

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 31 March 2021 RM'000	(Unaudited) 31 March 2020 RM'000	(Unaudited) 31 March 2021 RM'000	(Unaudited) 31 March 2020 RM'000
Revenue	A7	17,982	17,659	17,982	17,659
Cost of Sales		(11,847)	(10,659)	(11,847)	(10,659)
Gross Profit		6,135	7,000	6,135	7,000
Other operating income		174	176	174	176
Administrative expenses		(5,547)	(5,531)	(5,547)	(5,531)
Impairment loss on financial instruments		-	(40)	-	(40)
Profit from operations		762	1,605	762	1,605
Finance costs		(96)	(109)	(96)	(109)
Profit before taxation	A7	666	1,496	666	1,496
Taxation	B5	(387)	(442)	(387)	(442)
Profit for the financial period		279	1,054	279	1,054
Total comprehensive income for the financial period		279	1,054	279	1,054
Profit for the financial period attributed to:					
Owners of the Company		36	951	36	951
Non-controlling interests		243	103	243	103
		279	1,054	279	1,054
Total comprehensive income attributed to:					
Owners of the Company		36	951	36	951
Non-controlling interests		243	103	243	103
		279	1,054	279	1,054
Weighted average number of ordinary shares in issue (‘000)	B10	503,034	421,250	503,034	421,250
Earnings per share attributable to owners of the Company (sen):					
- Basic ⁽²⁾ /Diluted ⁽³⁾	B10	0.01	0.23	0.01	0.23

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

**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 2020 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.
- (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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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

	Note	(Unaudited) As at 31 March 2021 RM'000	(Audited) As at 31 December 2020 ⁽²⁾ RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		11,267	11,369
Right-of-use assets		2,781	2,614
Investment property		599	601
Other investment		8,000	-
		22,647	14,584
CURRENT ASSETS			
Inventories		16,476	14,356
Trade receivables		16,245	15,227
Other receivables, prepayments and deposits		3,493	2,109
Tax recoverable		911	894
Fixed deposits with licensed banks		13,819	1,815
Cash and bank balances		53,169	45,756
TOTAL CURRENT ASSETS		104,113	80,157
TOTAL ASSETS		126,760	94,741
EQUITY AND LIABILITIES			
EQUITY			
Share capital		79,018	47,356
Merger reserves		(16,049)	(16,049)
Retained earnings		37,104	37,068
Equity attributable to owners of the Company		100,073	68,375
Non-controlling interests		3,328	3,085
TOTAL EQUITY		103,401	71,460
CURRENT LIABILITIES			
Contract liabilities		464	473
Trade payables		8,753	5,201
Other payables and accruals		5,128	8,879
Lease liabilities	B7	1,290	1,036
Bank borrowings	B7	3,502	3,346
Tax payable		71	35
TOTAL CURRENT LIABILITIES		19,208	18,970

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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

(The figures have not been audited)

	Note	(Unaudited) As at 31 March 2021 RM'000	(Audited) As at 31 December 2020 ⁽²⁾ RM'000
NON-CURRENT LIABILITIES			
Lease liabilities	B7	1,803	1,882
Bank borrowings	B7	2,245	2,324
Deferred tax liabilities		103	105
TOTAL NON-CURRENT LIABILITIES		4,151	4,311
TOTAL LIABILITIES		23,359	23,281
TOTAL EQUITY AND LIABILITIES		126,760	94,741
Net assets per share (RM) ⁽³⁾		0.16	0.14

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 2020 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 2020.
- (3) Net assets per share is calculated based on the number of ordinary shares in issue of 625,880,836 shares as at 31 March 2021 (2020: 481,447,200 shares).

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021****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 2021	47,356	(16,049)	37,068	68,375	3,085	71,460
Issue of ordinary shares	31,662	-	-	31,662	-	31,662
Profit for the period						
-Total comprehensive income for the period	-	-	36	36	243	279
Balance as at 31 March 2021	79,018	(16,049)	37,104	100,073	3,328	103,401
<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	-	-	951	951	103	1,054
Balance as at 31 March 2020	32,120	(16,049)	35,782	51,853	2,726	54,579

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 2020 as well as the accompanying explanatory notes attached to this interim financial report.

