

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 30 September 2020 RM'000	(Unaudited) 30 September 2019 RM'000	(Unaudited) 30 September 2020 RM'000	(Unaudited) 30 September 2019 RM'000
Revenue	A7	20,386	29,243	52,499	81,691
Cost of Sales		(13,676)	(21,811)	(34,135)	(58,866)
Gross Profit		6,710	7,432	18,364	22,825
Other operating income		549	184	1,222	740
Administrative expenses		(5,237)	(5,918)	(15,161)	(16,513)
Impairment loss on financial instruments		-	(126)	(69)	(136)
Profit from operations		2,022	1,572	4,356	6,916
Finance costs		(26)	(133)	(190)	(467)
Profit before taxation	A7	1,996	1,439	4,166	6,449
Taxation	B5	(463)	(591)	(1,195)	(1,937)
Profit for the financial period		1,533	848	2,971	4,512
Total comprehensive income for the financial period		1,533	848	2,971	4,512
Profit for the financial period attributed to:					
Owners of the Company		1,243	665	2,324	4,320
Non-controlling interests		290	183	647	192
		1,533	848	2,971	4,512
Total comprehensive income attributed to:					
Owners of the Company		1,243	665	2,324	4,320
Non-controlling interests		290	183	647	192
		1,533	848	2,971	4,512
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	0.30	0.16	0.55	1.03

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**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

**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 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
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

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

	Note	(Unaudited) As at 30 September 2020 RM'000	(Audited) As at 31 December 2019 ⁽²⁾ RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		11,761	11,542
Right-of-use assets		3,219	3,450
		14,980	14,992
CURRENT ASSETS			
Inventories		16,836	17,277
Trade receivables		16,940	17,561
Other receivables, prepayments and deposits		1,006	1,875
Tax recoverable		902	770
Fixed deposits with licensed banks		1,792	1,767
Cash and bank balances		28,545	30,555
TOTAL CURRENT ASSETS		66,021	69,805
TOTAL ASSETS		81,001	84,797
EQUITY AND LIABILITIES			
EQUITY			
Share capital		32,120	32,120
Merger reserves		(16,049)	(16,049)
Retained earnings		36,734	34,831
Equity attributable to owners of the Company		52,805	50,902
Non-controlling interests		3,270	2,623
TOTAL EQUITY		56,075	53,525
CURRENT LIABILITIES			
Contract liabilities		515	493
Trade payables		9,470	12,067
Other payables and accruals		5,444	10,911
Lease liabilities	B7	1,475	1,615
Bank borrowings	B7	3,387	1,359
TOTAL CURRENT LIABILITIES		20,291	26,445

**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

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

(The figures have not been audited)

	Note	(Unaudited) As at 30 September 2020 RM'000	(Audited) As at 31 December 2019 ⁽²⁾ RM'000
NON-CURRENT LIABILITIES			
Lease liabilities	B7	1,998	2,020
Bank borrowings	B7	2,423	2,596
Deferred tax liabilities		214	211
TOTAL NON-CURRENT LIABILITIES		4,635	4,827
TOTAL LIABILITIES		24,926	31,272
TOTAL EQUITY AND LIABILITIES		81,001	84,797
Net assets per share (RM) ⁽³⁾		0.13	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
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾***(The figures have not been audited)*

	Non-Distributable Share Capital RM'000	Merger Reserves RM'000	Distributable Retained Earnings RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<u>Unaudited</u>						
Balance as at 1 January 2020	32,120	(16,049)	34,831	50,902	2,623	53,525
Profit for the period						
-Total comprehensive income for the period	-	-	2,324	2,324	647	2,971
-Approved final dividend for the year ended 31 December 2019	-	-	(421)	(421)	-	(421)
Balance as at 30 September 2020	32,120	(16,049)	36,734	52,805	3,270	56,075
<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 period						
-Total comprehensive income for the period	-	-	4,320	4,320	192	4,512
-Approved final dividend for the year ended 31 December 2018	-	-	(843)	(843)	-	(843)
Balance as at 30 September 2019	32,120	(16,049)	33,936	50,007	2,741	52,748

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
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

(The figures have not been audited)

