



LYC HEALTHCARE BERHAD
(FORMERLY KNOWN AS MEXTER TECHNOLOGY BERHAD)

(Company No: 647673 - A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED
31 MARCH 2019

LYC HEALTHCARE BERHAD
(FORMERLY KNOWN AS MEXTER TECHNOLOGY BERHAD)

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2019

The Board of Directors of LYC Healthcare Berhad (f.k.a. Mexter Technology Berhad) (“LYC” or “Company”) wishes to announce the following unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of LYC for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		Current year quarter	Preceding year corresponding quarter	Change %	Current year to date	Preceding year corresponding period	Change %
		31-Mar-19 RM'000	31-Mar-18 RM'000		31-Mar-19 RM'000	31-Mar-18 RM'000	
Revenue	A8	2,470	1,248	97.9%	7,603	6,411	18.6%
Cost of sales		(1,748)	(872)	100.5%	(5,924)	(4,498)	31.7%
Gross profit		<u>722</u>	<u>376</u>		<u>1,679</u>	<u>1,913</u>	
Operating expenses		(2,625)	(1,915)	37.1%	(9,115)	(5,253)	73.5%
Other operating income		<u>67</u>	<u>92</u>	-27.2%	<u>270</u>	<u>141</u>	91.5%
Loss from operations	B5	(1,836)	(1,447)		(7,166)	(3,199)	
Interest income		104	1	10300.0%	222	3	7300.0%
Interest expense		<u>(506)</u>	<u>(25)</u>	1924.0%	<u>(581)</u>	<u>(100)</u>	481.0%
Loss before tax		(2,238)	(1,471)	52.1%	(7,525)	(3,296)	128.3%
Taxation	B6	<u>(62)</u>	<u>(68)</u>	-8.8%	<u>(34)</u>	<u>(64)</u>	-46.9%
Loss from continued operation for the period		<u>(2,300)</u>	<u>(1,539)</u>	49.4%	<u>(7,559)</u>	<u>(3,360)</u>	125.0%
Discontinued operations							
Profit for the period from a discontinued operations		-	(975)	-100.0%	1,662	(2,110)	-178.8%
Loss for the period		<u>(2,300)</u>	<u>(2,514)</u>		<u>(5,897)</u>	<u>(5,470)</u>	
Other comprehensive income							
Foreign currency translation		(3)	31	-109.7%	(149)	(9)	1555.6%
Surplus on revaluation of property, plant and equipment		<u>170</u>	-	0.0%	<u>170</u>	-	0.0%
Total other comprehensive income for the period, net of tax		<u>167</u>	<u>31</u>	438.7%	<u>21</u>	<u>(9)</u>	-333.3%
Total comprehensive loss for the period		<u>(2,133)</u>	<u>(2,483)</u>	-14.1%	<u>(5,876)</u>	<u>(5,479)</u>	7.2%
Loss attributable to:							
Owners of the Company		(2,253)	(2,570)	-12.3%	(5,881)	(5,180)	13.5%
Non-controlling interest		<u>(47)</u>	<u>56</u>	-183.9%	<u>(16)</u>	<u>(290)</u>	-94.5%
Total Comprehensive loss attributable to:		<u>(2,300)</u>	<u>(2,514)</u>		<u>(5,897)</u>	<u>(5,470)</u>	
Owners of the Company		<u>(2,084)</u>	<u>(2,522)</u>		<u>(5,877)</u>	<u>(5,166)</u>	
Non-controlling interest		<u>(49)</u>	<u>39</u>		<u>1</u>	<u>(313)</u>	
		<u>(2,133)</u>	<u>(2,483)</u>		<u>(5,876)</u>	<u>(5,479)</u>	
Earnings per share:							
Basic earnings per share (sen)	B11(a)	(0.69)	(1.00)		(1.97)	(2.31)	
Diluted earnings per share (sen)	B11(b)	(0.69)	(1.00)		(1.97)	(2.31)	

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	Note	(UNAUDITED) AS AT 31-Mar-19 RM'000	(AUDITED) AS AT 31-Mar-18 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		8,484	7,322
Right-of-use assets		13,191	-
Investment Property		4,194	4,304
		<u>25,869</u>	<u>11,626</u>
Current assets			
Other investments		-	304
Inventories		213	437
Trade and other receivables		5,770	5,750
Current tax assets		53	515
Cash and bank balances		10,125	12,581
		<u>16,161</u>	<u>19,587</u>
TOTAL ASSETS		<u>42,030</u>	<u>31,213</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		59,215	46,552
Reserves		(36,213)	(26,328)
		23,002	20,224
Non-Controlling interest		(10)	(746)
Total equity		<u>22,992</u>	<u>19,478</u>
Non-current liabilities			
Borrowings	B8	1,660	1,785
Deferred tax liabilities		321	330
Provision for reinstatement costs		348	-
Lease liabilities		12,240	-
		<u>14,569</u>	<u>2,115</u>
Current liabilities			
Trade and other payables		3,129	9,286
Deferred income		-	128
Current tax liabilities		64	72
Borrowings		131	134
Lease liabilities		1,145	-
		<u>4,469</u>	<u>9,620</u>
Total liabilities		<u>19,038</u>	<u>11,735</u>
TOTAL EQUITY AND LIABILITIES		<u>42,030</u>	<u>31,213</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.07</u>	<u>0.08</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

