distributable		Distributable	Total	Non-	Total
	Share	Merger	Retained	Shareholders'	Controlling	Equity
	Capital	Reserve	Earnings	Equity	Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Unaudited</u>						
Balance as at 1 January 2019	32,120	(16,049)	30,505	46,576	2,554	49,130
Effect of adopting 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 for the year						
-Total comprehensive income for the year	-	-	5,141	5,141	231	5,372
-Dividends	-	-	(774)	(774)	(157)	(931)
Balance as at 31 December 2019	32,120	(16,049)	34,826	50,897	2,623	53,520
<u>Audited</u>						
Balance as at 1 January 2018	32,120	(16,049)	23,302	39,373	-	39,373
Effect of adopting MFRS 15 ⁽³⁾	-	-	(381)	(381)	-	(381)
Effect of adopting MFRS 9 ⁽⁴⁾	-	-	(571)	(571)	-	(571)
Restated balance as at 1 January 2018	32,120	(16,049)	22,350	38,421	-	38,421
Acquisition of subsidiary company	-	-	-	-	2,314	2,314
Profit for the year						
-Total comprehensive income for the year	-	-	8,224	8,224	240	8,464
-Dividend payable to non-controlling interest	-	-	(69)	(69)	-	(69)
Balance as at 31 December 2018	32,120	(16,049)	30,505	46,576	2,554	49,130

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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued) ⁽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 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 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 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.

- (4) The Company has applied retrospectively of the MFRS 9: Financial Instruments effected on 1 January 2018 by restating the retained earnings as at 1 January 2018 to recognise the expected credit losses on receivables as at that date.

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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

(The figures have not been audited)

	(Unaudited) 12 months ended 31 December 2019 RM'000	(Audited) 12 months ended 31 December 2018 RM'000
Cash Flows From Operating Activities		
Profit before taxation	7,501	11,460
Adjustments for:		
Bad debts written off	3	3
Depreciation of property, plant and equipment	884	1,412
Depreciation of right-of-use assets	1,430	-
Gain on disposal of property, plant and equipment	(73)	(229)
Impairment loss on property, plant and equipment	257	6
Net loss on impairment of financial instruments	858	31
Interest expense	619	593
Interest income	(462)	(487)
Inventories written down	68	55
Reversal of inventories written down	(32)	-
Negative goodwill arose from acquisition of a subsidiary	-	(690)
Reversal of impairment loss on trade receivables	-	(523)
Unrealised loss/(gain) on foreign exchange differences	36	(92)
Operating profit before working capital changes	11,089	11,539
Changes in working capital:		
Inventories	303	(5,294)
Trade receivables	(3,751)	(2,233)
Other receivables	1,355	(992)
Contract liabilities	118	(7)
Trade payables	(241)	9,591
Other payables	1,133	1,810
	(1,083)	2,875
Cash generated from operations	10,006	14,414
Interest received	462	487
Interest paid	(619)	(593)
Tax paid	(2,815)	(3,292)
Tax refund	810	363
	(2,162)	(3,035)
Net cash generated from operating activities	7,844	11,379

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) ⁽¹⁾
(The figures have not been audited)

	(Unaudited) 12 months ended 31 December 2019 RM'000	(Audited) 12 months ended 31 December 2018 RM'000
Cash Flows From Investing Activities		
Acquisition of a subsidiary (net of cash)	-	594
Dividend paid to non-controlling interest	-	(69)
Purchase of property, plant and equipment	(3,271)	(2,663)
Proceed from disposal of property, plant and equipment	73	306
Purchase of right-of-use assets	(86)	-
Proceeds from disposal of other investment	-	4,393
Increase in fixed deposit pledged	(646)	(43)
Net cash (used in)/generated from investing activities	<u>(3,930)</u>	<u>2,518</u>
Cash Flows From Financing Activities		
Repayment of bank borrowings	(263)	(251)
Repayment of finance lease payables	(1,334)	(751)
Dividend paid to shareholders	(843)	-
Increase in banker acceptance	371	-
Increase in trust receipts	712	-
Net cash used in financing activities	<u>(1,357)</u>	<u>(1,002)</u>
Net increase in cash and cash equivalents	2,557	12,895
Cash and cash equivalents at the beginning of the year	27,833	14,938
Cash and cash equivalents at the end of the year	<u>30,390</u>	<u>27,833</u>
Cash and cash equivalents at the end of the year comprises:		
- Fixed deposits with licensed banks	1,767	1,142
- Cash and bank balances	30,555	28,365
- Bank overdrafts	(165)	(553)
	<u>32,157</u>	<u>28,954</u>
Less: Fixed deposits pledged with licensed banks	(1,767)	(1,121)
Net cash and cash equivalent at the end of the year	<u>30,390</u>	<u>27,833</u>

Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2018 as well as the accompanying explanatory notes attached to this interim financial report.

