

BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽¹⁾***(The figures have not been audited)*

	Note	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		(Unaudited) 31 December 2018 RM'000	(Unaudited) 31 December 2017 RM'000	(Unaudited) 31 December 2018 RM'000	(Audited) 31 December 2017 RM'000
Revenue	A7	21,876	19,680	92,546	76,143
Cost of Sales		(13,885)	(13,765)	(61,449)	(53,691)
Gross Profit		7,991	5,915	31,097	22,452
Other operating incomes		838	153	2,144	752
Administrative expenses		(6,397)	(4,576)	(21,136)	(15,930)
Profit from operations		2,432	1,492	12,105	7,274
Finance costs		(213)	(142)	(599)	(445)
Profit before taxation	A7	2,219	1,350	11,506	6,829
Taxation	B5	(610)	(1,220)	(2,927)	(2,347)
Profit for the financial period		1,609	130	8,579	4,482
Total comprehensive income for the financial period		1,609	130	8,579	4,482
Profit for the financial period attributed to:					
Owners of the Company		1,565	130	8,339	4,482
Non-controlling Interest		44	-	240	-
		1,609	130	8,579	4,482
Total comprehensive income attributed to:					
Owners of the Company		1,565	130	8,339	4,482
Non-controlling Interest		44	-	240	-
		1,609	130	8,579	4,482
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	0.37	0.03	1.98	1.06

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ⁽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 BCM Group for the financial year ended ("FYE") 31 December 2017 as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share is calculated based on the ordinary shares in BCM Alliance Berhad ("BCM") in issuance of 421,250,200 shares.
- (3) Diluted earnings per share of the Group for the current quarter and cumulative quarter ended 31 December 2018 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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BCM ALLIANCE BERHAD (1135238-U)

(Incorporated in Malaysia)

FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018 ⁽¹⁾***(The figures have not been audited)*

	(Unaudited) As at 31 December 2018 RM'000	(Audited) As at 31 December 2017 ⁽²⁾ RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	11,984	9,595
Other investment	-	4,393
	11,984	13,988
CURRENT ASSETS		
Inventories	17,617	11,621
Trade receivables	14,669	10,734
Other receivables, prepayments and deposits	2,049	2,155
Tax recoverable	1,041	881
Fixed deposits with licensed banks	1,142	1,099
Cash and bank balances	28,365	15,272
TOTAL CURRENT ASSETS	64,883	41,762
TOTAL ASSETS	76,867	55,750
EQUITY AND LIABILITIES		
EQUITY		
Share capital	32,120	32,120
Merger reserve	(16,049)	(16,049)
Retained earnings	30,620	23,302
Equity attributable to owners of the Company	46,691	39,373
Non-controlling interest	2,554	-
TOTAL EQUITY	49,245	39,373
CURRENT LIABILITIES		
Trade payables	11,098	2,919
Other payables & accruals	9,845	7,206
Finance lease payables	619	517
Borrowings	812	602
TOTAL CURRENT LIABILITIES	22,374	11,244

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018 (Continued) ⁽¹⁾***(The figures have not been audited)*

	Note	(Unaudited) As at 31 December 2018 RM'000	(Audited) As at 31 December 2017 ⁽²⁾ RM'000
NON-CURRENT LIABILITIES			
Finance lease payables	B7	2,066	1,818
Borrowings	B7	2,877	3,139
Deferred tax liabilities		305	176
TOTAL NON-CURRENT LIABILITIES		5,248	5,133
TOTAL LIABILITIES		27,622	16,377
TOTAL EQUITY AND LIABILITIES		76,867	55,750
Net assets per share (RM) ⁽³⁾		0.11	0.09

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2017 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 BCM Group as at 31 December 2017.
- (3) Net assets per share is calculated based on the ordinary shares in BCM in issuance of 421,250,200 shares.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾***(The figures have not been audited)*

