

**BCM ALLIANCE BERHAD**

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME <sup>(1)</sup>***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 30 June 2020 RM'000	(Unaudited) 30 June 2019 RM'000	(Unaudited) 30 June 2020 RM'000	(Unaudited) 30 June 2019 RM'000
Revenue	A7	14,454	24,436	32,113	52,448
Cost of Sales		(9,800)	(17,997)	(20,459)	(37,055)
Gross Profit		4,654	6,439	11,654	15,393
Other operating incomes		497	162	673	556
Administrative expenses		(4,393)	(5,408)	(9,924)	(10,595)
Net loss on impairment of financial instruments		(29)	(8)	(69)	(10)
Profit from operations		729	1,185	2,334	5,344
Finance costs		(55)	(153)	(164)	(334)
Profit before taxation	A7	674	1,032	2,170	5,010
Taxation	B5	(290)	(283)	(732)	(1,346)
<b>Profit for the financial period</b>		<b>384</b>	<b>749</b>	<b>1,438</b>	<b>3,664</b>
<b>Total comprehensive income for the financial period</b>		<b>384</b>	<b>749</b>	<b>1,438</b>	<b>3,664</b>
Profit for the financial period attributed to:					
Owners of the Company		130	703	1,081	3,655
Non-controlling interests		254	46	357	9
		384	749	1,438	3,664
<b>Total comprehensive income attributed to:</b>					
<b>Owners of the Company</b>		130	703	1,081	3,655
<b>Non-controlling interests</b>		254	46	357	9
		<b>384</b>	<b>749</b>	<b>1,438</b>	<b>3,664</b>
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	0.03	0.17	0.26	0.87

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**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(Continued) <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 Group for the financial year ended ("FYE") 31 December 2019 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  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**  
*(The figures have not been audited)*

	Note	(Unaudited) As at 30 June 2020 RM'000	(Audited) As at 31 December 2019 <sup>(2)</sup> RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		11,780	11,542
Right-of-use assets		2,897	3,450
		14,677	14,992
<b>CURRENT ASSETS</b>			
Inventories		22,274	17,277
Trade receivables		16,214	17,561
Other receivables, prepayments and deposits		1,416	1,875
Tax recoverable		1,043	770
Fixed deposits with licensed banks		1,780	1,767
Cash and bank balances		23,468	30,555
<b>TOTAL CURRENT ASSETS</b>		66,195	69,805
<b>TOTAL ASSETS</b>		80,872	84,797
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		32,120	32,120
Merger reserves		(16,049)	(16,049)
Retained earnings		35,912	34,831
Equity attributable to owners of the Company		51,983	50,902
Non-controlling interests		2,980	2,623
<b>TOTAL EQUITY</b>		54,963	53,525
<b>CURRENT LIABILITIES</b>			
Contract liabilities		515	493
Trade payables		11,887	12,067
Other payables and accruals		5,653	10,911
Lease liabilities	B7	1,484	1,615
Bank borrowings	B7	2,019	1,359
<b>TOTAL CURRENT LIABILITIES</b>		21,558	26,445

**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(Continued) <sup>(1)</sup>**

*(The figures have not been audited)*

	Note	(Unaudited) As at 30 June 2020 RM'000	(Audited) As at 31 December 2019 <sup>(2)</sup> RM'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	B7	1,661	2,020
Bank borrowings	B7	2,477	2,596
Deferred tax liabilities		213	211
<b>TOTAL NON-CURRENT LIABILITIES</b>		4,351	4,827
<b>TOTAL LIABILITIES</b>		25,909	31,272
<b>TOTAL EQUITY AND LIABILITIES</b>		80,872	84,797
Net assets per share (RM) <sup>(3)</sup>		0.12	0.12

**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 2019 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 2019.
- (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  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>***(The figures have not been audited)*