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

(The figures have not been audited)

	(Unaudited) 3 months ended 31 March 2021 RM'000	(Unaudited) 3 months ended 31 March 2020 RM'000
Cash Flows From Operating Activities		
Profit before taxation	666	1,496
Adjustments for:		
Depreciation of property, plant and equipment	251	208
Depreciation of right-of-use assets	402	401
Depreciation of investment property	2	-
Gain on disposal of property, plant and equipment	-	(7)
Gain on disposal of right-of-use asset	(3)	-
Impairment loss on property, plant and equipment	-	3
Interest expenses	96	109
Interest income	(88)	(99)
Impairment loss on financial instruments	-	40
Reversal of impairment loss on trade receivables	-	(22)
Unrealised loss on foreign exchange differences	156	246
Operating profit before working capital changes	1,482	2,375
Changes in working capital:		
Inventories	(2,120)	(2,345)
Trade receivables	(1,018)	1,256
Other receivables	(1,384)	(273)
Contract liabilities	(8)	(14)
Trade payables	3,396	(2,282)
Other payables	(3,752)	(4,916)
	(4,886)	(8,574)
Cash used in operations	(3,404)	(6,199)
Interest received	88	99
Interest paid	(96)	(109)
Tax paid	(370)	(704)
	(378)	(714)
Net cash used in operating activities	(3,782)	(6,913)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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

	(Unaudited) 3 months ended 31 March 2021 RM'000	(Unaudited) 3 months ended 31 March 2020 RM'000
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(149)	(231)
Purchase of right-of-use assets	(235)	(9)
Proceeds from disposal of property, plant and equipment	-	7
Proceeds from disposal of right-of-use asset	14	-
Purchase of other investments	(8,000)	(5,033)
Increase in fixed deposit pledged with licensed banks	(4)	(7)
Net cash used in investing activities	<u>(8,374)</u>	<u>(5,273)</u>
Cash Flows From Financing Activities		
Repayment of bank borrowings	(1,873)	(580)
Proceeds from bank borrowings	1,950	-
Proceeds from issue of ordinary shares	32,094	-
Share issuance expenses	(432)	-
Payment of lease liabilities	(170)	(368)
Net cash generated from/(used in) financing activities	<u>31,569</u>	<u>(948)</u>
Net increase/(decrease) in cash and cash equivalents	19,413	(13,134)
Cash and cash equivalents at the beginning of the period	45,756	30,555
Cash and cash equivalents at the end of the period	<u>65,169</u>	<u>17,421</u>
Cash and cash equivalents at the end of the period comprises:		
- Fixed deposits with licensed banks	13,819	1,774
- Cash and bank balances	53,169	17,421
	<u>66,988</u>	<u>19,195</u>
Less: Fixed deposits pledged with licensed banks	(1,819)	(1,774)
Net cash and cash equivalent at the end of the period	<u>65,169</u>	<u>17,421</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 2020 as well as the accompanying explanatory notes attached to this interim financial report.

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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 2020 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 2020. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

Adoption of new and amended standard

During the financial period, the Group has adopted the following amendments for MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period.

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
--	--

Amendments to MFRS 16	Covid-19 - Related Rent Concessions Beyond 30 June 2021
-----------------------	--

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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 3 Reference to the Conceptual Framework	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
Annual improvements to MFRS Standards 2018-2020:- -Amendments to MFRS 1 -Amendments to MFRS 9 -Amendments to MFRS 16 -Amendments to MFRS 141	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to 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 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	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

A2. Auditors' report of preceding annual audited financial statements

The audited financial statements of the Group for the FYE 31 December 2020 were 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.

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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 was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial period-to-date, except for additional issuance of 144,433,636 new ordinary shares listed on the ACE Market of Bursa Malaysia Securities Berhad in March 2021 as disclosed in the Note B6(b).