	<----- Non-Distributable ----->			Distributable	Total	Non-	Total
	Share	Share	Merger	Retained	Shareholders'	Controlling	Equity
	Capital	Premium	Reserve	Earnings	Equity	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>(Unaudited)</i>							
Balance as at 1 January 2018	32,120	-	(16,049)	23,302	39,373	-	39,373
Effects of changes in accounting policy MFRS 15 ⁽²⁾	-	-	-	(381)	(381)	-	(381)
Effects of changes in accounting policy MFRS 9 ⁽⁴⁾	-	-	-	(571)	(571)	-	(571)
Restated balance as at 1 January 2018	32,120	-	(16,049)	22,350	38,421	-	38,421
Acquisition of a subsidiary	-	-	-	-	-	2,314	2,314
Dividend payable to non-controlling interest	-	-	-	(69)	(69)	-	(69)
Profit for the year							
- Total comprehensive income for the year	-	-	-	8,339	8,339	240	8,579
Balance as at 31 December 2018	32,120	-	(16,049)	30,620	46,691	2,554	49,245
<i>(Audited)</i>							
Balance as at 1 January 2017	21,063	11,057	(16,049)	18,820	34,891	-	34,891
Transition to no-par value regime on 31 January 2017 ⁽³⁾	11,057	(11,057)	-	-	-	-	-
Profit for the year							
- Total comprehensive income for the year	-	-	-	4,482	4,482	-	4,482
Balance as at 31 December 2017	32,120	-	(16,049)	23,302	39,373	-	39,373

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

(The figures have not been audited)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the BCM Group for the financial year ended ("FYE") 31 December 2017 as well as the accompanying explanatory notes attached to this interim financial report.
- (2) The Company has applied retrospectively of the MFRS 15 measurement which effected on 1 January 2018 by restating the retained earnings as at 1 January 2018 to recognise the unexpired sales warranties balances as at that date. This restatement is to enable such sales warranties to be recognised over the contracts duration in the subsequent time of periods.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- (3) Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act 1965. In accordance with the transitional provisions set out in Section 618(2) of the new Companies Act 2016, on 31 January 2017, the amounts standing to the credit of the share premium account become part of the Company's share capital.

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

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾***(The figures have not been audited)*

	(Unaudited) 12 months ended 31 December 2018 RM'000	(Audited) 12 months ended 31 December 2017 RM'000
Cash Flows From Operating Activities		
Profit before taxation	11,506	6,829
Adjustments for:		
Depreciation of property, plant and equipment	1,415	900
Bad debt written off	-	14
Negative goodwill arose from acquisition of a subsidiary	(690)	-
Interest expense	599	445
Interest income	(487)	(476)
Inventories written down	-	10
Gain on disposal of property, plant and equipment	(229)	(76)
Gain on other investment	-	(1)
Unrealised (gain)/ loss on foreign exchange difference	(211)	11
Impairment loss on property, plant and equipment	6	4
Impairment on trade receivables	31	178
Reversal of impairment on trade receivables	(451)	(46)
Operating profit before working capital changes	11,489	7,792
Changes in working capital:		
Inventories	(5,239)	(1,088)
Trade receivables	(2,302)	(2,709)
Other receivables	188	(1,605)
Trade payables	8,536	(4,473)
Other payables	1,681	671
	2,864	(9,204)
Cash generated from/(used in) operations	14,353	(1,412)
Interest received	487	476
Interest paid	(599)	(445)
Tax paid	(3,292)	(2,737)
Tax refund	363	238
	(3,041)	(2,468)
Net cash generated from/(used in) operating activities	11,312	(3,880)
Cash Flows From Investing Activities		
Acquisition of a subsidiary (net of cash)	594	-
Purchase of a property, plant and equipment	(3,126)	(1,408)
Proceeds from disposal of property, plant and equipment	305	143
Disposal/(Acquisition) of other investment	4,393	(4,392)
Net cash generated from/(used in) investing activities	2,166	(5,657)