	<b>Non-Distributable Share Capital RM'000</b>	<b>Merger Reserves RM'000</b>	<b>Distributable Retained Earnings RM'000</b>	<b>Total Shareholders' Equity RM'000</b>	<b>Non- Controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
<u>Unaudited</u>						
<b>Balance as at 1 January 2020</b>	32,120	(16,049)	34,831	50,902	2,623	53,525
<b>Profit for the period</b>						
-Total comprehensive income for the period	-	-	1,081	1,081	357	1,438
<b>Balance as at 30 June 2020</b>	<u>32,120</u>	<u>(16,049)</u>	<u>35,912</u>	<u>51,983</u>	<u>2,980</u>	<u>54,963</u>
<u>Unaudited</u>						
<b>Balance as at 1 January 2019</b>	32,120	(16,049)	30,505	46,576	2,554	49,130
Effect of adopting MFRS 16 <sup>(2)</sup>	-	-	(46)	(46)	(5)	(51)
Restated balance as at 1 January 2019	32,120	(16,049)	30,459	46,530	2,549	49,079
<b>Profit for the period</b>						
-Total comprehensive income for the period	-	-	3,655	3,655	9	3,664
-Approved final dividend for the year ended 31 December 2018	-	-	(843)	(843)	-	(843)
<b>Balance as at 30 June 2019</b>	<u>32,120</u>	<u>(16,049)</u>	<u>33,271</u>	<u>49,342</u>	<u>2,558</u>	<u>51,900</u>

**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 2019 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.

**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

*(The figures have not been audited)*

	<b>(Unaudited) 6 months ended 30 June 2020 RM'000</b>	<b>(Unaudited) 6 months ended 30 June 2019 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	2,170	5,010
Adjustments for:		
Depreciation of property, plant and equipment	488	351
Depreciation of right-of-use assets	796	648
Gain on disposal of property, plant and equipment	(7)	(73)
Gain on disposal of a right-of-use asset	(103)	-
Impairment loss on property, plant and equipment	3	36
Interest expense	164	334
Interest income	(164)	(247)
Inventories written down	-	53
Net loss on impairment of financial instruments	69	10
Reversal of impairment loss on trade receivables	(22)	(45)
Unrealised loss on foreign exchange differences	59	107
Operating profit before working capital changes	3,453	6,184
<b>Changes in working capital:</b>		
Inventories	(4,997)	(7,065)
Trade receivables	1,300	(5,500)
Other receivables	460	992
Contract liabilities	22	24
Trade payables	(238)	4,439
Other payables	(5,257)	(1,159)
	(8,710)	(8,269)
Cash used in operations	(5,257)	(2,085)
Interest received	164	247
Interest paid	(164)	(334)
Tax paid	(1,004)	(1,542)
Tax refunded	-	364
	(1,004)	(1,265)
Net cash used in operating activities	(6,261)	(3,350)

**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) <sup>(1)</sup>**  
*(The figures have not been audited)*

	<b>(Unaudited) 6 months ended 30 June 2020 RM'000</b>	<b>(Unaudited) 6 months ended 30 June 2019 RM'000</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(729)	(209)
Proceeds from disposal of property, plant and equipment	7	73
Proceeds from disposal of a right-of-use asset	135	-
Purchase of right-of-use assets	(207)	(51)
Acquisition of other investment	-	(9,137)
Increase in fixed deposit pledged with licensed banks	(13)	(5)
Net cash used in investing activities	<u>(807)</u>	<u>(9,329)</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of bank borrowings	(850)	(134)
Proceeds from bank borrowings	1,391	-
Repayment of lease liabilities	(560)	(594)
Net cash used in financing activities	<u>(19)</u>	<u>(728)</u>
Net decrease in cash and cash equivalents	(7,087)	(13,407)
Cash and cash equivalents at the beginning of the period	30,555	27,832
Cash and cash equivalents at the end of the period	<u>23,468</u>	<u>14,425</u>
<b>Cash and cash equivalents at the end of the period comprises:</b>		
- Fixed deposits with licensed banks	1,780	1,127
- Cash and bank balances	23,468	15,048
- Bank overdrafts	-	(623)
	<u>25,248</u>	<u>15,552</u>
Less: Fixed deposits pledged with licensed banks	(1,780)	(1,127)
Net cash and cash equivalent at the end of the period	<u>23,468</u>	<u>14,425</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 2019 as well as the accompanying explanatory notes attached to this interim financial report.

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**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

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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 FYE 31 December 2019 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 2019. 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 year.

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 16	Covid-19 - Related Rent Concessions

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

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**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

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**A1. Basis of preparation (continued)**

**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.

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective dates for financial period beginning on and after</b>
Reference to the Conceptual Framework (Amendments to MFRS 3) Amendments to MFRS 116	Business Combinations 1 January 2022
Amendments to MFRS 137	Property, Plant and Equipment-Proceeds before Intended Use 1 January 2022
MFRS 17	Onerous Contracts-Cost of Fulfilling a Contract 1 January 2022 Insurance Contracts 1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current 1 January 2023
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
Annual improvements to MFRS Standards 2018-2020: - Amendments to MFRS 1, MFRS 9, MFRS 141 and Illustrative Examples accompanying MFRS 16.	1 January 2022

**A2. Auditors' report of preceding annual audited financial statements**

The audited financial statements of the Group for the FYE 31 December 2019 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.