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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 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 FYE 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 FYE 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 year, the Group has adopted the following amendments for MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year.

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.

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

A1. Basis of preparation (continued)

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
Effect of adopting 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 MASB 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 a Business (Amendments to MFRS 3)
	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139 MFRS 101	Interest rate benchmark reform 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

**INTERIM FINANCIAL REPORT FOR THE
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A2. Auditors' report of preceding annual audited financial statements

The audited financial statements of the Group for the FYE 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, investment holding, laundry service and other (represents a dormant company).

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

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INTERIM FINANCIAL REPORT FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019

A7. Segmental information (continued)

Results for the cumulative 12 months ended 31 December

In RM'000

Business Segments	Q4 2019 (Unaudited)							Q4 2018 (Audited)								
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Service	Other	Adjustment & Elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Service	Other	Adjustment & Elimination	Total Group
Revenue (i) external customers	34,073	59,202	10,216	-	262	-	-	103,753	44,255	41,599	6,692	-	-	-	-	92,546
(ii) inter-segment	1,996	-	-	3,569	-	-	(5,565)	-	-	-	-	3,100	-	-	(3,100)	-
Total Revenue	36,069	59,202	10,216	3,569	262	-	(5,565)	103,753	44,255	41,599	6,692	3,100	-	-	(3,100)	92,546
Results-Segment results	3,035	5,092	656	971	(169)	(7)	(1,920)	7,658	5,826	5,510	701	1,041	-	-	(1,512)	11,566
Interest income	220	139	24	79	-	-	-	462	231	91	44	121	-	-	-	487
Finance costs	(132)	(404)	(64)	(11)	(8)	-	-	(619)	(162)	(411)	(5)	(15)	-	-	-	(593)
Profit/(Loss) before taxation	3,123	4,827	616	1,039	(177)	(7)	(1,920)	7,501	5,895	5,190	740	1,147	-	-	(1,512)	11,460
Taxation	(797)	(1,179)	(143)	(10)	-	-	-	(2,129)	(1,416)	(1,335)	(251)	6	-	-	-	(2,996)
Profit/(Loss) after taxation	2,326	3,648	473	1,029	(177)	(7)	(1,920)	5,372	4,479	3,855	489	1,153	-	-	(1,512)	8,464
Other non cash items:																
-Depreciation of property, plant and equipment	(281)	(429)	(93)	(12)	(69)	^	-	(884)	(538)	(614)	(151)	(108)	-	-	-	(1,411)
-Depreciation of right-of-use assets	(624)	(441)	(174)	(100)	(89)	(2)	-	(1,430)	-	-	-	-	-	-	-	-
-Gain on disposal of property, plant and equipment	73	-	-	-	-	-	-	73	-	229	-	-	-	-	-	229
-Unrealised (loss)/gain on foreign exchange differences	(20)	(19)	3	-	-	-	-	(36)	43	49	-	-	-	-	-	92
-Inventories written down	(18)	(50)	-	-	-	-	-	(68)	(23)	(32)	-	-	-	-	-	(55)
-Impairment loss on property, plant and equipment	(217)	(4)	(36)	-	-	-	-	(257)	-	-	(6)	-	-	-	-	(6)
-Net loss on impairment of financial instruments	(59)	(799)	-	-	-	-	-	(858)	(31)	-	-	-	-	-	-	(31)
-Bad debts written off	-	-	(3)	-	-	-	-	(3)	-	-	(3)	-	-	-	-	(3)
-Negative goodwill arose from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	690	690
-Reversal of impairment loss on trade receivables	-	-	-	-	-	-	-	-	72	452	-	-	-	-	-	524
- Reversal of inventories written off	-	32	-	-	-	-	-	32	-	-	-	-	-	-	-	-
Segment assets	33,940	40,366	7,591	34,176	3,982	5	(35,265)	84,795	30,833	37,765	6,538	33,922	-	-	(31,079)	77,979
Segment liabilities	(15,323)	(25,251)	(2,235)	(591)	(4,158)	(2)	16,285	(31,275)	(14,052)	(25,317)	(1,462)	(524)	-	-	12,506	(28,849)