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	(Unaudited) 12 months ended 31 December 2018 RM'000	(Audited) 12 months ended 31 December 2017 RM'000
Cash Flows From Financing Activities		
Repayment of bank borrowings	(251)	(251)
Repayment of finance lease payables	(290)	(633)
(Placement)/ Uplift of fixed deposits pledged	(43)	1,100
Increase in trust receipts	553	-
Net cash (used in)/generated from financing activities	<u>(31)</u>	<u>216</u>
Net increase/(decrease) in cash and cash equivalents	13,447	(9,321)
Cash and cash equivalents at the beginning of the year	14,938	24,259
Cash and cash equivalents at the end of the year	<u>28,385</u>	<u>14,938</u>
Cash and cash equivalents at the end of the year comprises:		
- Fixed deposits with licensed banks	1,142	1,099
- Cash and bank balances	28,365	15,272
- Bank overdrafts	-	(354)
	<u>29,507</u>	<u>16,017</u>
Less: Fixed deposits pledged with licensed banks	<u>(1,122)</u>	<u>(1,079)</u>
Net cash and cash equivalent at the end of the year	<u>28,385</u>	<u>14,938</u>

Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the BCM Group for the financial year ended 31 December 2017 as well as the accompanying explanatory notes attached to this interim financial report.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018

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 financial year ended 31 December 2017 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 financial year ended 31 December 2017. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

Adoption of new and amended standard

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

MFRS 9	Financial instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and measurement of share-based payment transactions
Amendments to MFRS 15	Clarification to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRSs 2014-2016 Cycle: -Amendments to MFRS 1 and Amendments to MFRS 128	

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

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A1. Basis of preparation (cont'd)

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 Malaysia Accounting Standards Board as they have yet to be effective for the Group.

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective dates for financial period beginning on and after	
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 – 2017 Cycle:		
-Amendments to MFRS 3		1 January 2019
-Amendments to MFRS 11		1 January 2019
-Amendments to MFRS 112		1 January 2019
-Amendments to MFRS 123		1 January 2019
MFRS 3	Definition of Business (Amendments to MFRS 3)	1 January 2020
MFRS 101	Definition of Material (Amendments to MFRS 101)	1 January 2020
MFRS 108	Definition of Material (Amendments to MFRS 108)	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

A2. Auditors' report of preceding annual audited financial statements

The audited financial statements of the Group for the financial year ended 31 December 2017 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.

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A5. Material changes in estimates

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

A6. Debt and equity securities

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

A7. Segmental information

The Group's reportable segments comprise of commercial laundry equipment, medical devices, healthcare products and investment holding segment.

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

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A7. Segmental information (cont'd)

Results for the cumulative 12 months ended 31 December

In RM'000

Business Segments	Q4 2018 (Unaudited)					Total Group	Q4 2017 (Audited)					Total Group
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination		Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination	
Revenue (i)external customers	44,255	41,599	6,692	-	-	92,546	44,170	31,973	-	-	-	76,143
(ii)inter-segment	-	-	-	3,100	(3,100)	-	-	-	-	1,380	(1,380)	-
Total revenue	44,255	41,599	6,692	3,100	(3,100)	92,546	44,170	31,973	-	1,380	(1,380)	76,143
Results –Segment results	5,826	5,558	700	1,046	(1,512)	11,618	5,219	3,169	-	(210)	(1,380)	6,798
Interest income	231	91	44	121	-	487	105	76	-	295	-	476
Finance costs	(162)	(417)	(5)	(15)	-	(599)	(163)	(271)	-	(11)	-	(445)
Profit/(Loss) before taxation	5,895	5,232	739	1,152	(1,512)	11,506	5,161	2,974	-	74	(1,380)	6,829
Taxation	(1,416)	(1,267)	(250)	6	-	(2,927)	(1,291)	(1,016)	-	(40)	-	(2,347)
Profit/(Loss) after taxation	4,479	3,965	489	1,158	(1,512)	8,579	3,870	1,958	-	34	(1,380)	4,482
Segment assets	30,833	36,653	6,575	33,922	(31,116)	76,867	23,569	26,865	-	32,724	(27,408)	55,750
Segment liabilities	(14,052)	(24,095)	(1,501)	(518)	12,544	(27,622)	(9,960)	(16,496)	-	(479)	10,558	(16,377)