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**INTERIM FINANCIAL REPORT FOR THE  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

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**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 services and other (represented the entity which yet to commence operation).

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  
SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020**

**A7. Segmental information (continued)**

**Results for the current 3 months ended 30 June**

In RM'000

Business Segments	Q2 2020 (Unaudited)							Q2 2019 (Unaudited)								
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Other	Adjustment & Elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Other	Adjustment & Elimination	Total Group
Revenue (i) external customers	1,591	9,741	3,050	-	72	-	-	14,454	7,016	14,753	2,667	-	-	-	-	24,436
(ii) inter-segment	424	44	3	486	-	-	(957)	-	-	-	-	517	-	-	(517)	-
<b>Total Revenue</b>	<b>2,015</b>	<b>9,785</b>	<b>3,053</b>	<b>486</b>	<b>72</b>	<b>-</b>	<b>(957)</b>	<b>14,454</b>	<b>7,016</b>	<b>14,753</b>	<b>2,667</b>	<b>517</b>	<b>-</b>	<b>-</b>	<b>(517)</b>	<b>24,436</b>
<b>Results-Segment results</b>	<b>(118)</b>	<b>532</b>	<b>660</b>	<b>(218)</b>	<b>(119)</b>	<b>-</b>	<b>(73)</b>	<b>664</b>	<b>549</b>	<b>592</b>	<b>108</b>	<b>(173)</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>1,062</b>
Interest income	31	24	9	1	-	-	-	65	48	42	5	28	-	-	-	123
Finance costs	(10)	(35)	(5)	(2)	(3)	-	-	(55)	(32)	(107)	(11)	(3)	-	-	-	(153)
<b>Profit/(Loss) before taxation</b>	<b>(97)</b>	<b>521</b>	<b>664</b>	<b>(219)</b>	<b>(122)</b>	<b>-</b>	<b>(73)</b>	<b>674</b>	<b>565</b>	<b>527</b>	<b>102</b>	<b>(148)</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>1,032</b>
Taxation	31	(177)	(144)	-	-	-	-	(290)	(135)	(140)	(8)	-	-	-	-	(283)
<b>Profit/(Loss) after taxation</b>	<b>(66)</b>	<b>344</b>	<b>520</b>	<b>(219)</b>	<b>(122)</b>	<b>-</b>	<b>(73)</b>	<b>384</b>	<b>430</b>	<b>387</b>	<b>94</b>	<b>(148)</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>749</b>
<b>Other non cash items:</b>																
-Depreciation of property, plant and equipment	(59)	(95)	(21)	(2)	(76)	-	(27)	(280)	(74)	(78)	(25)	(2)	-	-	-	(179)
-Depreciation of right-of-use assets	(118)	(138)	(44)	(33)	(62)	-	-	(395)	(158)	(105)	(50)	(25)	-	(2)	-	(340)
-Gain on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	53	-	-	-	-	-	-	53
-Gain on disposal of a right-use-of asset	103	-	-	-	-	-	-	103	-	-	-	-	-	-	-	-
-Unrealised (loss)/gain on foreign exchange differences	150	39	(2)	-	-	-	-	187	37	(113)	(20)	7	-	-	-	(89)
-Inventories written down	-	-	-	-	-	-	-	-	(4)	(33)	-	-	-	-	-	(37)
-Impairment loss on property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(36)	-	-	-	-	(36)
-Net loss on impairment of financial instruments	(24)	(5)	-	-	-	-	-	(29)	-	(8)	-	-	-	-	-	(8)
-Reversal of impairment loss on trade receivables	-	-	-	-	-	-	-	-	8	11	-	-	-	-	-	19

# BCM ALLIANCE BERHAD

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>nd</sup>) QUARTER ENDED 30 JUNE 2020