^ Represent less than RM1,000

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INTERIM FINANCIAL REPORT FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019

A7. Segmental information (continued)

Results for the current 3 months ended 31 December

In RM'000

Business Segments	Q4 2019 (Unaudited)								Q4 2018 (Unaudited)							
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Service	Other	Adjustment & Elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Service	Other	Adjustment & Elimination	Total Group
Revenue (i) external customers	9,762	9,319	2,758	-	223	-	-	22,062	10,625	9,090	2,161	-	-	-	-	21,876
(ii) inter-segment	-	-	-	2,144	-	-	(2,144)	-	-	-	-	2,820	-	-	(2,820)	-
Total Revenue	9,762	9,319	2,758	2,144	223	-	(2,144)	22,062	10,625	9,090	2,161	2,820	-	-	(2,820)	21,876
Results-Segment results	1,324	(256)	78	1,468	(33)	(2)	(1,482)	1,097	562	1,658	188	2,051	-	-	(2,202)	2,257
Interest income	63	23	6	15	-	-	-	107	109	35	12	19	-	-	-	175
Finance costs	(30)	(96)	(18)	(2)	(6)	-	-	(152)	(35)	(170)	(5)	(3)	-	-	-	(213)
Profit/(Loss) before taxation	1,357	(329)	66	1,481	(39)	(2)	(1,482)	1,052	636	1,523	195	2,067	-	-	(2,202)	2,219
Taxation	(372)	176	14	(10)	-	-	-	(192)	(205)	(305)	(107)	7	-	-	-	(610)
Profit/(Loss) after taxation	985	(153)	80	1,471	(39)	(2)	(1,482)	860	431	1,218	88	2,074	-	-	(2,202)	1,609
Other non cash items:																
-Depreciation of property, plant and equipment	(69)	(195)	(19)	(3)	(29)	^	-	(315)	(147)	(171)	(93)	(28)	-	-	-	(439)
-Depreciation of right-of-use assets	(161)	(116)	(44)	(25)	(57)	-	-	(403)	-	-	-	-	-	-	-	-
-Gain on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Unrealised gain on foreign exchange differences	60	79	3	-	-	-	-	142	45	152	-	-	-	-	-	197
-Inventories written down	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Impairment loss on property, plant and equipment	-	(2)	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-
-Net loss on impairment of financial instruments	(14)	(754)	-	-	-	-	-	(768)	(31)	-	-	-	-	-	-	(31)
-Bad debts written off	-	-	(3)	-	-	-	-	(3)	-	-	-	-	-	-	-	-
-Negative goodwill arose from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Reversal on impairment loss on trade receivables	-	-	-	-	-	-	-	-	-	451	-	-	-	-	-	451
- Reversal of inventories written off	-	32	-	-	-	-	-	32	-	-	-	-	-	-	-	-

^ Represent less than RM1,000

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

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 December 2019.

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

There were no 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.

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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 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 December 2019 RM'000	(Unaudited) Cumulative quarter ended 31 December 2019 RM'000
(i) Transactions with a company in which certain directors of the Company have substantial financial interest		
- Rental expenses on premises	48	189
(ii) Transactions with a company in which close family member of certain directors of the Company have financial interest		
- Office expenses on premises	-	44
- Purchase	-	3
	=====	=====

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**INTERIM FINANCIAL REPORT FOR THE
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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	Individual Quarter (Unaudited) 31 December 2019 RM'000	Quarter (Unaudited) 31 December 2018 RM'000	Changes (RM'000 / %)	Cumulative Quarter (Unaudited) 31 December 2019 RM'000	Quarter (Audited) 31 December 2018 RM'000	Changes (RM'000 / %)
Revenue	22,062	21,876	186/ 0.85%	103,753	92,546	11,207/ 12.11%
Operating profit	908	1,594	(686)/ (43.04%)	7,220	9,950	(2,730)/ (27.44%)
Profit before interest and tax	1,204	2,432	(1,228)/ (50.49%)	8,120	12,053	(3,933)/ (32.63%)
Profit before tax	1,052	2,219	(1,167)/ (52.59%)	7,501	11,460	(3,959)/ (34.55%)
Profit after tax	860	1,609	(749)/ (46.55%)	5,372	8,464	(3,092)/ (36.53%)
Profit attributable to owners of the Company	821	1,565	(744)/ (47.54%)	5,141	8,224	(3,083)/ (37.49%)

Current quarter (3 months)

For the current quarter ended 31 December 2019, the Group recorded revenue of RM22.06 million as compared to RM21.88 million in the corresponding quarter ended 31 December 2018, an increase of RM0.19 million or 0.85%.