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**A7. Segmental information (cont'd)****Results for the cumulative 12 months ended 31 December**

In RM'000

Business Segments	Q4 2018 (Unaudited)					Total Group	Q4 2017 (Audited)					Total Group
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination		Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination	
Other non-cash items:												
-Depreciation of property, plant and equipment	(538)	(615)	(154)	(108)	-	(1,415)	(383)	(448)	-	(69)	-	(900)
-Gain on disposal of property, plant and equipment	-	229	-	-	-	229	43	33	-	-	-	76
-Impairment loss on property, plant and equipment	-	(6)	-	-	-	(6)	-	(5)	-	-	-	(5)
-Unrealised gain on foreign exchange difference	43	168	-	-	-	211	-	3	-	-	-	3
-Bad debts written off	-	-	-	-	-	-	(14)	-	-	-	-	(14)
-Inventories written down	-	-	-	-	-	-	-	(10)	-	-	-	(10)
-Impairment on trade receivables	(31)	-	-	-	-	(31)	(88)	(90)	-	-	-	(178)
-Reversal of impairment on trade receivables	-	451	-	-	-	451	14	33	-	-	-	47
-Gain on other investment	-	-	-	-	-	-	-	1	-	-	-	1
- Negative goodwill arose from acquisition of a subsidiary	-	-	-	-	690	690	-	-	-	-	-	-

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A7. Segmental information (cont'd)

Results for the current 3 months ended 31 December

In RM'000

Business Segments	Q4 2018 (Unaudited)						Q4 2017 (Unaudited)					
	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination	Total Group	Commercial Laundry Equipment	Medical Devices	Healthcare Products	Investment Holding	Adjustment & elimination	Total Group
Revenue-(i)external customers	10,625	9,090	2,161	-	-	21,876	12,164	7,516	-	-	-	19,680
(ii)inter-segment	-	-	-	2,820	(2,820)	-	-	-	-	1,380	(1,380)	-
Total revenue	10,625	9,090	2,161	2,820	(2,820)	21,876	12,164	7,516	-	1,380	(1,380)	19,680
Results –Segment results	562	1,658	188	2,051	(2,202)	2,257	873	1,017	-	853	(1,380)	1,363
Interest income	109	35	12	19	-	175	13	58	-	58	-	129
Finance costs	(35)	(170)	(5)	(3)	-	(213)	(46)	(92)	-	(4)	-	(142)
Profit/(Loss) before taxation	636	1,523	195	2,067	(2,202)	2,219	840	983	-	907	(1,380)	1,350
Taxation	(205)	(305)	(107)	7	-	(610)	(733)	(447)	-	(40)	-	(1,220)
Profit/(Loss) after taxation	431	1,218	88	2,074	(2,202)	1,609	107	536	-	867	(1,380)	130
Other non-cash items:												
-Depreciation of property, plant and equipment	(147)	(171)	(93)	(28)	-	(439)	(118)	(129)	-	(27)	-	(274)
-Gain on disposal of property, plant and equipment	-	-	-	-	-	-	42	33	-	-	-	75
-Unrealised gain on foreign exchange difference	45	152	-	-	-	197	-	3	-	-	-	3
-Impairment on trade receivables	(31)	-	-	-	-	(31)	-	-	-	-	-	-
-Reversal of impairment on trade receivables	-	451	-	-	-	451	-	-	-	-	-	-

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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 December 2018 except for the disclosure in Note B6 (i) (a) and (ii).

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter.

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.