### A7. Segmental information (continued)

#### Results for the cumulative 6 months ended 30 June

In RM'000

Business Segments	Q2 2020 (Unaudited)								Q2 2019 (Unaudited)							
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Other	Adjustment & Elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Other	Adjustment & Elimination	Total Group
Revenue (i) external customers	9,997	15,979	5,842	-	295	-	-	32,113	14,874	33,043	4,531	-	-	-	-	52,448
(ii) inter-segment	424	44	3	975	-	-	(1,446)	-	-	-	-	883	-	-	(883)	-
<b>Total Revenue</b>	<b>10,421</b>	<b>16,023</b>	<b>5,845</b>	<b>975</b>	<b>295</b>	<b>-</b>	<b>(1,446)</b>	<b>32,113</b>	<b>14,874</b>	<b>33,043</b>	<b>4,531</b>	<b>883</b>	<b>-</b>	<b>-</b>	<b>(883)</b>	<b>52,448</b>
Results-Segment results	750	948	960	(336)	(128)	(1)	(23)	2,170	1,079	4,345	35	(343)	-	(14)	(5)	5,097
Interest income	88	48	15	13	-	-	-	164	111	79	13	44	-	-	-	247
Finance costs	(42)	(93)	(16)	(4)	(9)	-	-	(164)	(72)	(235)	(21)	(6)	-	-	-	(334)
<b>Profit/(Loss) before taxation</b>	<b>796</b>	<b>903</b>	<b>959</b>	<b>(327)</b>	<b>(137)</b>	<b>(1)</b>	<b>(23)</b>	<b>2,170</b>	<b>1,118</b>	<b>4,189</b>	<b>27</b>	<b>(305)</b>	<b>-</b>	<b>(14)</b>	<b>(5)</b>	<b>5,010</b>
Taxation	(210)	(292)	(230)	-	-	-	-	(732)	(267)	(1,071)	(8)	-	-	-	-	(1,346)
<b>Profit/(Loss) after taxation</b>	<b>586</b>	<b>611</b>	<b>729</b>	<b>(327)</b>	<b>(137)</b>	<b>(1)</b>	<b>(23)</b>	<b>1,438</b>	<b>851</b>	<b>3,118</b>	<b>19</b>	<b>(305)</b>	<b>-</b>	<b>(14)</b>	<b>(5)</b>	<b>3,664</b>
<b>Other non cash items:</b>																
-Depreciation of property, plant and equipment	(127)	(188)	(42)	(5)	(149)	-	23	(488)	(145)	(154)	(47)	(5)	-	-	-	(351)
-Depreciation of right-of-use assets	(271)	(260)	(88)	(58)	(119)	-	-	(796)	(299)	(211)	(86)	(50)	-	(2)	-	(648)
-Gain on disposal of property, plant and equipment	7	-	-	-	-	-	-	7	73	-	-	-	-	-	-	73
-Gain on disposal of a right-use-of asset	103	-	-	-	-	-	-	103	-	-	-	-	-	-	-	-
-Unrealised (loss)/gain on foreign exchange differences	(8)	(45)	(6)	-	-	-	-	(59)	(6)	(88)	(20)	7	-	-	-	(107)
-Inventories written down	-	-	-	-	-	-	-	-	(18)	(35)	-	-	-	-	-	(53)
-Impairment loss on property, plant and equipment	-	(3)	-	-	-	-	-	(3)	-	-	(36)	-	-	-	-	(36)
-Net loss on impairment of financial instruments	(36)	(33)	-	-	-	-	-	(69)	-	(10)	-	-	-	-	-	(10)
-Reversal of impairment loss on trade receivables	-	-	22	-	-	-	-	22	21	23	1	-	-	-	-	45
<b>Segment assets</b>	<b>32,402</b>	<b>34,405</b>	<b>9,542</b>	<b>33,718</b>	<b>3,673</b>	<b>4</b>	<b>(32,872)</b>	<b>80,872</b>	<b>28,272</b>	<b>46,155</b>	<b>7,083</b>	<b>33,518</b>	<b>-</b>	<b>174</b>	<b>(29,346)</b>	<b>85,856</b>
<b>Segment liabilities</b>	<b>(13,199)</b>	<b>(18,643)</b>	<b>(3,457)</b>	<b>(496)</b>	<b>(3,986)</b>	<b>(2)</b>	<b>13,874</b>	<b>(25,909)</b>	<b>(10,660)</b>	<b>(30,610)</b>	<b>(2,000)</b>	<b>(1,269)</b>	<b>-</b>	<b>(178)</b>	<b>10,761</b>	<b>(33,956)</b>

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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 June 2020.