Medical devices business segment increased in revenue by RM0.23 million or 2.52% from RM9.09 million in the corresponding quarter ended 31 December 2018 compared to RM9.32 million in the current quarter ended 31 December 2019. The increase in revenue was mainly attributable to increase in sales orders from our hospital clients in conjunction with their expansion of new hospitals as well as the upgrade of existing old medical devices.

Healthcare products business segment increased in revenue by RM0.60 million or 27.63% from RM2.16 million in the corresponding quarter ended 31 December 2018 compared to RM2.76 million in the current quarter ended 31 December 2019, it was mainly due to greater demand from customers for use of our core products namely Rossmax and intensive promotion efforts conducted by our marketing team to boost up the sales.

The Group's new laundry service segment also contributed RM0.22 million revenue in the current quarter ended 31 December 2019, indicates good demand from customers for use of our services.

The revenue from commercial laundry equipment business segment was decreased by RM0.86 million or 8.12% from RM10.63 million in the corresponding quarter ended 31 December 2018 compared to RM9.76 million in current quarter ended 31 December 2019. The decrease in revenue was mainly attributable to lesser order from laundry operators due to uncertain current economy outlook in year 2019 which resulted in more conservative approach adopted by laundry operators to set up new launderette outlets or replace their old commercial laundry equipment.

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

B1. Review of performance (continued)

Current quarter (3 months)

Overall, the Group recorded a profit before tax of RM1.05 million in current quarter as compared to RM2.22 million in the corresponding quarter ended 31 December 2018. The decrease of RM1.17 million or 52.59% was mainly due to higher Sales Tax expense and increased in net loss on impairment of financial instruments (receivables).

Cumulative quarter (12 months)

For the cumulative twelve (12) months period ended 31 December 2019, the Group's revenue had increased by RM11.21 million or 12.11% to RM103.75 million as compared to RM92.55 million in the corresponding cumulated quarter ended 31 December 2018. As disclosed in Note A7, the higher revenue was mainly due to higher revenue contribution from medical devices business segment, healthcare products business segment and laundry service business segment by RM17.60 million, RM3.52 million and RM0.26 million respectively.

The increase in revenue contribution from the medical devices business segment was mainly due to more orders secured by the Group from its existing and new hospital clients for medical imaging equipment and sterilisation equipment in current cumulative quarter ended 31 December 2019.

The increase in revenue contribution from the healthcare products business segment was mainly due to greater demand from customers for use of our core products namely Rossmax and intensive promotion efforts conducted by our marketing team to boost up the sales.

Revenue achieved by the new laundry service segment of RM0.26 million, indicates good demand from customers for use of our services.

However, the lower revenue contribution from commercial laundry equipment business segment in current cumulative quarter ended 31 December 2019 by RM10.18 million or 23.01% mainly attributable to lesser order from laundry operators due to uncertain current economy outlook in year 2019 which resulted in more conservative approach adopted by laundry operators to set up new launderette outlets or replace their old commercial laundry equipment.

For the year under review, the Group registered a profit before tax of RM7.50 million as compared to RM11.46 million in the correspondence year ended 31 December 2018. The lower profit of RM3.96 million or 34.55% was mainly due to higher cost of sales caused by depreciation of Ringgit Malaysia and higher Sales Tax expense; higher administrative expenses due to increase in staff costs; higher net loss on impairment of financial instruments (receivables) and exclusion of a one-off non-recurring income of RM0.69 million (i.e. negative goodwill income pertaining to the subscription of Cypress Medic Sdn. Bhd which had been recognised in the corresponding year ended 31 December 2018) during the current year under review.

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**INTERIM FINANCIAL REPORT FOR THE
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B2. Comparison with immediate preceding quarter's results

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)	Changes	Changes
	31 December 2019 RM'000	30 September 2019 RM'000		
Revenue	22,062	29,243	(7,181)	(24.56)
Operating profit	908	1,514	(606)	(40.03)
Profit before interest and tax	1,204	1,572	(368)	(23.41)
Profit before tax	1,052	1,439	(387)	(26.89)
Profit after tax	860	848	12	1.42
Profit attributable to owners of the Company	821	665	156	23.46

For the current quarter ended 31 December 2019, the Group recorded a revenue of RM22.06 million and profit before tax of RM1.05 million as compared to a revenue of RM29.24 million and profit before tax of RM1.44 million in the immediate preceding quarter ended 30 September 2019.

