

**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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

	Note	Individual Quarter		Cumulative Quarter	
		(Unaudited) 31-Mar-23 RM'000	(Unaudited) 31-Mar-22 RM'000	(Unaudited) 31-Mar-23 RM'000	(Unaudited) 31-Mar-22 RM'000
Revenue	A7	21,489	22,595	21,489	22,595
Cost of Sales		(14,266)	(15,243)	(14,266)	(15,243)
Gross Profit		7,223	7,352	7,223	7,352
Other operating income		229	583	229	583
Administrative expenses		(9,306)	(23,882)	(9,306)	(23,882)
Loss from operations		(1,854)	(15,947)	(1,854)	(15,947)
Finance costs		(169)	(96)	(169)	(96)
Loss before taxation	A7	(2,023)	(16,043)	(2,023)	(16,043)
Taxation	B5	(356)	(537)	(356)	(537)
<b>Loss for the financial period</b>		<b>(2,379)</b>	<b>(16,580)</b>	<b>(2,379)</b>	<b>(16,580)</b>
<b>Other comprehensive loss</b>					
Foreign currency translation differences for foreign operation		(69)	-	(69)	-
<b>Total comprehensive loss for the financial period</b>		<b>(2,448)</b>	<b>(16,580)</b>	<b>(2,448)</b>	<b>(16,580)</b>
Loss for the financial period attributable to:					
Owners of the Company		(2,347)	(16,821)	(2,347)	(16,821)
Non-controlling interests		(32)	241	(32)	241
		<b>(2,379)</b>	<b>(16,580)</b>	<b>(2,379)</b>	<b>(16,580)</b>
<b>Total comprehensive loss attributable to:</b>					
<b>Owners of the Company</b>		(2,416)	(16,821)	(2,416)	(16,821)
<b>Non-controlling interests</b>		(32)	241	(32)	241
		<b>(2,448)</b>	<b>(16,580)</b>	<b>(2,448)</b>	<b>(16,580)</b>
Weighted average number of ordinary shares in issue ('000)	B10	2,034,112	1,940,230	2,034,112	1,940,230
Loss per share attributable to owners of the Company (sen):					
-Basic <sup>(2)</sup> /Diluted <sup>(3)</sup>	B10	(0.12)	(0.87)	(0.12)	(0.87)

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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**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 2022 as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Basic loss per share is calculated based on the weighted average number of ordinary shares in issue.
- (3) Diluted loss per share of the Group is equivalent to the basic loss per share as the effects on the assumed exercise of the share options under warrants is anti-dilutive.

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**BCM ALLIANCE BERHAD**

Registration No: 201501009903 (1135238-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>***(The figures have not been audited)*

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>31-Mar</b>	<b>31 December</b>
	<b>2023</b>	<b>2022 <sup>(2)</sup></b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	17,246	17,384
Right-of-use assets	3,614	3,885
Investment properties	4,823	4,840
Intangible assets	20,108	20,108
Goodwill	1,332	1,332
Investment in quoted shares	11,932	2,567
	59,055	50,116
<b>CURRENT ASSETS</b>		
Inventories	30,755	19,915
Trade receivables	21,147	22,037
Other receivables, deposits and prepayments	71,510	78,283
Current tax assets	1,173	1,072
Fixed deposits with licensed banks	9,155	12,479
Cash and bank balances	22,118	22,324
<b>TOTAL CURRENT ASSETS</b>	155,858	156,110
<b>TOTAL ASSETS</b>	214,913	206,226
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	140,291	140,291
Other reserves	17,552	17,621
Retained earnings	4,831	7,178
Equity attributable to owners of the Company	162,674	165,090
Non-controlling interests	4,561	4,593
<b>TOTAL EQUITY</b>	167,235	169,683
<b>CURRENT LIABILITIES</b>		
Contract liabilities	305	324
Trade payables	20,235	10,660
Other payables and accruals	12,470	9,937
Lease liabilities	1,312	1,367
Bank borrowings	4,497	4,885
Current tax liabilities	66	-
<b>TOTAL CURRENT LIABILITIES</b>	38,885	27,173