**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.

**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 June 2020 RM'000</b>	<b>(Unaudited) Cumulative quarter ended 30 June 2020 RM'000</b>
(i) Transactions with a company in which certain directors of the Company have substantial financial interest: -		
Lease payment on premises.	48	96
Lease deposit on a new premise.	14	14
	=====	=====
(ii) Transaction with a director: -		
Proceeds from disposal of a right-use-of asset (motor vehicle) to a director.	135	135
	=====	=====

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1. Review of performance**

	<b>Individual Quarter (Unaudited) 30 June 2020 RM'000</b>	<b>(Unaudited) 30 June 2019 RM'000</b>	<b>Changes (RM'000 / %)</b>	<b>Cumulative Quarter (Unaudited) 30 June 2020 RM'000</b>	<b>(Unaudited) 30 June 2019 RM'000</b>	<b>Changes (RM'000 / %)</b>
Revenue	14,454	24,436	(9,982)/ (40.85%)	32,113	52,448	(20,335)/ (38.77%)
Operating profit	232	1,031	(799)/ (77.50%)	1,661	4,798	(3,137)/ (65.38%)
Profit before interest and tax	729	1,185	(456)/ (38.48%)	2,334	5,344	(3,010)/ (56.32%)
Profit before tax	674	1,032	(358)/ (34.69%)	2,170	5,010	(2,840)/ (56.69%)
Profit after tax	384	749	(365)/ (48.73%)	1,438	3,664	(2,226)/ (60.75%)
Profit attributable to owners of the Company	130	703	(573)/ (81.51%)	1,081	3,655	(2,574)/ (70.42%)

**Current quarter (3 months)**

For the current quarter ended 30 June 2020, the Group recorded revenue of RM14.45 million as compared to RM24.44 million in the corresponding quarter ended 30 June 2019, a decrease of RM9.98 million or 40.85%. The lower revenue was mainly due to the decrease in revenue contribution from commercial laundry equipment business segment and medical devices business segment.

The revenue contribution from the healthcare products business segment rose by 14.36% or RM0.38 million, from RM2.67 million in the corresponding quarter ended 30 June 2019 compared to RM3.05 million in the current quarter ended 30 June 2020. The improvement was mainly due to the continuous growth of healthcare segment business.

The revenue from commercial laundry equipment business segment was decreased by RM5.43 million or 77.32% from RM7.02 million in the corresponding quarter ended 30 June 2019 compared to RM1.59 million in current quarter ended 30 June 2020. The decrease was mainly due to closure of business temporarily during Movement Control Order ("MCO") period (i.e. from 18 March 2020 until 3 May 2020). In addition, conservative approach adopted by potential customers during current challenging time which caused by the COVID-19 global pandemic, also resulted in lower sales throughout the remaining period in the current quarter.

The Group's laundry services business segment contributed RM0.07 million revenue in the current quarter. Its revenue would have continued to grow if there were no operational restrictions been imposed on our self-service laundrette outlets throughout the MCO period.

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**B1. Review of performance (continued)**

**Current (3 months) (continued)**

For the current quarter ended 30 June 2020, our medical devices business segment recorded a decrease in revenue by RM5.01 million or 33.97% to RM9.74 million as compared to RM14.75 million in the corresponding quarter ended 30 June 2019. This was attributed to lower billing to a number of its clients as some of the hospitals have either postponed or temporary put on hold their expansion plan as a result of the COVID-19 impact. The hospital's near-term outlook being clouded by COVID-19 as the pandemic prolongs and their outlook is hampered by the postponement of non-essential medical procedures and the drop in medical tourists.

Overall, the Group recorded a profit before tax of RM0.67 million in current quarter ended 30 June 2020 as compared to RM1.03 million in the corresponding quarter ended 30 June 2019. The decrease of RM0.36 million or 34.69% in current quarter was mainly due to lower revenue as mentioned above.

**Cumulative quarter (6 months)**

For the cumulative six (6) months period ended 30 June 2020, the Group's revenue had decreased by RM20.34 million or 38.77% to RM32.11 million as compared to RM52.45 million in the corresponding cumulated quarter ended 30 June 2019. As disclosed in Note A7, the lower revenue were mainly due to lower revenue contribution from medical devices business segment and commercial laundry equipment business segment by RM17.06 million and RM4.88 million respectively.

The healthcare products segment recorded a sharp rise in revenue by RM1.31 million or 28.93% to RM5.84 million in the current cumulative quarter ended 30 June 2020, compared to RM4.53 million in the corresponding cumulative quarter ended 30 June 2019. The stronger revenue contribution was mainly due to more sales orders for our healthcare products.