A14. Related party transactions

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

	(Unaudited) Current quarter ended 31 December 2018 RM'000	(Unaudited) Cumulative quarter ended 31 December 2018 RM'000
Rental expense paid to a company connected to certain directors.	39	138
Rental deposits paid to a company connected to certain directors.	-	48

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS****B1. Review of performance**

	Individual Quarter (Unaudited) 31 December 2018 RM'000	Individual Quarter (Unaudited) 31 December 2017 RM'000	Changes (RM'000/ %)	Cumulative Quarter (Unaudited) 31 December 2018 RM'000	Cumulative Quarter (Audited) 31 December 2017 RM'000	Changes (RM'000 / %)
Revenue	21,876	19,680	2,196/ 11.16%	92,546	76,143	16,403/ 21.54%
Operating profit	1,594	1,339	255/ 19.04%	9,961	6,522	3,439/ 52.73%
Profit before interest and tax	2,432	1,492	940/ 63.00%	12,105	7,274	4,831/ 66.41%
Profit before tax	2,219	1,350	869/ 64.37%	11,506	6,829	4,677/ 68.49%
Profit after tax	1,609	130	1,479/ 1,137.69%	8,579	4,482	4,097/ 91.41%
Profit attributable to owners of the Company	1,565	130	1,435/ 1,103.85%	8,339	4,482	3,857/ 86.06%

Current quarter (3 months)

For the current quarter ended 31 December 2018, the Group recorded revenue of RM21.88 million as compared to RM19.68 million in the corresponding quarter ended 31 December 2017, an increase of RM2.20 million or 11.16%.

Revenue from the commercial laundry equipment business segment decreased by RM1.54 million or 12.65% from RM12.16 million in the corresponding quarter ended 31 December 2017 compared to RM10.63 million in current quarter ended 31 December 2018, whilst the medical devices business segments increased in revenue by RM1.57 million or 20.94% from RM7.52 million in the corresponding quarter ended 31 December 2017 compared to RM9.09 million in the current quarter ended 31 December 2018.

The healthcare products segment has contributed RM2.16 million revenue for the Group in current quarter ended 31 December 2018, represents good demand of its core products named Rossmax.

The increase in revenue contribution from the medical devices business segment was mainly attributable to more order and higher revenue generated from medical imaging equipment and sterilisation equipment sub-segment.

The decrease in revenue contribution from commercial laundry equipment business segment was mainly due to lower demand in current quarter.

Overall, the Group's profit before tax increased during the current quarter ended 31 December 2018 recorded at RM2.22 million as compared to profit before tax of RM1.35 million in the corresponding quarter ended 31 December 2017. The increase of RM0.87 million or 64.37% was mainly due to the higher revenue recorded during the current quarter under review.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018

B1. Review of performance (cont'd)

Cumulative quarter (12 months)

For the cumulative twelve (12) months period ended 31 December 2018, the Group's revenue had increased by RM16.40 million or 21.54% to RM92.55 million as compared to RM76.14 million in the corresponding cumulated quarter ended 31 December 2017. As disclosed in Note A7, the increase in revenue were mainly due to increase in the revenue contribution from medical devices business segment and commercial laundry equipment business segment by RM9.63 million and RM0.09 million respectively.

Revenue achieved by the healthcare products segment of RM6.69 million since the subscription of shares in Cypress Medic Sdn. Bhd. was also a factor contributed higher Group's revenue for the year ended 31 December 2018.

The increase in revenue contribution from the medical devices business segment was mainly attributable to the good reception received by its customers in the medical industry from the introduction of new medical devices and equipment in year 2018 via new distributorship secured. As a result, the Group has managed to secure more orders from existing and new customers for medical imaging equipment and sterilisation equipment in year ended 31 December 2018 as compared to last year.

The increase in revenue contribution from commercial laundry equipment business segment was mainly attributed to the continuous growth in sales of commercial laundry equipment as more laundry outlets has been set up by our customers albeit the revenue dropped in current quarter ended 31 December 2018.