A7. Segmental information

The Group's reportable segments comprise of commercial laundry equipment, medical devices, healthcare products, investment holding, laundry services and others (represented two entities 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2021

A7. Segmental information (continued)

Results for the current and cumulative 3 months ended 31 March

In RM'000

Business Segments	Q1 2021 (Unaudited)							Total Group	Q1 2020 (Unaudited)							Total Group
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Others	Adjustment & Elimination		Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Others	Adjustment & Elimination	
Revenue (i) external customers	6,301	7,659	3,853	-	169	-	-	17,982	8,406	6,238	2,792	-	223	-	-	17,659
(ii) inter-segment	12	4	-	546	-	-	(562)	-	-	-	489	-	-	(489)	-	
Total Revenue	6,313	7,663	3,853	546	169	-	(562)	17,982	8,406	6,238	2,792	489	223	-	(489)	17,659
Results-Segment results	317	444	648	(423)	(90)	(254)	32	674	868	416	300	(118)	(9)	(1)	50	1,506
Interest income	10	9	8	61	-	-	-	88	57	24	6	12	-	-	-	99
Finance costs	(21)	(57)	(5)	(11)	(2)	-	-	(96)	(32)	(58)	(11)	(2)	(6)	-	-	(109)
Profit/(Loss) before taxation	306	396	651	(373)	(92)	(254)	32	666	893	382	295	(108)	(15)	(1)	50	1,496
Taxation	(75)	(155)	(156)	-	(1)	-	-	(387)	(241)	(115)	(86)	-	-	-	-	(442)
Profit/(Loss) after taxation	231	241	495	(373)	(93)	(254)	32	279	652	267	209	(108)	(15)	(1)	50	1,054
Other non cash items:																
-Depreciation of property, plant and equipment	(68)	(80)	(21)	(8)	(86)	-	12	(251)	(68)	(93)	(21)	(3)	(73)	-	50	(208)
-Depreciation of right-of-use assets	(95)	(114)	(47)	(83)	(63)	-	-	(402)	(153)	(122)	(44)	(25)	(57)	-	-	(401)
-Depreciation of investment property	-	(2)	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-
-Gain on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	7	-	-	-	-	-	-	7
-Gain on disposal of right-of-use asset	-	3	-	-	-	-	-	3	-	-	-	-	-	-	-	-
-Unrealised loss on foreign exchange differences	(82)	(71)	(3)	-	-	-	-	(156)	(158)	(84)	(4)	-	-	-	-	(246)
-Impairment loss on property, plant and equipment	-	-	-	-	-	-	-	-	-	(3)	-	-	-	-	-	(3)
-Impairment loss on financial instruments	-	-	-	-	-	-	-	-	(12)	(28)	-	-	-	-	-	(40)
-Reversal of impairment loss on trade receivables	-	-	-	-	-	-	-	-	-	-	22	-	-	-	-	22
Segment assets	27,822	28,822	11,227	80,214	3,330	2,325	(26,980)	126,760	31,264	36,662	7,795	33,873	3,455	5	(35,045)	78,009
Segment liabilities	(7,765)	(11,888)	(4,432)	(936)	(3,816)	(2,563)	8,041	(23,359)	(11,996)	(21,244)	(2,229)	(432)	(3,646)	(3)	16,120	(23,430)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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 March 2021.

A11. Changes in the composition of the Group

Save from disclosed below, there were no changes to the composition of the Group during the current financial quarter under review: -

Acquisition of 100% equity interest in BC Medicare Sdn. Bhd.

On 5 February 2021, the Company had acquired 100% equity interest in BC Medicare Sdn. Bhd. ("BC Medicare") for total cash consideration of RM20,000. The issued share capital of BC Medicare is RM20,000 comprising 20,000 ordinary shares. BC Medicare has not commenced business since its incorporation on 11 January 2021.

The intended principal activities of BC Medicare are to distribute medical related products such as whole-body disinfectant system, Covid-19 swab test kit, Covid-19 first aids box, AI temperature measure system, washer disinfectant, sterilizer, surgical table, surgical light, medical pendant, sonic cleaner, sterile assurance products, wound care products and to venture into any other medical related business through partnerships and collaborations.

This Acquisition is mainly to facilitate the Group strategic plan to expand its healthcare business segment.

Following the completion of this Acquisition on 5 February 2021, BC Medicare had become a direct wholly-owned subsidiary of the Company.