The medical devices business segment registered a revenue of RM15.98 million in the current cumulative quarter ended 30 June 2020, compared to RM33.04 million in the corresponding cumulative quarter ended 30 June 2019. The lower revenue was primarily due to lower billing to a number of its clients as some of the hospitals have either postponed or temporary put on hold their expansion plan as a result of the COVID-19 impact.

For the current cumulative quarter ended 30 June 2020, our commercial laundry equipment business segment recorded a decrease in revenue by RM4.88 million or 32.79% to RM9.99 million as compared to RM14.87 million in the corresponding cumulative quarter ended 30 June 2019. This was attributed to closure of business temporarily during MCO period. In addition, conservative approach adopted by potential customers during current challenging time which caused by the COVID-19 global pandemic, also resulted in lower sales throughout the remaining period in the current quarter.

The Group's laundry services business segment contributed RM0.30 million revenue in the current cumulative quarter. Its revenue would have continued to grow if there were no operational restrictions been imposed on our self-service laundrette outlets throughout the MCO period.

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**B1. Review of performance (continued)**

**Cumulative quarter (6 months) (continued)**

For the cumulative quarter under review, the Group registered a profit before tax of RM2.17 million as compared to RM5.01 million in the correspondence cumulative quarter ended 30 June 2019. The decline in profit before tax of RM2.84 million or 56.69% was mainly due to the lower revenue contribution from medical devices business segment and commercial laundry equipment business segment as aforementioned.

**B2. Comparison with immediate preceding quarter's results**

	<----- Quarter ended ----->		Changes RM'000	Changes %
	(Unaudited) 30 June 2020 RM'000	(Unaudited) 31 March 2020 RM'000		
Revenue	14,454	17,659	(3,205)	(18.15)
Operating profit	232	1,429	(1,197)	(83.76)
Profit before interest and tax	729	1,605	(876)	(54.58)
Profit before tax	674	1,496	(822)	(54.95)
Profit after tax	384	1,054	(670)	(63.57)
Profit attributable to owners of the Company	130	951	(821)	(86.33)

For the current quarter ended 30 June 2020, the Group recorded a revenue of RM14.45 million and profit before tax of RM0.67 million as compared to a revenue of RM17.66 million and profit before tax of RM1.50 million in the immediate preceding quarter ended 31 March 2020.

Lower revenue was recorded in the current quarter under review, represents 18.15% or RM3.21 million decrease as compared to the immediate preceding quarter ended 31 March 2020. The lower revenue was mainly due to the decrease in revenue contribution from commercial laundry equipment business segment and laundry services business segment. However, it was partially offset by the higher revenue delivered by the healthcare products segment and medical devices business segment during current quarter as compared to the immediate preceding quarter.

For the commercial laundry equipment business segment, its revenue decreased by RM6.82 million or 81.07% in the current quarter as compared to the immediate preceding quarter. The lower revenue was mainly due to closure of business temporarily during MCO period. In addition, conservative approach adopted by potential customers during current challenging time which caused by the COVID-19 global pandemic, also resulted in lower sales throughout the remaining period in the current quarter.

The decline in revenue contribution from laundry services business segment of RM0.15 million or 67.71% was mainly due to its business activity is temporarily suspended during MCO period.



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**B2. Comparison with immediate preceding quarter's results (continued)**

Nevertheless, for the medical devices business segment, its revenue increased by RM3.50 million or 56.16% in the current quarter as compared to the immediate preceding quarter. The higher revenue was mainly attributable to higher billing to customers in current quarter as compared to the immediate preceding quarter.

The Group's healthcare products segment registered a higher revenue by RM0.26 million or 9.24% to RM3.05 million in the current quarter as compared to RM2.79 million in the immediate preceding quarter. It represents the continued growth of the healthcare segment business in the current quarter.

The lower profit before tax recorded in the current quarter was mainly due to the lower revenue contribution from commercial laundry equipment business segment and laundry services business segment as aforementioned.

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**B3. Prospects**

In tandem with the Group's 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 services.

In 2020, BCM plans to identify and securing for suitable new medical devices and healthcare products that have strong demand or traction in the market to expand our portfolio of products and brands to enhance the Group's future performance.

Besides that, the Group intends to leverage on the enhancement business model by renting out Ripple Mattress that provides recurring income and also implement programme of rental or profit sharing of imaging equipment or other digital solution with hospitals.