**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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

*(The figures have not been audited)*

		<b>(Unaudited)</b> <b>As at</b> <b>31-Mar</b> <b>2023</b> <b>RM'000</b>	<b>(Audited)</b> <b>As at</b> <b>31 December</b> <b>2022 <sup>(2)</sup></b> <b>RM'000</b>
	<b>Note</b>		
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	B7	2,408	2,579
Bank borrowings	B7	5,858	6,034
Deferred tax liabilities		527	757
<b>TOTAL NON-CURRENT LIABILITIES</b>		8,793	9,370
<b>TOTAL LIABILITIES</b>		47,678	36,543
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>214,913</u>	<u>206,226</u>
Net assets per share (RM) <sup>(3)</sup>		<u>0.08</u>	<u>0.08</u>

**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 2022 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 2022.
- (3) Net assets per share is calculated based on the number of ordinary shares in issue of 2,034,112,087 shares as at 31 March 2023 (31 December 2022: 2,034,112,087 shares).

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**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**

*(The figures have not been audited)*

	Non-Distributable					Distributable	Total	Non-	Total
	Share	Merger	Warrant	Revaluation	Translation				
	Capital	Reserves	Reserves	Reserve	Reserves	Earnings	Equity	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Unaudited</u>									
<b>Balance as at 1 January 2023</b>	140,291	(16,049)	29,004	4,598	68	7,178	165,090	4,593	169,683
<b>Comprehensive loss</b>									
-Loss for the financial period	-	-	-	-	-	(2,347)	(2,347)	(32)	(2,379)
<b>Other comprehensive loss</b>									
-Foreign currencies translation differences for foreign operation	-	-	-	-	(69)	-	(69)	-	(69)
<b>Total comprehensive loss</b>	-	-	-	-	(69)	(2,347)	(2,416)	(32)	(2,448)
<b>Balance as at 31 March 2023</b>	140,291	(16,049)	29,004	4,598	(1)	4,831	162,674	4,561	167,235
<u>Unaudited</u>									
<b>Balance as at 1 January 2022</b>	124,566	(16,049)	29,004	4,598	-	35,892	178,011	4,599	182,610
Issue of ordinary shares	15,725	-	-	-	-	-	15,725	-	15,725
<b>Comprehensive (loss)/income</b>									
-(Loss)/Profit for the financial period	-	-	-	-	-	(16,821)	(16,821)	241	(16,580)
<b>Balance as at 31 March 2022</b>	140,291	(16,049)	29,004	4,598	-	19,071	176,915	4,840	181,755

**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 2022 as well as the accompanying explanatory notes attached to this interim financial report.



**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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

	<b>(Unaudited) 3 months ended 31-Mar 2023 RM'000</b>	<b>(Unaudited) 3 months ended 31-Mar 2022 RM'000</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(246)	(423)
Acquisition of right-of-use assets	-	(19)
Acquisition of quoted shares	(12,553)	-
Proceeds from disposal of right-of-use assets	-	170
Proceeds from disposal of quoted shares	1,393	10,596
Net cash (used in)/generated from investing activities	<u>(11,406)</u>	<u>10,324</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of ordinary shares	-	15,725
Placement of fixed deposits	(6)	(4)
Repayment of bank borrowings	(569)	(342)
Repayment of lease liabilities	(363)	(525)
Net cash (used in)/generated from financing activities	<u>(938)</u>	<u>14,854</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,541)</b>	<b>(4,593)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>32,106</b>	<b>63,517</b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>28,565</u></b>	<b><u>58,924</u></b>
<b>Cash and cash equivalents at the end of the period comprises:</b>		
- Fixed deposits with licensed banks	9,155	38,338
- Cash and bank balances	22,118	22,666
- Bank overdraft	(223)	(230)
	<u>31,050</u>	<u>60,774</u>
Less: Fixed deposits pledged with licensed banks	(2,485)	(1,850)
Net cash and cash equivalent at the end of the period	<u>28,565</u>	<u>58,924</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 2022 as well as the accompanying explanatory notes attached to this interim financial report.

**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Rules 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement").