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

A13. Material events subsequent to the end of the quarter

Save as disclosed below, there were no other material events subsequent to the end of the current quarter and financial period-to-date that have not been reflected in the interim financial report:

Subscription of 600,000 new ordinary shares, representing 60% equity interest in Foodict Maker Sdn. Bhd. for a total cash consideration of RM2,280,000.

On 18 March 2021, the Company had entered into a Subscription Agreement with Foodict Maker Sdn. Bhd. ("FMSB") for the proposed subscription of 600,000 new ordinary shares at an issue price of RM3.80 per ordinary share, representing 60% equity interest in the enlarge issued and paid up share capital of FMSB for a total cash consideration of RM2,280,000 or RM3.80 per share from the Company's internal generated funds.

This Subscription will provide a good opportunity for the Company to strengthen its market presence in the health food and supplements, hair and body care products in Malaysia and region in the near future.

Following the completion of this Subscription on 28 April 2021, FMSB had become a 60% owned subsidiary of the Company.

A14. Related party transactions

The Group's significant related party transactions in the current period and financial period-to-date under review are as follows:

	(Unaudited) Current quarter ended 31 March 2021 RM'000	(Unaudited) Cumulative quarter ended 31 March 2021 RM'000
Transactions with a company in which certain directors of the Company have substantial financial interest: -		
Lease payment on premises.	49	49
	=====	=====

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	Individual Quarter (Unaudited) 31 March 2021 RM'000	Individual Quarter (Unaudited) 31 March 2020 RM'000	Changes (RM'000 / %)	Cumulative Quarter (Unaudited) 31 March 2021 RM'000	Cumulative Quarter (Unaudited) 31 March 2020 RM'000	Changes (RM'000 / %)
Revenue	17,982	17,659	323/ 1.83%	17,982	17,659	323/ 1.83%
Operating profit	588	1,429	(841)/ (58.85%)	588	1,429	(841)/ (58.85%)
Profit before interest and tax	762	1,605	(843)/ (52.52%)	762	1,605	(843)/ (52.52%)
Profit before tax	666	1,496	(830)/ (55.48%)	666	1,496	(830)/ (55.48%)
Profit after tax	279	1,054	(775)/ (73.53%)	279	1,054	(775)/ (73.53%)
Profit attributable to owners of the Company	36	951	(915)/ (96.21%)	36	951	(915)/ (96.21%)

Current and cumulative quarter (3 months)

For the current quarter ended 31 March 2021, the Group recorded revenue of RM17.98 million as compared to RM17.66 million in the corresponding quarter ended 31 March 2020, an increase of RM0.32 million or 1.83%. The higher revenue was mainly due to the increase in revenue contribution from medical devices business segment and healthcare products business segment.

For the current quarter ended 31 March 2021, our medical devices business segment recorded an increase in revenue by RM1.42 million or 22.78% to RM7.66 million as compared to RM6.24 million in the corresponding quarter ended 31 March 2020. The increase in revenue contribution from the medical devices business segment was mainly attributable to more orders secured from its customers for medical imaging equipment.

The revenue contribution from the healthcare products business segment rose by 38.00% or RM1.06 million, from RM2.79 million in the corresponding quarter ended 31 March 2020 compared to RM3.85 million in the current quarter ended 31 March 2021. The improvement was mainly due to the continuous growth of healthcare segment business.

The revenue from commercial laundry equipment business segment was decreased by RM2.11 million or 25.04% from RM6.24 million in the corresponding quarter ended 31 March 2020 compared to RM6.30 million in current quarter ended 31 March 2021. The decrease was mainly due to conservative approach adopted by potential customers (more caution in their investment direction) during current economic challenging time which resulted in lower sales in the current quarter.

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B1. Review of performance (continued)

Current and cumulative quarter (3 months) (continued)

The Group's laundry services business segment decrease in revenue by RM0.05 million or 24.22%. It contributed RM0.17 million revenue in the current quarter ended 31 March 2021 compared to RM0.22 million in the corresponding quarter ended 31 March 2020. The lower revenue was mainly due to the continued surge in local COVID-19 cases during the current quarter. Some of the customers are afraid of going to laundromat with potentially coming into contact with someone who is an asymptomatic carrier of the coronavirus.