For the year under review, the Group registered a profit before tax of RM11.51 million as compared to a profit before tax of RM6.83 million in the correspondence year ended 31 December 2017. The better results by RM4.68 million or 68.49% were mainly due to higher revenue generated from commercial laundry equipment business segment, medical devices business segment and injection of new healthcare products business segment in the year ended 31 December 2018.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**B2. Comparison with immediate preceding quarter's results**

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)		
	31 December	30 September	Changes	Changes
	2018	2018		
	RM'000	RM'000	RM'000	%
Revenue	21,876	19,629	2,247	11.45
Operating profit	1,594	1,267	327	25.81
Profit before interest and tax	2,432	1,367	1,065	77.91
Profit before tax	2,219	1,227	992	80.85
Profit after tax	1,609	1,055	554	52.51
Profit attributable to owners of the Company	1,565	997	568	56.97

For the current quarter ended 31 December 2018, the Group recorded a revenue of RM21.88 million and profit before tax of RM2.22 million as compared to a revenue of RM19.63 million and profit before tax of RM1.23 million in the immediate preceding quarter ended 30 September 2018.

Higher revenue was recorded in the current quarter under review, represents 11.45% or RM2.25 million increased as compared to the immediate preceding quarter ended 30 September 2018. The higher revenue were mainly due to the increase in revenue contribution from medical devices segment, commercial laundry equipment business segment and healthcare products segment.

The increase in revenue contribution from the medical devices business segment by RM1.61 million was mainly attributable to more order and higher revenue generated from medical imaging equipment and sterilisation equipment sub-segment.

There were improvement in revenue contribution from commercial laundry equipment business segment and healthcare products segment in current quarter by RM0.43 million and RM0.21 million respectively.

Overall, the Group's profit before tax increased during the current quarter ended 31 December 2018 by RM0.99 million or 80.85% as compared to profit before tax of RM1.23 million in the immediate preceding quarter ended 30 September 2018. The higher profit recorded was mainly due to higher revenue resulted from the medical device business segment.

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B3. Prospects

The future plans and prospects of our Group focus on certain key areas with the objective to enhance our revenue growth, improve profitability and as well as to enhance our business and operational support functions to meet the demands of our future growth.

We intend to achieve our objectives through the following strategies:

(a) Setting up of Speed Queen self-service launderette outlets

The Group had set up the sixth Speed Queen self-service launderette outlet in Subang Permai, Selangor in December 2018. The Group is currently assessing options on the suitable locations to set up the remaining five (5) outlets as planned.

(b) Continuous expansion of our existing portfolio of products and brands

The Group was appointed as distributor for Siemens Healthineers' range of cardiac angiography system and fluoroscopy system in February 2018.

The Group has expanded its product offering to include distribution of healthcare and clinical devices via its newly acquired subsidiary in current year.

Nevertheless, the Group is continuous looking for expansion of new portfolio of products and brands aggressively in year 2019 to enhance future performance.

(c) To broaden our new customer base and continuous enhance relationship on our existing customer base

Our management and marketing team are working proactively to secure new customers to expand our current customer base. We also 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 year 2019.

Barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the prospects for the financial year ending 31 December 2019 will remain favourable.

B4. Profit forecast or profit guarantee

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

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**B5. Taxation**

	Individual Quarter Ended (Unaudited) 31 December 2018 RM'000	Individual Quarter Ended (Unaudited) 31 December 2017 RM'000	Cumulative Quarter Ended (Unaudited) 31 December 2018 RM'000	Cumulative Quarter Ended (Audited) 31 December 2017 RM'000
Income tax expense:				
- Current financial period	424	993	2,741	2,120
- Under provision in prior year	56	191	56	191
	480	1,184	2,797	2,311
Deferred tax expense:				
- Current financial period	98	58	98	31
-Under/(Over) provision in prior year	32	(22)	32	5
Total tax expense	610	1,220	2,927	2,347

B6. Status of corporate proposals and utilisation of proceeds

a) Utilisation of proceeds

The gross proceeds raised from the Public Issue amounting to RM16.01 million was partially utilised in the following manner as at 20 February 2019:-