The interim financial statements should be read in conjunction with the audited financial statements for the FYE 31 December 2022 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 2022. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

**Adoption of new and amended standard**

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9- Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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



**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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

**Standards issued but not yet effective**

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the MASB as they have yet to be effective for the Group.

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective dates for financial period beginning on and after</b>
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024
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 2022 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.

**A4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

**A5. Material changes in estimates**

There were no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial quarter and financial period-to-date.

**A6. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial period to-date.

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**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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**A7. Segmental information**

The Group's reportable segments comprise of commercial laundry equipment, medical devices, healthcare products, investment holding, laundry services and health food and beverage ("Health F&B").

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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# BCM ALLIANCE BERHAD

Registration No: 201501009903 (1135238-U)

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023

### A7. Segmental information (continued)

#### Results for the 3 months ended 31 March

In RM'000

Business Segments	Q1 2023 (Unaudited)									Q1 2022 (Unaudited)								
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Health F&B	Others	Adjustment & Elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Laundry Services	Health F&B	Others	Adjustment & Elimination	Total Group
Revenue (i) external customers	10,337	5,096	4,667	-	532	857	-	-	21,489	9,069	6,264	5,503	-	319	1,440	-	-	22,595
(ii) inter-segment	4,054	-	1	564	-	-	-	(4,619)	-	-	1,191	-	687	-	-	-	(1,878)	-
<b>Total Revenue</b>	<b>14,391</b>	<b>5,096</b>	<b>4,668</b>	<b>564</b>	<b>532</b>	<b>857</b>	-	<b>(4,619)</b>	<b>21,489</b>	<b>9,069</b>	<b>7,455</b>	<b>5,503</b>	<b>687</b>	<b>319</b>	<b>1,440</b>	-	<b>(1,878)</b>	<b>22,595</b>
Results-Segment results	1,830	(37)	(2,071)	(520)	(141)	(437)	-	(517)	(1,893)	786	304	539	(17,246)	(210)	(280)	(1)	21	(16,087)
Interest income	8	19	9	3	^	^	-	-	39	6	15	14	98	7	^	-	-	140
Finance costs	(23)	(40)	(31)	(7)	(4)	(64)	-	-	(169)	(11)	(32)	(26)	(9)	(6)	(12)	-	-	(96)
<b>Profit/(Loss) before taxation</b>	<b>1,815</b>	<b>(58)</b>	<b>(2,093)</b>	<b>(524)</b>	<b>(145)</b>	<b>(501)</b>	-	<b>(517)</b>	<b>(2,023)</b>	<b>781</b>	<b>287</b>	<b>527</b>	<b>(17,157)</b>	<b>(209)</b>	<b>(292)</b>	<b>(1)</b>	<b>21</b>	<b>(16,043)</b>
Taxation	(262)	(79)	(15)	-	-	-	-	-	(356)	(199)	(116)	(229)	-	-	7	-	-	(537)
<b>Profit/(Loss) after taxation</b>	<b>1,553</b>	<b>(137)</b>	<b>(2,108)</b>	<b>(524)</b>	<b>(145)</b>	<b>(501)</b>	-	<b>(517)</b>	<b>(2,379)</b>	<b>582</b>	<b>171</b>	<b>298</b>	<b>(17,157)</b>	<b>(209)</b>	<b>(285)</b>	<b>(1)</b>	<b>21</b>	<b>(16,580)</b>
Other non cash items:																		
-Depreciation of property, plant and equipment	(86)	(76)	(73)	(26)	(115)	(3)	-	18	(361)	(66)	(87)	(73)	(27)	(115)	(3)	-	21	(350)
-Depreciation of right-of-use assets	(125)	(107)	(52)	(55)	(86)	(6)	-	-	(431)	(62)	(108)	(46)	(80)	(84)	(7)	-	-	(387)
-Depreciation of investment properties	-	-	-	-	-	(17)	-	-	(17)	-	(1)	-	-	-	(17)	-	-	(18)
-Gain on disposal of right-of-use assets	-	-	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	87
-Property, plant and equipment written off	(50)	-	-	-	-	-	-	-	(50)	-	-	-	-	(9)	-	-	-	(9)
-Gain/(Loss) on disposal of quoted investments-unrealised	-	-	17	-	-	-	-	-	17	-	-	-	(1,331)	-	-	-	-	(1,331)
-realised	-	-	(1,687)	(125)	-	-	-	-	(1,812)	-	-	-	(13,659)	-	-	-	-	(13,659)
-Unrealised (loss)/gain on foreign exchange differences	(78)	(19)	30	-	-	-	-	-	(67)	(116)	(108)	31	-	-	-	-	-	(193)
<b>Segment assets</b>	<b>56,761</b>	<b>32,256</b>	<b>57,773</b>	<b>157,370</b>	<b>69,870</b>	<b>7,034</b>	-	<b>(166,151)</b>	<b>214,913</b>	<b>35,640</b>	<b>35,154</b>	<b>35,005</b>	<b>154,020</b>	<b>73,914</b>	<b>8,621</b>	<b>1</b>	<b>(125,874)</b>	<b>216,481</b>
<b>Segment liabilities</b>	<b>(27,851)</b>	<b>(9,397)</b>	<b>(61,683)</b>	<b>(4,528)</b>	<b>(80,011)</b>	<b>(7,864)</b>	-	<b>143,656</b>	<b>(47,678)</b>	<b>(12,550)</b>	<b>(13,826)</b>	<b>(27,530)</b>	<b>(758)</b>	<b>(78,074)</b>	<b>(6,828)</b>	<b>(15)</b>	<b>104,855</b>	<b>(34,726)</b>