The Group recorded a lower profit before tax of RM0.67 million in current quarter ended 31 March 2021 as compared to RM1.50 million in the corresponding quarter ended 31 March 2020. The decrease of RM0.83 million or 55.48% in current quarter was mainly due to lower gross profit, which is caused by the absence of bulk purchase discount on the purchased commercial laundry equipment in the current quarter as compared to the substantial bulk discount enjoyed in the corresponding quarter of 2020. Besides that, higher administrative expenses incurred by the new acquired subsidiary in the current quarter, also caused the lower pre-tax profit in the current quarter.

B2. Comparison with immediate preceding quarter's results

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)		
	31 March 2021	31 December 2020	Changes	Changes
	RM'000	RM'000	RM'000	%
Revenue	17,982	15,702	2,280	14.52
Operating profit	588	355	233	65.63
Profit before interest and tax	762	651	111	17.05
Profit before tax	666	439	227	51.71
Profit after tax	279	297	(18)	(6.06)
Profit attributable to owners of the Company	36	285	(249)	(87.37)

For the current quarter ended 31 March 2021, the Group recorded a revenue of RM17.98 million and profit before tax of RM0.41 million as compared to a revenue of RM15.70 million and profit before tax of RM0.44 million in the immediate preceding quarter ended 31 December 2020.

Higher revenue was recorded in the current quarter under review, represents increase of 14.52% or RM2.28 million as compared to the immediate preceding quarter ended 31 December 2020. The higher revenue was mainly due to the increase in revenue contribution from medical devices business segment and healthcare products business segment.

For the medical devices business segment, its revenue increased by RM1.94 million or 33.85% in the current quarter as compared to the immediate preceding quarter. The higher revenue was mainly attributable to more orders secured from its customers for medical imaging equipment.

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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

The Group's healthcare products business segment registered a higher revenue by RM1.11 million or 40.57% to RM3.85 million in the current quarter as compared to RM2.74 million in the immediate preceding quarter. The improvement was mainly due to the continuous growth of healthcare segment business.

For the commercial laundry equipment business segment, its revenue decreased by RM0.73 million or 10.36% in the current quarter as compared to the immediate preceding quarter. The lower revenue was mainly due to conservative approach adopted by potential customers (more caution in their investment direction) during economic challenging time resulted in lower sales in current quarter.

The Group's laundry services business segment decrease in revenue by 19.52% or RM0.04 million. It contributed RM0.17 million revenue in the current quarter ended 31 March 2021 compared to RM0.21 million in the corresponding quarter ended 31 December 2020. The lower revenue was mainly due to the continued surge in local COVID-19 cases during the current quarter. Some of the customers are afraid of going to laundromat with potentially coming into contact with someone who is an asymptomatic carrier of the coronavirus.

The higher pre-tax profit by RM0.23 million or 51.71% to RM0.67 million recorded in the current quarter was mainly due to higher revenue recorded in the current quarter as mentioned above.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2021

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 2021, BCM will continue to introduce few suitable new medical devices (including but not limited to the high-end and cost effective solutions medical devices) and healthcare products that have strong demand or traction in the market as well as intends to introduce advanced health station which can be placed in pharmacies, hospital and corporate places to attract end-users to experience our core healthcare brand's Bluetooth products before they buy a device and become our core healthcare brand's health style application members, to expand our portfolio of products and brands to enhance the Group's future performance.

The Group will keep increasingly focusing on consumable proprietary products as well as cash-in spare parts. Besides that, BCM has leverage on the enhancement business model by renting out Ripple Mattress that provides recurring income, and also intends to introduce stand-alone clinical application software and workstation to meet unique visualization needs in future.

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

BCM plans to expand our product offerings via organic and inorganic growth to create additional income stream in future.

In 2021, the Group had expanded its healthcare products line to include the marketing, trading and distribution of COVID-19 test kits via its new wholly-owned subsidiary company namely BC Medicare Sdn. Bhd.

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

BCM is targeting to add more 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.