	(Unaudited) 9 months ended 30 September 2020 RM'000	(Unaudited) 9 months ended 30 September 2019 RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,166	6,449
Adjustments for:		
Depreciation of property, plant and equipment	751	569
Depreciation of right-of-use assets	1,231	1,027
Gain on disposal of property, plant and equipment	(7)	(73)
Gain on disposal of right-of-use assets	(205)	-
Impairment loss on property, plant and equipment	126	255
Interest expense	190	467
Interest income	(240)	(355)
Inventories written down	5	68
Impairment loss on financial instruments	69	136
Reversal of impairment loss on trade receivables	(96)	(46)
Unrealised (gain)/loss on foreign exchange differences	(95)	178
Operating profit before working capital changes	5,895	8,675
Changes in working capital:		
Inventories	437	(1,064)
Trade receivables	647	(11,195)
Other receivables	869	1,165
Contract liabilities	22	137
Trade payables	(2,502)	1,303
Other payables	(5,466)	(2,833)
	(5,993)	(12,487)
Cash used in operations	(98)	(3,812)
Interest received	240	355
Interest paid	(190)	(467)
Tax paid	(1,324)	(2,278)
Tax refunded	-	364
	(1,274)	(2,026)
Net cash used in operating activities	(1,372)	(5,838)

**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

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

	(Unaudited) 9 months ended 30 September 2020 RM'000	(Unaudited) 9 months ended 30 September 2019 RM'000
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,095)	(2,254)
Proceeds from disposal of property, plant and equipment	7	73
Proceeds from disposal of right-of-use assets	237	-
Purchase of right-of-use assets	(297)	(72)
Acquisition of other investment	-	(6,687)
Increase in fixed deposit pledged with licensed banks	(25)	(612)
Net cash used in investing activities	<u>(1,173)</u>	<u>(9,552)</u>
Cash Flows From Financing Activities		
Repayment of bank borrowings	(182)	(200)
Proceeds from bank borrowings	2,036	2,896
Repayment of lease liabilities	(898)	(932)
Dividend paid	(421)	(843)
Net cash generated from financing activities	<u>535</u>	<u>921</u>
Net decrease in cash and cash equivalents	(2,010)	(14,469)
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>28,545</u>	<u>13,363</u>
Cash and cash equivalents at the end of the period comprises:		
- Fixed deposits with licensed banks	1,792	1,734
- Cash and bank balances	28,545	13,363
	<u>30,337</u>	<u>15,097</u>
Less: Fixed deposits pledged with licensed banks	(1,792)	(1,734)
Net cash and cash equivalent at the end of the period	<u>28,545</u>	<u>13,363</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
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

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
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

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.

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2 1 January 2021
Reference to the Conceptual Framework (Amendments to MFRS 3)	Business Combinations 1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use 1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract 1 January 2022
MFRS 17	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.

**INTERIM FINANCIAL REPORT FOR THE
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A6. Debt and equity securities

There was 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 segment, the Group's chief operating decision makers 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
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A7. Segmental information (continued)

Results for the current 3 months ended 30 September

In RM'000

Business Segments	Q3 2020 (Unaudited)							Q3 2019 (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	7,783	8,748	3,649	-	206	-	-	20,386	9,437	16,840	2,927	-	39	-	-	29,243
(ii) inter-segment	3	-	-	554	-	-	(557)	-	1,996	-	-	542	-	-	(2,538)	-
Total Revenue	7,786	8,748	3,649	554	206	-	(557)	20,386	11,433	16,840	2,927	542	39	-	(2,538)	29,243
Results-Segment results	947	581	783	(309)	(65)	(3)	12	1,946	632	1,003	543	(154)	(126)	(1)	(433)	1,464
Interest income	22	13	8	33	-	-	-	76	46	37	5	20	-	-	-	108
Finance costs	6	(18)	(11)	(8)	5	-	-	(26)	(30)	(73)	(25)	(3)	(2)	-	-	(133)
Profit/(Loss) before taxation	975	576	780	(284)	(60)	(3)	12	1,996	648	967	523	(137)	(128)	(1)	(433)	1,439
Taxation	(245)	(29)	(187)	-	(2)	-	-	(463)	(158)	(284)	(149)	-	-	-	-	(591)
Profit/(Loss) after taxation	730	547	593	(284)	(62)	(3)	12	1,533	490	683	374	(137)	(128)	(1)	(433)	848
Other non cash items:																
-Depreciation of property, plant and equipment	(68)	(92)	(22)	(7)	(85)	-	11	(263)	(67)	(80)	(27)	(4)	(40)	-	-	(218)
-Depreciation of right-of-use assets	(148)	(125)	(44)	(55)	(63)	-	-	(435)	(164)	(114)	(44)	(25)	(32)	-	-	(379)
-Gain on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Gain on disposal of right-of-use assets	102	-	-	-	-	-	-	102	-	-	-	-	-	-	-	-
-Unrealised gain/(loss) on foreign exchange differences	113	46	(5)	-	-	-	-	154	(74)	10	(7)	-	-	-	-	(71)
-Inventories written down	-	(5)	-	-	-	-	-	(5)	-	(15)	-	-	-	-	-	(15)
-Impairment loss on property, plant and equipment	-	(123)	-	-	-	-	-	(123)	(217)	(2)	-	-	-	-	-	(219)
-Impairment loss on financial instruments	-	-	-	-	-	-	-	-	(66)	(60)	-	-	-	-	-	(126)
-Reversal of impairment loss on trade receivables	72	2	-	-	-	-	-	74	-	-	-	-	-	-	-	-