^ Represent less than RM1,000

**INTERIM FINANCIAL REPORT FOR THE  
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**A8. Dividends paid**

No dividends were paid during the current quarter under review.

**A9. Valuation of property, plant and equipment**

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

**A10. Capital commitments**

There were no capital commitments of the Group as at 31 March 2023.

**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 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.

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**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:

	<b>(Unaudited) Current quarter ended 31 March 2023 RM'000</b>	<b>(Unaudited) Cumulative quarter ended 31 March 2023 RM'000</b>
Transactions with a company in which certain directors of the Company have substantial financial interest: -		
Lease payment on premises.	50	50
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**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1<sup>st</sup>) QUARTER ENDED 31 MARCH 2023**

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

**B1. Review of performance**

	<b>Individual and Cumulative Quarter</b>		<b>Changes</b>	
	<b>(Unaudited) 31 March 2023 RM'000</b>	<b>(Unaudited) 31 March 2022 RM'000</b>		
Revenue	21,489	22,595	(1,106)	(4.89)
Operating loss	(2,083)	(16,530)	14,447	87.40
Loss before interest and tax	(1,854)	(15,947)	14,093	88.37
Loss before tax	(2,023)	(16,043)	14,020	87.39
Loss after tax	(2,379)	(16,580)	14,201	85.65
Loss attributable to owners of the Company	(2,347)	(16,821)	14,474	86.05

**Current and cumulative quarter (3 months)**

For the current quarter ended 31 March 2023, the Group recorded revenue of RM21.49 million as compared to RM22.60 million in the corresponding quarter ended 31 March 2022, a decrease of RM1.11 million or 4.89%. The lower revenue was mainly due to the decrease in revenue contribution from medical devices business segment, healthcare products business segment and health food and beverage business segment.

The revenue contribution from commercial laundry equipment business segment was increased by RM1.27 million or 13.98% from RM9.07 million in the corresponding quarter ended 31 March 2022 compared to RM10.34 million in current quarter. The higher revenue was mainly attributed to an increase in the setup of self-operated laundrettes by our customers across the country as a result of the effectiveness of our marketing strategy and the positive response from customers. We observed a shift in customer sentiment, as they transitioned from a conservative mindset to one filled with hope and confidence to invest in the laundry business segment. The ongoing urbanization and population growth trends influence this change in perspective.

The Group's laundry services business segment increased in revenue by RM0.21 million or 66.77%. It contributed RM0.53 million revenue in the current quarter compared to RM0.32 million in the corresponding quarter ended 31 March 2022. The improvement was mainly due to an increase in demand from customers for use of our quality and speedy laundry services.