Purpose	Approved Utilisation	Actual Utilised	Balance Unutilised	Estimated Timeframe for utilisation (from the date of Listing)
	RM'000	RM'000	RM'000	
i) Working capital requirements, comprising:-				
a) Purchase of brand new commercial laundry equipment and medical devices	8,837	8,837	-	Up to 24 months
b) Day-to-day working capital expenses	2,071	2,071	-	Up to 18 months
ii) Setting up chain of eleven (11) new Speed Queen self-service launderette outlets	2,600	1,971	629	Up to 36 months
iii) Estimated listing expenses	2,500	2,500	-	Within 1 month
	16,008	15,379	629	

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

b) There were no new corporate proposal in the current quarter under review.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**B7. Finance Lease Payable & Borrowings**

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

	As at 31 December 2018 (Unaudited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Borrowings			
- Trust Receipt	-	553	553
- Term loan	2,877	259	3,136
Sub-total	2,877	812	3,689
(ii) Finance lease payable			
- Hire purchase	2,066	619	2,685
Grand total	4,943	1,431	6,374

	As at 31 December 2017 (Audited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Borrowings			
- Bank overdrafts	-	354	354
- Term loan	3,139	248	3,387
Sub-total	3,139	602	3,741
(ii) Finance lease payable			
- Hire purchase	1,818	517	2,335
Grand total	4,957	1,119	6,076

Notes:

- (1) All borrowings are denominated in Ringgit Malaysia and there are no foreign currency denomination borrowings.
- (2) All borrowings are secured and no unsecured borrowings.
- (3) The average effective interest rates per annum are as follows:

	Rates (%)
Term loan	4.47 – 6.50
Trust Receipt	8.46
Bank overdrafts	8.17
Hire purchase	2.47 – 6.39

- (4) There were no additional borrowing been arranged during the current quarter ended 31 December 2018.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**B8. Changes in material litigation**

As at the date of this report, the BCM Group is not involved in any litigations or arbitrations, either as a defendant or plaintiff, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B9. Dividends Proposed/Declared

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

B10. Earnings per share

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

	Individual Quarter (Unaudited) 31 December 2018	Individual Quarter (Unaudited) 31 December 2017	Cumulative Quarter (Unaudited) 31 December 2018	Cumulative Quarter (Audited) 31 December 2017
Profit attributable to owners of the Company (RM'000)	1,565	130	8,339	4,482
Weighted average number of issuance shares ('000)	421,250	421,250	421,250	421,250
Basic ⁽¹⁾ /Diluted ⁽²⁾ earnings per share (sen)	0.37	0.03	1.98	1.06

Notes:

- (1) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial year respectively.
- (2) Diluted earnings per share of the Company for the current quarter and financial year to date ended 31 December 2018 is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**B11. Disclosure on selected expense/ (income) items as required by the Listing Requirements**

	Quarter ended 31 December 2018 RM'000	Year ended 31 December 2018 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
- Depreciation of property, plant and equipment	439	1,415
- Negative goodwill arose from acquisition of a subsidiary	-	(690)
- Gain on disposal of property, plant and equipment	-	(229)
- (Gain)/ Loss on derivatives	-	-
- (Gain)/ Loss on disposal of quoted or unquoted investments or properties	-	-
- Impairment loss on property, plant and equipment	-	6
- Interest expense	213	599
- Interest income	(175)	(487)
- Impairment and write off on receivables	31	31
- Reversal of impairment on trade receivables	(451)	(451)
- Other income including investment income	-	-
- Provision for and write off of inventories	-	-
- Unrealised gain on foreign exchange	(197)	(211)
- Realised gain on foreign exchange	(74)	(59)
-		

B12. 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 20 February 2019, the Group has submitted a total of one hundred and ninety five (195) 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 20 February 2019, out of the total applications submitted by the Group, there were:-

- (i) One hundred and ten (110) applications have successfully been approved by MDA;
- (ii) Eighteen (18) applications are still under consideration by the MDA; and
- (iii) Sixty seven (67) applications shall either be dropped by the Group due to discontinuance of distribution certain types of medical devices, or being cancelled 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
27 February 2019