**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

A7. Segmental information (continued)

Results for the cumulative 9 months ended 30 September

In RM'000

Business Segments	Q3 2020 (Unaudited)								Q3 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	17,780	24,727	9,491	-	501	-	-	52,499	24,311	49,883	7,458	-	39	-	-	81,691
(ii) inter-segment	427	44	3	1,529	-	-	(2,003)	-	1,996	-	-	1,425	-	-	(3,421)	-
Total Revenue	18,207	24,771	9,494	1,529	501	-	(2,003)	52,499	26,307	49,883	7,458	1,425	39	-	(3,421)	81,691
Results-Segment results	1,697	1,529	1,743	(645)	(193)	(4)	(11)	4,116	1,711	5,348	578	(497)	(136)	(5)	(438)	6,561
Interest income	110	61	23	46	-	-	-	240	157	116	18	64	-	-	-	355
Finance costs	(36)	(111)	(27)	(12)	(4)	-	-	(190)	(102)	(308)	(46)	(9)	(2)	-	-	(467)
Profit/(Loss) before taxation	1,771	1,479	1,739	(611)	(197)	(4)	(11)	4,166	1,766	5,156	550	(442)	(138)	(5)	(438)	6,449
Taxation	(455)	(321)	(417)	-	(2)	-	-	(1,195)	(425)	(1,355)	(157)	-	-	-	-	(1,937)
Profit/(Loss) after taxation	1,316	1,158	1,322	(611)	(199)	(4)	(11)	2,971	1,341	3,801	393	(442)	(138)	(5)	(438)	4,512
Other non cash items:																
-Depreciation of property, plant and equipment	(195)	(280)	(64)	(12)	(234)	-	34	(751)	(212)	(234)	(74)	(9)	(40)	-	-	(569)
-Depreciation of right-of-use assets	(419)	(385)	(132)	(113)	(182)	-	-	(1,231)	(463)	(325)	(130)	(75)	(32)	(2)	-	(1,027)
-Gain on disposal of property, plant and equipment	7	-	-	-	-	-	-	7	73	-	-	-	-	-	-	73
-Gain on disposal of right-of-use assets	205	-	-	-	-	-	-	205	-	-	-	-	-	-	-	-
-Unrealised gain/(loss) on foreign exchange differences	105	1	(11)	-	-	-	-	95	(80)	(98)	^	-	-	-	-	(178)
-Inventories written down	-	(5)	-	-	-	-	-	(5)	(18)	(50)	-	-	-	-	-	(68)
-Impairment loss on property, plant and equipment	-	(126)	-	-	-	-	-	(126)	(217)	(2)	(36)	-	-	-	-	(255)
-Impairment loss on financial instruments	(36)	(33)	-	-	-	-	-	(69)	(66)	(70)	-	-	-	-	-	(136)
-Reversal of impairment loss on trade receivables	72	2	22	-	-	-	-	96	22	23	1	-	-	-	-	46
Segment assets	31,801	35,014	9,609	33,299	3,705	9	(32,436)	81,001	31,229	40,775	9,107	32,562	3,364	5	(33,455)	83,587
Segment liabilities	(11,868)	(18,705)	(2,931)	(782)	(4,080)	(10)	13,450	(24,926)	(13,127)	(24,547)	(3,651)	(449)	(3,502)	-	14,437	(30,839)

^ Represent less than RM1,000

**INTERIM FINANCIAL REPORT FOR THE
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A8. Dividends paid

A single-tier final approved dividend of 0.10 sen per ordinary share amounting to RM421,250.20 in respect of the financial year ended 31 December 2019, has been fully paid on 15 September 2020.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

A10. Capital commitments

There were no capital commitments of the Group as at 30 September 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.