(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 an additional income stream in future.

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

BCM plans to add new prospective hospitals and medical centres 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) Strengthening of self-service launderette and commercial laundry equipment business.

With a newly set up self-service launderette outlet at Bandar Sungai Long at end of July 2020, the Group currently operates 12 self-service launderette outlets. In addition, the Group intends to set up another 4 new self-service launderette outlets in future, 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 intends to deploy cashless payment systems ie Touch' n Go, QRPay, Boost Pay, WeChat Pay to cater to every possible customer as well as to create data-driven digital marketing activities that are rooted in marketing fundamentals, focusing on shoplot owners and retired businessmen.

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**B3. Prospects (continued)**

Effect of outbreak of coronavirus pandemic ("COVID-19")

The financial impact of the COVID-19 outbreak to the Group cannot be reasonably estimated due to the inherent unpredictable nature and rapid development relating to COVID-19, the extent of the impact depends on the ongoing precautionary measures introduced by each country to address this pandemic and the durations of the pandemic. However, the Directors of the Company have closely monitored the local and global development of the outbreak of COVID-19 and also work closely with the trade partners and suppliers to ensure minimal disruption during this period.

Looking ahead, we remain steadfast in our commitment to protect the health and safety of our teams around the world as we navigate these uncertain times. We are highly focused on the execution of our strategic initiatives and are taking decisive actions to mitigate the challenges created by the COVID-19 global pandemic on the Group's performance in 2020.

**B4. Profit forecast or profit guarantee**

The Group does not have any profit forecast or profit guarantee for the current quarter under review in any public documents.

**B5. Taxation**

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense:				
-Current financial period	289	284	730	1,348
Deferred tax				
expense/ (income):				
-Current financial period	1	(1)	2	(2)
Total tax expense	<u>290</u>	<u>283</u>	<u>732</u>	<u>1,346</u>

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.

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**B6. Status of corporate proposals**

Status of corporate proposals announced but not completed

**a) Proposed establishment of an Employees' Share Option Scheme**

On 16 April 2020, the Company proposed establishment of an Employees' Share Option Scheme ("ESOS") up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for the eligible employees and Directors (executive and non-executive directors) of the Company and its subsidiary companies (excluding dormant subsidiary companies). The proposed ESOS is subject to the approvals from shareholders of the Company at an Extraordinary General Meeting to be convened for the Proposed ESOS.

On 12 June 2020, the Company had submitted the additional listing application pursuant to the Proposed ESOS to Bursa Malaysia Securities Berhad ("Bursa Securities") for their approval. Bursa Securities had vide its letter dated 17 June 2020, conditional approved the listing of such number of new ordinary shares, representing up to 15% of the Company's total number of issued shares (excluding treasury shares), to be issued pursuant to the Proposed ESOS.

The Proposed ESOS had been approved by shareholders at the Extraordinary General Meeting of the Company which held on 17 August 2020.

The effective date of implementation of the ESOS is on 25 August 2020.

**b) Proposed special issue of up to 60,197,000 new ordinary shares in the Company to bumiputera investors to be identified and/or approved by MITI ("Proposed Special Issue")**

On 19 June 2020, the Company proposed to implement a special issue of up to 60,197,000 new ordinary shares in BCM, representing approximately 14.29% of the Company's existing issued share capital to Bumiputera investors to be identified and/or approved by Ministry of International Trade and Industry Malaysia ("MITI").

The Proposed Special Issue is undertaken to comply with the Bumiputera Equity Requirements (requirement by the Securities Commission Malaysia for the Company to meet a minimum 12.50% Bumiputera shareholdings) and to allow the Company to raise funds for the Group's business.

The Company proposes to undertake the Proposed Special Issue at an issue price to be determined later after obtaining all relevant regulatory authorities' approvals.

The Proposed Special Issue will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016. The Company had obtained the 20% General Mandate from its shareholders at its 5th AGM convened on 17 August 2020, to authorise the Board of Directors to allot and issue new BCM Shares not exceeding 20% of the total issued shares of the Company.

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**B6. Status of corporate proposals (continued)**

Status of corporate proposals announced but not completed (continued)

**b) Proposed special issue of up to 60,197,000 new ordinary shares in the Company to bumiputera investors to be identified and/or approved by MITI (“Proposed Special Issue”) (continued)**

As at 18 August 2020, the Proposed Special Issue is subject to the approval of the following:-

- a) Bursa Malaysia Securities Bhd., for the approval in principle for the listing of and quotation for the Special Issue Shares to be issued pursuant to the Proposed Special Issue; and
- b) MITI, for identification and/or recognition of Bumiputera investors as approved Bumiputera shareholders.