Lower revenue was recorded in the current quarter under review, represents 24.56% or RM7.18 million decrease as compared to the immediate preceding quarter ended 30 September 2019. The lower revenue was mainly due to the decrease in revenue contribution from medical devices business segment and healthcare products business segment.

The decrease in revenue contribution from medical devices business segment by RM7.52 million in current quarter was mainly attributable to lower billings to customers due to various projects completion timeline for sterilisation equipment sub-segment.

The decrease in revenue contributed from healthcare products business segment by RM0.17 million in the current quarter was mainly attributable to recognition of sales rebate given to pharmacies who achieved the pre-set selling target of the core products named Rossmax.

For commercial laundry equipment business segment, its revenue increased by RM0.33 million. The increase was mainly due to more sales orders secured as a result of effectiveness of our promotion package and new advertisement channel used in current quarter.

The laundry service segment increased in revenue by RM0.18 million in current quarter. It indicates that there was increased in demand from customers for use of our services.

Overall, the Group's profit before tax decreased in the current quarter ended 31 December 2019 by RM0.39 million or 26.89% as compared to profit before tax of RM1.44 million in the immediate preceding quarter ended 30 September 2019, the lower profit was mainly due to lower revenue as mentioned above and increased in net loss on impairment of financial instruments (receivables).

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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 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 2020, BCM plans to participate more in relevant international exhibitions to search for suitable new medical devices and commercial laundry equipment to expand our portfolio of products and brands to enhance the Group's future performance.

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

BCM plans to expand the business via organic and inorganic growth. We are actively looking for new potential business investment opportunities through acquisition to expand our product offerings and create additional income stream in future.

- (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 support 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 2020.

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

The Group currently operates 11 self-service laundrette outlets. In addition, the Group intends to set up another 5 new self-service laundrette outlets in year 2020, to improve our capability to meet customers' demand and to enhance the Group's revenue.

In 2020, the Group also plans to conduct more laundry opportunity sharing conferences in hotels surrounding Klang Valley and Johor Bahru to enhance its revenue growth.

The Group will also try to 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 2020 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.

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

B5. Taxation

	Individual Quarter Ended (Unaudited) 31 December 2019 RM'000	(Unaudited) 31 December 2018 RM'000	Cumulative Quarter Ended (Unaudited) 31 December 2019 RM'000	(Audited) 31 December 2018 RM'000
Income tax expense:				
-Current financial period	320	424	2,261	2,815
-(Over)/under provision in prior years	(57)	56	(57)	51
	263	480	2,204	2,866
Deferred tax (income)/ expense:				
-Current financial period	(74)	98	(78)	98
-Under provision in prior years	3	32	3	32
Total tax expense	192	610	2,129	2,996

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

B6. Status of corporate proposals

Status of corporate proposals announced but not completed

The Company had on 29 November 2019 entered into the following agreements:-

- a subscription agreement with Foodict Maker Sdn Bhd ("Foodict"), and Lee Chin Fong ("LCF") and Lee Beng Wai ("LBW") (collectively as "Warrantors") for the proposed subscription of 133,333 new ordinary shares in Foodict representing 25% enlarged equity interest in Foodict, for a total cash consideration of RM1,499,996.25 ("Subscription Agreement");
- a share purchase agreement with LCF, LBW and Hsu Feng Chih (collectively, the "Vendors") for the proposed acquisition of an aggregate of 138,667 existing ordinary shares in Foodict representing 26% enlarged equity interest in Foodict, for a total cash consideration of RM1,560,003.75 ("Share Purchase Agreement");
- a shareholders agreement with the Vendors and Foodict to set out the responsibilities and obligations of the Company and the Vendors (collectively "Parties") as the shareholders of Foodict and to record the terms and conditions governing the structure and organisation of Foodict and the Parties' respective rights and obligations in relation thereto ("Shareholders' Agreement"), which shall be effective upon completion of the Subscription Agreement; and
- a profit guarantee agreement with LCF and LBW (collectively the "Guarantors") whereby the Guarantors will jointly and severally guarantee to the Company that the aggregate audited profit after tax attributable to the shareholders of Foodict for the two (2) years commencing from the date of completion of the Subscription Agreement and ending 24 months thereafter, shall not be less than the sum of RM1,600,000.00 ("Profit Guarantee Agreement").