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**INTERIM FINANCIAL REPORT FOR THE
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A14. Related party transactions

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

	(Unaudited) Current quarter ended 30 September 2020 RM'000	(Unaudited) Cumulative quarter ended 30 September 2020 RM'000
(i) Transactions with a company in which certain directors of the Company have substantial financial interest: -		
Lease payment on premises.	34	130
Lease deposit on a new premise.	-	14
	=====	=====
(ii) Transaction with a past director: -		
Proceeds from disposal of a right-use-of asset (motor vehicle) to a past director.	-	135
	=====	=====

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**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	Individual Quarter (Unaudited) 30 September 2020 RM'000	Quarter (Unaudited) 30 September 2019 RM'000	Changes (RM'000 / %)	Cumulative Quarter (Unaudited) 30 September 2020 RM'000	Quarter (Unaudited) 30 September 2019 RM'000	Changes (RM'000 / %)
Revenue	20,386	29,243	(8,857)/ (30.29%)	52,499	81,691	(29,192)/ (35.73%)
Operating profit	1,473	1,388	85/ 6.12%	3,134	6,176	(3,042)/ (49.26%)
Profit before interest and tax	2,022	1,572	450/ 28.63	4,356	6,916	(2,560)/ (37.02%)
Profit before tax	1,996	1,439	557/ 38.71%	4,166	6,449	(2,283)/ (35.40%)
Profit after tax	1,533	848	685/ 80.78%	2,971	4,512	(1,541)/ (34.15%)
Profit attributable to owners of the Company	1,243	665	578/ 86.92%	2,324	4,320	(1,996)/ (46.20%)

Current quarter (3 months)

For the current quarter ended 30 September 2020, the Group recorded revenue of RM20.39 million as compared to RM29.24 million in the corresponding quarter ended 30 September 2019, a decrease of RM8.86 million or 30.29%. The lower revenue was mainly due to the decrease in revenue contribution from medical devices business segment and commercial laundry equipment business segment.

The revenue contribution from the healthcare products business segment rose by 24.67% or RM0.72 million, from RM2.93 million in the corresponding quarter ended 30 September 2019 compared to RM3.65 million in the current quarter ended 30 September 2020. The improvement was mainly due to the continuous growth of the healthcare segment business and increase of new clients (chain pharmacies).

The Group's laundry services business segment rose by 428.21% or RM0.17 million. It contributed RM0.21 million revenue in the current quarter ended 30 September 2020 compared to RM0.04 million in the corresponding quarter ended 30 September 2019. The improvement was mainly due to additional laundrette outlets have been opened and the continuous growth of our laundry services business segment.

The revenue from commercial laundry equipment business segment was decreased by RM1.65 million or 17.53% from RM9.44 million in the corresponding quarter ended 30 September 2019 compared to RM7.78 million in current quarter ended 30 September 2020. The decrease was mainly due to conservative approach adopted by potential customers during current economic challenging time which resulted in lower sales in the current quarter.

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B1. Review of performance (continued)

Current (3 months) (continued)

For the current quarter ended 30 September 2020, our medical devices business segment recorded a decrease in revenue by RM8.09 million or 48.05% to RM8.75 million as compared to RM16.84 million in the corresponding quarter ended 30 September 2019. This was attributed to lower billing to a number of its clients as some of the hospitals have either postponed or temporarily put on hold their expansion plans. This was due to the cautious market sentiment as consumers tighten their expenditure and hospitals reduce their budget, amidst the pandemic-induced challenging operational environment. However, the Group is confident that the postponed or temporarily-deferred expansion plans by our clients will result in a strong pent-up demand, which will translate into improved revenue contribution for the Group, as market environment recovers over the next few months.

However, despite of lower revenue, the Group recorded a higher profit before tax of RM2.00 million in current quarter ended 30 September 2020 as compared to RM1.44 million in the corresponding quarter ended 30 September 2019. The increase of RM0.56 million or 38.71% in current quarter were mainly due to higher gross profit margin contributed from services income, higher gain on disposal of motor vehicles; lower finance costs during loan repayment moratorium and efficient cost control and management on administrative expenses.