The Group's healthcare products segment also targeting to attract more new customers under various categories such as chain pharmacy; chain independent pharmacy; independent pharmacy; hospital; clinic; medical dealers; corporate; online and etc., to boost up its performance in 2021.

Our management and marketing team are also working proactively to secure new customers to expand our current customer base via various promotion packages; up-to-date advertisement channels and data-driven digital marketing activities. We are keeping improvement to 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 2021.

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B3. Prospects (continued)

(iv) Strengthening of self-service launderette and commercial laundry equipment business.

The Group's commercial laundry equipment business segment is targeting to add big hotel operator into its client portfolio through the supply of laundry equipment in future and also eyes to penetrate into two Southeast Asia countries in future, to benefit from another growth markets which could spell opportunities for BCM in future.

In 2021, besides to keep increasing to conduct laundry opportunity sharing webinar to enhance its revenue growth, the Group also plans to provide one stop solution program for customer to start up laundromat business by adopting mutual benefits concept.

Online platform to sell laundry equipment spare parts and providing maintenance services also another digital one-stop solution platform planned to be implemented by the Group in future to boost up its future revenue.

The Group currently operates 12 self-service laundrette outlets. In addition, the Group intends to set up another 4 new self-service laundrette outlets in future, to improve our capability to meet customers' demand and to enhance the Group's revenue.

The Group intends to further expand its business by venturing into the provision of on-demand laundry services. This is aimed at capitalising on the increase in demand for various online delivery services, including on-demand laundry services, following a behavioural shift in consumers opting for goods and services to be delivered to their doorstep to avoid going out in order to minimise exposure to COVID-19. Premised on the above, the Group is optimistic the outlook and prospects of its laundry services business segment in near future.

(v) Diversify into consumer business segment

In addition to strengthening the Group's core business, BCM will also diversify into the consumer business segment as the Group entered into a subscription agreement with the Foodict Maker Sdn. Bhd. ("FMSB") on 18 March 2021.

The Subscription has been completed on 28 April 2021. Accordingly, FMSB had become a 60% owned subsidiary of the Company since the completion date.

The COVID-19 pandemic has given the Group's a window of opportunity to further diversify its business as the Group is able to acquire new businesses with great opportunities at a reasonable price. With the easing of the restrictions globally and the rollout of the vaccination continue to progress, we expect to see a rebound in the fast-moving consumer goods business, which would be beneficial to the Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2021

B3. Prospects (continued)

(vi) Other investment in quoted shares

a) Acquisition of 100,000,000 ordinary shares in Metronic Global Berhad

The Company had on 22 February 2021 acquired 100,000,000 ordinary shares in Metronic Global Berhad ("MGB") who listed in the Main Market of Bursa Malaysia Securities Berhad for a purchase consideration of RM8,000,000 which represents 6.21% of the enlarged issued shares capital in MGB.

As at 15 January 2021, MGB Group's existing order book translates into a balance contract value to be realised of approximately RM117.89 million. MGB Group is also in the midst of tendering for several other engineering projects which are collectively worth a total contract sum of approximately RM97.50 million. These projects are expected to contribute positively to the future earnings of MGB Group. Premised on the above and the future prospects of MGB Group, BCM is optimistic that this Acquisition will provide a positive return in medium to long term.

b) Acquisition of total of 24,560,000 ordinary shares in Sanichi Technology Berhad

The Company had on 28 April 2021 acquired 24,560,000 shares in Sanichi Technology Berhad ("Sanichi") from open market for total purchases consideration of RM4,975,457.39 which represents 12.25% of the enlarged issued share capital in Sanichi.

Sanichi had entered several memorandums of understanding with reputable corporations such as Collaboration Agreement with several reputable corporations. In view of that the Sanichi group might yield a fruitful results in the near future. After the share consolidation dated 1 April 2021, the adjusted cash per share and NTA of Sanichi shall stood at RM0.70 and RM0.90. It offers a discount of 174.5% and 252.9% in term of share price as at 28 April 2021 which shown a remarkable safety margin/bargain price for BCM to enter into long-term investment in Sanichi.

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 continuously monitoring 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 2021.