**INTERIM FINANCIAL REPORT FOR THE
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B6. Status of corporate proposals (continued)

Status of corporate proposals announced but not completed (continued)

(The Subscription Agreement, Share Purchase Agreement, Shareholders' Agreement and Profit Guarantee Agreement are collectively, referred to as the "Definitive Agreements").

Pursuant to the Definitive Agreements, Foodict will become a 51% subsidiary of the Company.

On 23 January 2020, the Parties have mutually agreed to extend the period to fulfil the Conditions Precedent and Sales Purchase Agreement Conditions Precedent from 28 January 2020 to 30 March 2020.

B7. Finance lease payables & borrowings

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

	As at 31 December 2019 (Unaudited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Borrowings			
- Banker acceptance	-	371	371
- Trust receipt	-	712	712
- Bank overdrafts	-	165	165
- Term loans	2,607	265	2,872
Sub-total	2,607	1,513	4,120
(ii) Finance lease payables			
- Lease liabilities	318	723	1,041
- Hire purchase	1,675	924	2,599
Sub-total	1,993	1,647	3,640
Grand total	4,600	3,160	7,760

	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

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019**

B7. Finance lease payables & borrowings (continued)

Notes:

- (1) All borrowings are denominated in Ringgit Malaysia and there were no foreign currency denomination borrowings.
- (2) All borrowings are secured and the Group do not have any unsecured borrowings.
- (3) The average effective interest rates per annum are as follows:

	Rates (%)
Bank overdrafts	8.32
Banker acceptance	1.50
Trust receipts	8.32
Term loans	4.47-6.42
Hire purchase	4.26-11.01
Lease liabilities	4.84-6.35

- (4) There was additional RM0.11 million lease liabilities arising from rental of outlet and RM0.17 million hire purchase finance for motor vehicle arranged during the current quarter ended 31 December 2019.

B8. Changes in material litigation

As at 19 February 2020 (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

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

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**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 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) 31 December 2019	Individual Quarter (Unaudited) 31 December 2018	Cumulative Quarter (Unaudited) 31 December 2019	Cumulative Quarter (Audited) 31 December 2018
Profit attributable to owners of the Company (RM'000)	821	1,565	5,141	8,224
Weighted average number of issuance shares ('000)	421,250	421,250	421,250	421,250
Basic ⁽¹⁾ /Diluted ⁽²⁾ earnings per share (sen)	0.19	0.37	1.22	1.95

Notes:

- (1) Basic earnings per share for the quarter and cumulative quarter is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and cumulative quarter respectively.
- (2) Diluted earnings per share of the Company for the current quarter and cumulative quarter is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.

B11. Financial Instruments

(a) Derivatives

There were no outstanding derivatives as at 31 December 2019.

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

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

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**INTERIM FINANCIAL REPORT FOR THE
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B12. Disclosure on selected expense/ (income) items as required by the Listing Requirements

	(Unaudited) Current quarter ended 31 December 2019 RM'000	(Unaudited) Cumulative quarter ended 31 December 2019 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
- Bad debts written off	3	3
- Depreciation of property, plant and equipment	315	884
- Depreciation of right-of-use assets	403	1,430
- Gain on disposal of property, plant and equipment	-	(73)
- (Gain)/ Loss on derivatives	-	-
- (Gain)/ Loss on disposal of quoted or unquoted investments or properties	-	-
- Impairment loss on property, plant and equipment	2	257
- Interest expense	152	619
- Interest income	(107)	(462)
- Inventories written down	-	68
- Reversal of inventories written down	(32)	(32)
- Other income including investment income	-	-
- Net loss on impairment of financial instruments: receivables	768	858
- Unrealised (gain)/loss on foreign exchange differences	(142)	36
- Realised loss/(gain) on foreign exchange differences	11	(302)

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BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
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B13. Approvals obtained for registration of medical devices from Medical Device Authority of Malaysia for registration

In relation to the requirements on registration of medical devices, Section 5 (1) of the Medical Devices Act, 2012 requires, amongst others, that all medical products classified as medical devices under the Medical Devices Act, 2012 and Medical Devices Regulation, 2012 shall be registered before they can be imported, exported or placed in the market. As at 19 February 2020, the Group has submitted a total of two hundred and twenty five (225) 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 19 February 2020, out of the total applications submitted by the Group, there were:-

- (i) One hundred and thirty four (134) applications that have been successfully approved by MDA;
- (ii) Seven (7) applications are still under consideration by the MDA; and
- (iii) Eighty four (84) applications shall either be dropped by the Group due to discontinuance of distribution of certain types of medical devices, or cancellation 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
26 February 2020**