Cumulative quarter (9 months)

For the cumulative nine (9) months period ended 30 September 2020, the Group's revenue had decreased by RM29.19 million or 35.73% to RM52.50 million as compared to RM81.69 million in the corresponding cumulated quarter ended 30 September 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 RM25.16 million and RM6.53 million respectively.

The healthcare products business segment recorded a sharp rise in revenue by RM2.03 million or 27.26% to RM9.49 million in the current cumulative quarter ended 30 September 2020, compared to RM7.46 million in the corresponding cumulative quarter ended 30 September 2019. The stronger revenue contribution was mainly due to more sales orders for our healthcare products.

The Group's laundry services business segment rose significantly by 1,184.62% or RM0.46 million. It contributed RM0.50 million revenue in the current cumulative quarter ended 30 September 2020 compared to RM0.04 million in the corresponding cumulative quarter ended 30 September 2019. The improvement was mainly due to good demand from customers for use of our services as well as more laundrette outlets have been opened.

For the current cumulative quarter ended 30 September 2020, our commercial laundry equipment business segment recorded a decrease in revenue by RM6.53 million or 26.86% to RM17.78 million as compared to RM24.31 million in the corresponding cumulative quarter ended 30 September 2019. This was attributed to closure of business temporarily during MCO period. In addition, conservative approach adopted by potential customers during current economic challenging time also resulted in lower sales throughout the remaining period in the current cumulative quarter.

**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020**

B1. Review of performance (continued)

Cumulative quarter (9 months) (continued)

The medical devices business segment registered a revenue of RM24.73 million in the current cumulative quarter ended 30 September 2020, compared to RM49.88 million in the corresponding cumulative quarter ended 30 September 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 temporarily put on hold their expansion plans during current economic challenging time since MCO.

For the cumulative quarter under review, the Group registered a profit before tax of RM4.17 million as compared to RM6.45 million in the correspondence cumulative quarter ended 30 September 2019. The decline in profit before tax of RM2.28 million or 35.40% 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 ----->			
	(Unaudited)	(Unaudited)		
	30 September 2020	30 June 2020	Changes	Changes
	RM'000	RM'000	RM'000	%
Revenue	20,386	14,454	5,932	41.04
Operating profit	1,473	232	1,241	534.91
Profit before interest and tax	2,022	729	1,293	177.37
Profit before tax	1,996	674	1,322	196.14
Profit after tax	1,533	384	1,149	299.22
Profit attributable to owners of the Company	1,243	130	1,113	856.15

For the current quarter ended 30 September 2020, the Group recorded a revenue of RM20.39 million and profit before tax of RM2.00 million as compared to a revenue of RM14.45 million and profit before tax of RM0.67 million in the immediate preceding quarter ended 30 June 2020.

Higher revenue was recorded in the current quarter under review, represents increase of 41.04% or RM5.93 million as compared to the immediate preceding quarter ended 30 June 2020. The higher revenue was mainly due to the increase in revenue contribution from commercial laundry equipment business segment, laundry services business segment and healthcare products business segment.

For the commercial laundry equipment business segment, its revenue increased by RM6.19 million or 389.19% in the current quarter as compared to the immediate preceding quarter. The higher revenue was mainly due to more sales orders secured as a result of effectiveness of our promotion package; advertisement platform and webinar conducted in current quarter.

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

The increase in revenue contribution from laundry services business segment of RM0.13 million or 186.11% were mainly due to good demand from customers for use of our laundry services; the growth of number of laundrette outlet and its business activity has resumed over full current quarter after temporarily suspended for more than 30 days during MCO period in the immediate preceding quarter.

The Group's healthcare products business segment registered a higher revenue by RM0.60 million or 19.64% to RM3.65 million in the current quarter as compared to RM3.05 million in the immediate preceding quarter. It represents the continued growth of the healthcare segment business and increase of new clients (chain pharmacies) in the current quarter.

Nevertheless, for the medical devices business segment, its revenue decreased slightly by RM1.00 million or 10.19% in the current quarter as compared to the immediate preceding quarter. The lower revenue was mainly attributable to lower billing to a number of its clients as some of the hospitals have either postponed or temporary put on hold their expansion plans during current economic challenging time.