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**B7. Lease liabilities & bank borrowings**

The Group's lease liabilities and bank borrowings were as follows:-

	<b>As at 30 June 2020 (Unaudited)</b>		<b>Total RM'000</b>
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	
<b>Secured</b>			
<b>(i) Bank borrowings</b>			
- Banker acceptance	-	1,391	1,391
- Trust receipts	-	359	359
- Term loans	2,477	269	2,746
Sub-total	2,477	2,019	4,496
<b>(ii) Lease liabilities</b>	1,661	1,484	3,145
Grand total	4,138	3,503	7,641

	<b>As at 31 December 2019 (Audited)</b>		<b>Total RM'000</b>
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	
<b>Secured</b>			
<b>(i) Bank borrowings</b>			
- Banker acceptance	-	371	371
- Trust receipts	-	712	712
- Term loans	2,596	276	2,872
Sub-total	2,596	1,359	3,955
<b>(ii) Lease liabilities</b>	2,020	1,615	3,635
Grand total	4,616	2,974	7,590

**Notes:**

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

	<b>Rates (%)</b>
Banker acceptance	5.65
Trust receipts	8.32
Term loans	3.95-6.19
Lease liabilities	4.26-11.01

- (4) There was additional RM0.07 million lease liabilities arising from hire purchase finance for motor vehicle during the current quarter ended 30 June 2020.

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**B8. Changes in material litigation**

As at 18 August 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. Dividend Proposed/Declared**

Details of the dividend under the single-tier system approved and declared by the Board of Directors during the current financial period is as follows:

**Final Ordinary Dividend**

Dividend for the financial year ended	31 December 2019
Declared date	16 June 2020
Dividend per ordinary share	0.10 sen (2018: 0.20 sen)
Approval date	17 August 2020
Entitlement to dividend based on record of	
Depositors as at	19 August 2020
Payment date	15 September 2020

This proposed final dividend had been approved by shareholders at the Fifth (5<sup>th</sup>) Annual General Meeting of the Company which held on 17 August 2020.

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**B10. Earnings per share**

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

	<b>Individual Quarter (Unaudited) 30 June 2020</b>	<b>Individual Quarter (Unaudited) 30 June 2019</b>	<b>Cumulative Quarter (Unaudited) 30 June 2020</b>	<b>Cumulative Quarter (Unaudited) 30 June 2019</b>
Profit attributable to owners of the Company (RM'000)	130	703	1,081	3,655
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)	0.03	0.17	0.26	0.87

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**Notes:**

- (1) Basic earnings per share for the current quarter and cumulative quarter is calculated based on the net profit attributable to owners of the Company divided by the weighted average number of ordinary shares for the current 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 30 June 2020.

**(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 30 June 2020.

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**BCM ALLIANCE BERHAD**

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	<b>(Unaudited) Current quarter ended 30 June 2020 RM'000</b>	<b>(Unaudited) Cumulative quarter ended 30 June 2020 RM'000</b>
Profit before taxation is arrived at after charging/ (crediting):-		
- Depreciation of property, plant and equipment	280	488
- Depreciation of right-of-use assets	395	796
- Gain on disposal of property, plant and equipment	-	(7)
- Gain on disposal of a right-of-use asset	(103)	(103)
- (Gain)/Loss on derivatives	-	-
- (Gain)/Loss on disposal of quoted or unquoted investments or properties	-	-
- Impairment loss on property, plant and equipment	-	3
- Interest expense	55	164
- Interest income	(65)	(164)
- Inventories written down	-	-
- Reversal of inventories written down	-	-
- Other income including investment income	-	-
- Net loss on impairment of financial instruments: trade receivables	29	69
- Reversal of impairment loss on trade receivables	-	(22)
- Unrealised (gain)/loss on foreign exchange differences	(187)	59
- Realised loss on foreign exchange differences	72	230

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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 18 August 2020, the Group has submitted a total of two hundred and forty (240) 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 18 August 2020, out of the total applications submitted by the Group, there were:-

- (i) One hundred and fifty (150) applications that have been successfully approved by MDA;
- (ii) Three (3) applications are still under consideration by the MDA; and
- (iii) Eighty seven (87) 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  
25 August 2020**