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
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B5. Taxation

	Individual Quarter Ended (Unaudited) 31 March 2021 RM'000	(Unaudited) 31 March 2020 RM'000	Cumulative Quarter Ended (Unaudited) 31 March 2021 RM'000	(Unaudited) 31 March 2020 RM'000
Income tax expense:				
-Current financial period	389	441	389	441
Deferred tax (income)/expense:				
-Current financial period	(2)	1	(2)	1
Total tax expense	387	442	387	442

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

a) 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 undertake the Special Issue and it has been completed on 11 December 2020 following the listing of and quotation for 60,197,000 new ordinary shares at RM0.26 per share on the ACE Market of Bursa Malaysia Securities Berhad.

This 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).

The gross proceeds raised from the Special Issue Shares amounting to RM15.65 million was partially utilised in the following manner as at 18 May 2021: -

Utilisation of proceeds	Intended timeframe for utilisation from 11 December 2020	Actual proceeds raised (RM'000)	Actual utilisation up to 18/5/2021 (RM'000)	Balance available for utilisation (RM'000)
(i) Purchase of new devices and equipment	Within 24 months	9,750	(6,567)	3,183
(ii) Working capital	Within 6 months	5,439	(3,812)	1,627
(iii) Estimated expenses for the Special Issue	Within 1 month	462	(462)	-
Total		15,651	(10,841)	4,810

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

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B6. Status of corporate proposals (continued)

b) Proposed private placement of up to 144,434,000 new ordinary shares in the Company, representing 30% of the existing total number of issued shares of the Company, to independent third-party investor(s). ("Proposed Private Placement")

On 27 January 2021, the Company proposed to undertake a private placement of up to 144,434,000 new ordinary shares in the Company, representing 30% of the existing total number of issued Shares, to independent third-party investor(s) to be identified later and at an issue price to be determined later.

The rationale for this Proposal is enable the Group to raise fund to fund its business expansion into the trading of COVID-19 test kits. The Group intends to leverage on its existing relationships with hospitals and pharmacies as well as the ongoing COVID-19 pandemic to distribute test kits which are currently in high demand.

On 5 February 2021, Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 5 February 2021, approved the listing and quotation of up to 144,434,000 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 4 March 2021, the Proposed Private Placement has been approved by shareholders of the Company at an Extraordinary General Meeting.

On 12 March 2021 and 15 March 2021, 41,252,181 and 39,545,455 Placement Shares, being the first tranche of Placement Shares for the Private Placement have been listed on the ACE Market of Bursa Securities respectively at RM0.220 per share.

On 25 March 2021, 63,636,000 Placement Shares, being the second and final tranche of Placement Shares for the Private Placement has been listed on the ACE Market of Bursa Securities, at RM0.225 per share.

On 25 March 2021, the Company has decided not to place out the remaining 364 Placement Shares out of the 144,434,000 Placement Shares. As such, the Private Placement is deemed completed.

The gross proceeds raised from the Private Placement amounting to RM32.09 million have been partially utilised in the following manner as at 18 May 2021: -

Utilisation of proceeds	Intended timeframe for utilisation from 25 March 2021	Actual proceeds raised (RM'000)	Actual utilisation up to 18/5/2021 (RM'000)	Balance available for utilisation (RM'000)
(i) Business expansion into the trading of COVID-19 test kits	Within 24 months	31,689	(1,781)	29,908
(iii) Expenses for the Private Placement	Immediate	405	(405)	-
Total		32,094	(2,186)	29,908

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

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B6. Status of corporate proposals (continued)

c) Proposed establishment of an Employees' Share Option Scheme

On 5 February 2021, the Company proposed to undertake the establishment of an employees' share options scheme ("ESOS") involving up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiaries ("Proposed ESOS").

Bursa Securities has, vide its letter dated 11 February 2021, approved the listing of such number of new Shares, representing up to 30% of the total number of issued shares (excluding treasury shares), to be issued pursuant to the Proposed ESOS.

On 4 March 2021, the Proposed ESOS has been approved by shareholders of the Company at an Extraordinary General Meeting.

The effective date for the implementation of the ESOS, was 25 March 2021, being the date on which the Company is in full compliance with all relevant requirements including Rule 6.44(1) of the Listing Requirements.