The higher profit before tax by RM1.32 million or 196.14% to RM2.00 million recorded in the current quarter was mainly due to the higher revenue contribution from commercial laundry equipment business segment, healthcare products 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 has leverage on the enhancement business model by renting out Ripple Mattress that provides recurring income and also intends to 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 is actively conducting laundry opportunity sharing webinar 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

	Individual Quarter Ended		Cumulative Quarter Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
-Current financial period	461	593	1,191	1,941
Deferred tax				
expense/ (income):				
-Current financial period	2	(2)	4	(4)
Total tax expense	<u>463</u>	<u>591</u>	<u>1,195</u>	<u>1,937</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

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 ("Special Issue Shares"), 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") at an issue price to be fixed by the Board of Directors at a later date.

The Proposed Special Issue is undertaken to comply with the Bumiputera Equity Conditions (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 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 Annual General Meeting 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.

On 21 August 2020, the application with regard to the allocation of Special Issue Shares to Bumiputera investors in relation to the Proposed Special Issue has been submitted to the MITI.

On 10 September 2020, Bursa Malaysia Securities Berhad had approved in principle for the listing of and quotation for the Special Issue Shares to be issued pursuant to the Proposed Special Issue. On even date, MITI had agreed to implement the proposal to allocate the Special Issue Shares to Bumiputera investors.

As at 18 November 2020, the Proposed Special Issue is pending the allocation of Bumiputera investors from MITI.

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B7. Lease liabilities & bank borrowings

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

	As at 30 September 2020 (Unaudited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Bank borrowings			
- Banker acceptance	-	1,468	1,468
- Trust receipts	-	1,650	1,650
- Term loans	2,423	269	2,692
Sub-total	2,423	3,387	5,810
(ii) Lease liabilities	1,998	1,475	3,473
Grand total	4,421	4,862	9,283

	As at 31 December 2019 (Audited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Bank borrowings			
- Banker acceptance	-	371	371
- Trust receipts	-	712	712
- Term loans	2,596	276	2,872
Sub-total	2,596	1,359	3,955
(ii) Lease liabilities	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:

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

- (4) There were additional RM0.67 million lease liabilities arising from hire purchase finance for motor vehicles during the current quarter ended 30 September 2020.

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B8. Changes in material litigation

As at 18 November 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

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

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**INTERIM FINANCIAL REPORT FOR THE
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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:

	Individual Quarter (Unaudited) 30 September 2020	Individual Quarter (Unaudited) 30 September 2019	Cumulative Quarter (Unaudited) 30 September 2020	Cumulative Quarter (Unaudited) 30 September 2019
Profit attributable to owners of the Company (RM'000)	1,243	665	2,324	4,320
Weighted average number of issuance shares ('000)	421,250	421,250	421,250	421,250
Basic ⁽¹⁾ /Diluted ⁽²⁾ earnings per share (sen)	0.30	0.16	0.55	1.03

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 September 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 September 2020.

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**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2020****B12. Disclosure on selected expense/ (income) items as required by the Listing Requirements**

	(Unaudited) Current quarter ended 30 September 2020 RM'000	(Unaudited) Cumulative quarter ended 30 September 2020 RM'000
Profit before taxation is arrived at after charging/ (crediting):-		
- Depreciation of property, plant and equipment	263	751
- Depreciation of right-of-use assets	435	1,231
- Gain on disposal of property, plant and equipment	-	(7)
- Gain on disposal of right-of-use assets	(102)	(205)
- (Gain)/Loss on derivatives	-	-
- (Gain)/Loss on disposal of quoted or unquoted investments or properties	-	-
- Impairment loss on property, plant and equipment	123	126
- Interest expense	26	190
- Interest income	(76)	(240)
- Inventories written down	5	5
- Other income including investment income	-	-
- Impairment loss on financial instruments: trade receivables	-	69
- Reversal of impairment loss on trade receivables	(74)	(96)
- Unrealised gain on foreign exchange differences	(154)	(95)
- Realised (gain)/loss on foreign exchange differences	(109)	121

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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 November 2020, the Group has submitted a total of two hundred and forty one (241) 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 November 2020, out of the total applications submitted by the Group, there were:-

- (i) One hundred and forty eight (148) applications that have been successfully approved by MDA and was in use by the Group;
- (ii) Two (2) applications are still under consideration by the MDA; and
- (iii) Ninety one (91) 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 November 2020**