The Group's healthcare products business segment registered a lower revenue by RM0.84 million or 15.19% to RM4.67 million in the current quarter as compared to RM5.50 million in the corresponding quarter ended 31 March 2022. This was mainly due to our healthcare products business segment had faced slow replenishment from our retailers and dealers as a result of materialised risks from tightening global financial conditions under current uncertain economic time.

For the current quarter, our medical devices business segment posted a decline in revenue by RM1.17 million or 18.65% to RM5.10 million as compared to RM6.26 million in the corresponding quarter ended 31 March 2022. The lower revenue was primarily due to lower billing to a number of its clients as some of the hospitals have either postponed or temporary put on hold their expansion plans during current increasing gloomy economic challenging time.

**INTERIM FINANCIAL REPORT FOR THE  
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**B1. Review of performance (continued)**

**Current and cumulative quarter (3 months)**

The Group's health food and beverage business segment was decreased by RM0.58 million or 40.49% from RM1.44 million in the corresponding quarter ended 31 March 2022 compared to RM0.86 million in current quarter. The lower revenue was mainly due to lower sales orders from our retailers and customers under current uncertain economic time.

The Group recorded loss before tax of RM2.02 million in current quarter as compared to loss before tax of RM16.04 million in the corresponding quarter ended 31 March 2022. The reduction of loss before tax of RM14.02 million or 87.39% in the current quarter was primarily driven by two factors. Firstly, there was a lower loss on the disposal of quoted investments amounted to RM13.20 million. Additionally, there was an absence of an expense related to the Employees' Share Option Scheme-based payment amounted to RM2.07 million, which arose in the corresponding quarter.

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

	<b>Individual Quarter</b>		<b>Changes</b>	
	<b>(Unaudited) 31 March 2023 RM'000</b>	<b>(Unaudited) 31 December 2022 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	21,489	23,796	(2,307)	(9.69)
Operating loss	(2,083)	(4,029)	1,946	48.30
Loss before interest and tax	(1,854)	(3,628)	1,774	48.90
Loss before tax	(2,023)	(3,999)	1,976	49.41
Loss after tax	(2,379)	(4,649)	2,270	48.83
Loss attributable to owners of the Company	(2,347)	(4,642)	2,295	49.44

For the current quarter ended 31 March 2023, the Group recorded a revenue of RM21.49 million and loss before tax of RM2.02 million as compared to a revenue of RM23.80 million and loss before tax of RM4.00 million in the immediate preceding quarter ended 31 December 2022.

For the commercial laundry equipment business segment, its revenue decreased by RM0.52 million or 4.80% to RM10.34 million in the current quarter as compared to RM10.86 million in the immediate preceding quarter. The lower revenue was mainly due to higher demand in the immediate preceding quarter which is also peak season of the year.

The Group's laundry services business segment increased in revenue by RM0.04 million or 7.47%. It contributed RM0.53 million in revenue in the current quarter compared to RM0.50 million in the immediate preceding quarter. The increase was mainly due to higher demand from customers for use of our quality and speedy laundry services.

The decrease in revenue contribution from the medical devices business segment by RM2.53 million or 33.13% to RM5.10 million in the current quarter as compared to RM7.62 million in the immediate preceding quarter. The lower revenue was primarily due to lower billing to a number of its clients as some of the hospitals have either postponed or temporary put on hold their expansion plans during current economic challenging time.

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

The Group's healthcare products business segment registered a higher revenue by RM1.10 million or 30.80% to RM4.67 million in the current quarter as compared to RM3.57 million in the immediate preceding quarter. It indicates good demand from customers for consumption of our products as well as the effectiveness of our marketing strategy.

The Group's health food and beverage business segment decreased in revenue by RM0.40 million or 31.66%. It contributed RM0.86 million revenue in the current quarter compared to RM1.25 million in the immediate preceding quarter. The lower revenue was mainly due to lower sales orders from our retailers and customers under current uncertain economic time.

The Group recorded loss before tax of RM2.02 million in current quarter as compared to loss before tax of RM4.00 million in the immediate preceding quarter. The reduction of loss before tax of RM1.98 million or 49.41% in the current quarter was primarily attributable to there was an absence of impairment of intangible assets amounted to RM4.44 million, which arose in the immediate preceding quarter.