As at 18 May 2021, no options have been offered and granted under this ESOS since its commencement date.

d) Proposed Rights Issue with Warrants

On 5 May 2021, the Company proposed to undertake a renounceable rights issue of up to 1,220,467,629 new ordinary shares in the Company ("Rights Shares") together with up to 1,017,056,357 free detachable warrants in the Company ("Warrants ") on the basis of 6 Rights Shares together with 5 free Warrants for every 4 existing Shares held by the entitled shareholders of the Company on an entitlement date to be determined ("Entitled Shareholders") ("Proposed Rights Issue with Warrants").

The Proposed Rights Issue with Warrants will enable the Company to raise funds and channel them towards the expansion of business of providing on-demand laundry services.

The free Warrants which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants are exercised.

The Proposed Rights Issue with Warrants is subject to approvals being obtained from Bursa Securities and BCM's shareholders at an extraordinary general meeting.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B7. Lease liabilities & bank borrowings

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

	As at 31 March 2021 (Unaudited)		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
(i) Bank borrowings			
- Banker acceptance	-	3,202	3,202
- Term loans	2,245	300	2,545
Sub-total	2,245	3,502	5,747
(ii) Lease liabilities	1,803	1,290	3,093
Grand total	4,048	4,792	8,840

	As at 31 December 2020 (Audited)		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
(i) Bank borrowings			
- Banker acceptance	-	1,252	1,252
- Trust receipts	-	1,795	1,795
- Term loans	2,324	299	2,623
Sub-total	2,324	3,346	5,670
(ii) Lease liabilities	1,882	1,036	2,918
Grand total	4,206	4,382	8,588

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	4.53
Trust receipts	6.14-6.92
Term loans	3.25-4.77
Lease liabilities	2.24-9.90

- (4) There were additional RM0.35 million lease liability arising from hire purchase finance for a motor vehicle as well as RM0.01 million additional on lease rental of premises during the current quarter ended 31 March 2021.

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

B8. Changes in material litigation

As at 18 May 2021 (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 was no dividend proposed/declared for the current financial period under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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 March 2021	Individual Quarter (Unaudited) 31 March 2020	Cumulative Quarter (Unaudited) 31 March 2021	Cumulative Quarter (Unaudited) 31 March 2020
Profit attributable to owners of the Company (RM'000)	36	951	36	951
Weighted average number of issuance shares ('000)	503,034	421,250	503,034	421,250
Basic ⁽¹⁾ /Diluted ⁽²⁾ earnings per share (sen)	0.01	0.23	0.01	0.23

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 31 March 2021.

(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 March 2021.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021****B12. Disclosure on selected expense/ (income) items as required by the Listing Requirements**

	(Unaudited) Current quarter ended 31 March 2021 RM'000	(Unaudited) Cumulative quarter ended 31 March 2021 RM'000
Profit before taxation is arrived at after charging/ (crediting): -		
- Depreciation of property, plant and equipment	251	251
- Depreciation of right-of-use assets	402	402
- Depreciation of investment property	2	2
- Gain on disposal of property, plant and equipment	-	-
- Gain on disposal of right-of-use asset	(3)	(3)
- (Gain)/Loss on derivatives	-	-
- (Gain)/Loss on disposal of quoted or unquoted investments or properties	-	-
- Impairment loss on property, plant and equipment	-	-
- Interest expenses	96	96
- Interest income	(88)	(88)
- Inventories written down	-	-
- Other income including investment income	-	-
- Impairment loss on financial instruments: trade receivables	-	-
- Unrealised loss on foreign exchange differences	156	156
- Realised gain on foreign exchange differences	(36)	(36)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BCM ALLIANCE BERHAD**Registration No: 201501009903 (1135238-U)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

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 May 2021, the Group has submitted a total of two hundred and fifty one (251) 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 May 2021, out of the total applications submitted by the Group, there were: -

- (i) One hundred and fifty four (154) applications that have been successfully approved by MDA and was in use by the Group;
- (ii) Five (5) applications are still under consideration by the MDA; and
- (iii) Ninety two (92) 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 May 2021**