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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 2023, BCM will continue to introduce few best-in-class and cost-effective solution for medical devices; stand-alone clinical application software and healthcare products that have strong demand or traction in the market as well as intends to introduce advanced health station, Smart Healthcare and digital solution (transition from analogue X-ray to digital trend) to expand our portfolio of products and brands to enhance the Group's future performance.

The Group also starting to broaden the endoscopy product portfolio beginning with detox endoscope washers and high level disinfection products.

The Group will keep increasingly focusing on consumable proprietary products as well as cash-in spare parts and surgical related consumable products. BCM also intends to introduce new cardiovascular surgery system and operating table that suitable for those hospital has limited space to install larger system.

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

BCM aggressively expands its product and service offerings via organic and inorganic growth to create additional income streams in future.

This is in line with the Group's business direction and strategy which is continuously looking for opportunities to further expand its business to ultimately improve its financial performance and enhance shareholders' value.

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**B3. Prospects (continued)**

- (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; non-medical retail shop; E-commerce company; online and etc., to boost up its performance in 2023.

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 value-added training as well as providing 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 2023.

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

Penetrated our commercial laundry equipment business segment into the Philippines market represents our strong ambition step into the Southeast Asia market. The Group is optimistic about its outlook in the Philippines market, going into 2023. Besides that, the Group also intends to penetrate into other Southeast Asia markets in the near future to enhance the Group's future revenue.

In 2023, The Group work aggressively to enhance its marketing promotion activities to ensure that everything goes as planned.

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 intends to set up another few new self-service laundrette outlets in future, to improve our capability to meet customers' demand and to enhance the Group's revenue. Setting up the first fully cashless laundromat in Malaysia also be one of our value-added concepts in this market.

The Group has ventured into the provision of on-demand laundry services via its wholly-owned subsidiary company namely BCM Laundry Services Sdn. Bhd.. 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 2023.

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**B3. Prospects (continued)**

(v) Strengthening of health food and beverage business segment

The Group is continue to increase the distribution points; accelerate the mastery of online channels; listing products via various hypermarkets and distribution centres; conducting attractive marketing campaigns and various branding exercises (including co-branding with other famous brands and sponsorship event) to promote products; enhance marketing strategy and looking for new products with higher profit margins in order to enhance the health food and beverage business segment's income stream in 2023.

Overall, the Group remains in a positive position in moving into the endemic phase which paves the way for the recovery of economic activities and consumer confidence, with the backing of the Group's respectable good services provided and healthy financial position cum liquidity. In any event, the Group will exercise prudence in all its expenditures while capturing the future growth business opportunities in moving forward.

The Group believes that the prospects will remain the favourite in the medium term in challenging business conditions.

**B4. Profit forecast or profit guarantee**

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

**B5. Taxation**

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>31-Mar</b>	<b>31-Mar</b>	<b>31-Mar</b>	<b>31-Mar</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense:				
-Current financial period	586	490	586	490
Deferred tax (income)/expense				
-Current financial period	(230)	47	(230)	47
Total tax expense	<u>356</u>	<u>537</u>	<u>356</u>	<u>537</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 utilisation of proceeds raised from corporate proposals

**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) ("Private Placement")**

On 27 January 2021, the Company proposed to undertake the Private Placement and it has been completed on 25 March 2021 following the listing of and quotation for 63,636,000 new ordinary shares at RM0.225 per share on the ACE Market of Bursa Securities.

Prior to that, total number of 41,252,181 and 39,545,455 new ordinary shares had been listed on 12 March 2021 and 15 March 2021 respectively at RM0.220 per shares.

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 gross proceeds raised from the Private Placement amounting to RM32.09 million have been fully utilised in the following manner as at 16 May 2023: -

<b>Utilisation of proceeds</b>	<b>Intended timeframe for utilisation from 25 March 2021</b>	<b>Actual proceeds raised (RM'000)</b>	<b>Actual utilisation up to 16/5/2023 (RM'000)</b>	<b>Balance available for utilisation (RM'000)</b>
(i) Business expansion into the trading of COVID-19 test kits	Within 24 months	31,689	(31,689)	-
(iii) Expenses for the Private Placement	Immediate	405	(405)	-
<b>Total</b>		<b>32,094</b>	<b>(32,094)</b>	<b>-</b>

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

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**B7. Lease liabilities & bank borrowings**

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

	<b>As at 31 March 2023 (Unaudited)</b>		
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
<b>(i) Bank borrowings</b>			
- Banker acceptance	-	3,234	3,234
- Bank overdraft	-	223	223
- Term loans	5,858	1,040	6,898
Sub-total	5,858	4,497	10,355
<b>(ii) Lease liabilities</b>	2,408	1,312	3,720
Grand total	8,266	5,809	14,075

	<b>As at 31 December 2022 (Audited)</b>		
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
<b>(i) Bank borrowings</b>			
- Banker acceptance	-	4,028	4,028
- Trust receipts	-	51	51
- Bank overdraft	-	218	218
- Term loans	6,034	588	6,622
Sub-total	6,034	4,885	10,919
<b>(ii) Lease liabilities</b>	2,579	1,367	3,946
Grand total	8,613	6,252	14,865

**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) There were additional RM0.14 million lease liabilities arising from rental of premises in the current quarter ended 31 March 2023.
- (4) The average effective interest rates per annum are as follows:

	<b>Rates (%)</b>
Banker acceptance	1.50-4.07
Bank overdraft	6.60
Trust receipts	6.14-6.92
Term loans	4.20-8.64
Lease liabilities	2.22-9.90

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**B8. Changes in material litigation**

As at 16 May 2023 (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.

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**B10. Loss per share**

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

	<b>Individual Quarter (Unaudited) 31 March 2023</b>	<b>Individual Quarter (Unaudited) 31 March 2022</b>	<b>Cumulative Quarter (Unaudited) 31 March 2023</b>	<b>Cumulative Quarter (Unaudited) 31 March 2022</b>
Loss attributable to owners of the Company (RM'000)	(2,347)	(16,821)	(2,347)	(16,821)
Weighted average number of issuance shares ('000)	2,034,112	1,940,230	2,034,112	1,940,230
Basic <sup>(1)</sup> /Diluted <sup>(2)</sup> loss per share (sen)	<u>(0.12)</u>	<u>(0.87)</u>	<u>(0.12)</u>	<u>(0.87)</u>

**Notes:**

- (1) Basic loss per share for the current quarter and cumulative quarter is calculated based on the net loss 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 loss per share of the Company for the current quarter and cumulative quarter is equivalent to the basic loss per share as the effects on the assumed exercise of the share options under warrants is anti-dilutive.

**B11. Financial Instruments**

**(a) Derivatives**

There were no outstanding derivatives as at 31 March 2023.

**(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 period to-date.

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

	<b>(Unaudited) Current quarter ended 31 March 2023 RM'000</b>	<b>(Unaudited) Cumulative quarter ended 31 March 2023 RM'000</b>
Loss before taxation is arrived after charging/(crediting):-		
Depreciation of property, plant and equipment	361	361
Depreciation of right-of-use assets	431	431
Depreciation of investment properties	17	17
Gain on disposal of property, plant and equipment	-	-
Gain on disposal of right-of-use assets	-	-
Gain on disposal of investment property	-	-
Gain/(Loss) on derivatives	-	-
Impairment loss on receivables	-	-
Inventory written down	-	-
Interest expenses	169	169
Interest income	(39)	(39)
Loss/(Gain) on disposal of quoted investments - realised	1,812	1,812
- unrealised	(17)	(17)
Property, plant and equipment written off	50	50
Loss on foreign exchange differences - unrealised	67	67
Gain on foreign exchange differences - realised	(128)	(128)

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**BCM ALLIANCE BERHAD**

**Registration No: 201501009903 (1135238-U)**

(Incorporated in Malaysia)

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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 16 May 2023, the Group has submitted a total of one hundred and twelve (112) 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 16 May 2023, out of the total applications submitted by the Group, there were: -

- (i) One hundred and ten (110) applications that have been successfully approved by MDA and was in use by the Group; and
- (ii) Two (2) applications were still under consideration by the MDA.

**BY ORDER OF THE BOARD  
23 May 2023**