	< ----- Attributable to owners of the Company ----- >								
	Share capital	Share premium	Warrants reserve	Assets Revaluation Reserve	Translation Reserve	Accumulated losses	Total	Non- Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01/04/2018	46,552	-	4,109	1,445	199	(32,081)	20,224	(746)	19,478
Foreign currency translation differences for foreign operations	-	-	-	-	(166)	-	(166)	17	(149)
Total comprehensive loss for the period	-	-	-	-	-	(5,881)	(5,881)	(16)	(5,897)
Surplus on revaluation of property, plant and equipment	-	-	-	170	-	-	170	-	170
Transaction with owners:									
Issuance of ordinary share:									
- Exercise of warrants 2013/2018	12,663	-	(4,008)	-	-	-	8,655	-	8,655
Warrant lapsed	-	-	(101)	-	-	101	-	-	-
Non controlling interests arising from acquisition of new subsidiaries	-	-	-	-	-	-	-	60	60
Disposal of subsidiaries	-	-	-	-	-	-	-	675	675
At 31/3/2019	59,215	-	-	1,615	33	(37,861)	23,002	(10)	22,992
At 01/04/2017	29,322	-	5,149	1,270	360	(26,901)	9,200	(432)	8,768
Foreign currency translation differences for foreign operations	-	-	-	-	(161)	-	(161)	(23)	(184)
Total comprehensive loss for the period	-	-	-	-	-	(5,180)	(5,180)	(290)	(5,470)
Surplus on revaluation of property, plant and equipment	-	-	-	175	-	-	175	-	175
Transaction with owners:									
Issuance of ordinary share:									
- Exercise of warrants 2013/2018	13,945	-	-	-	-	-	13,945	-	13,945
Transfer to share premium for warrants exercised	2,245	-	-	-	-	-	2,245	-	2,245
Effect from adoption of Companies Act 2016	1,040	-	(1,040)	-	-	-	-	-	-
Dissolution of subsidiary	-	-	-	-	-	-	-	(1)	(1)
At 31/03/2018	46,552	-	4,109	1,445	199	(32,081)	20,224	(746)	19,478

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019**

	AS AT CURRENT FINANCIAL PERIOD ENDED 31-Mar-19 RM'000	(AUDITED) AS AT 31-Mar-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax- Continuing operation	(7,525)	(3,296)
Profit/(loss) before tax- Discontinued operation	1,662	(2,110)
	(5,863)	(5,406)
Adjustments for:		
Non-cash items	958	1,590
Interest income	(222)	(16)
Interest expense	599	100
	(4,528)	(3,732)
Operating loss Before Working Capital Changes		
Changes In Working Capital:		
Net change in current assets	(3,307)	3,500
Net change in current liabilities	2,446	(2,024)
	(5,389)	(2,256)
Net Cash Outflow from Operations		
Income tax paid	(59)	(149)
	(5,448)	(2,405)
Net Operating Cash Flows		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	222	16
Proceeds from disposal of other investment	175	443
Purchase of intangible assets	-	-
Purchase of property, plant and equipment	(1,863)	(6,554)
Cash outflows from disposal of subsidiaries (Note 1)	(2,893)	-
	(4,359)	(6,095)
Net Investing Cash Flows		
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(599)	(100)
Repayment of bank borrowings	(128)	(127)
Proceeds from the exercise warrants 2013/2018	8,655	2,245
Proceeds from issuance of private placement shares	-	13,945
Payment on lease liabilities	(733)	-
	7,195	15,963
Net Financing Cash Flows		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,612)	7,463
Effects of foreign exchange rate changes	156	(184)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	12,581	5,302
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	10,125	12,581

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 MARCH 2019 CONTINUED)**

	AS AT CURRENT FINANCIAL PERIOD ENDED 31-Mar-19 RM'000	(AUDITED) AS AT 31-Mar-18 RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	529	8,025
Deposits with licensed banks	9,596	4,556
Cash and bank balances	10,125	12,581

Note 1: The cash flows attributable to the disposed subsidiaries are as follows:

	AS AT CURRENT FINANCIAL PERIOD ENDED 31-Mar-19 RM'000
Net cash cash outflow arising from disposal:	
Cash consideration received	188
Less: Cash and cash equivalents	(3,081)
	(2,893)

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2019

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

A1 – Accounting Policies and Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard (“MFRS”) No. 134: Interim Financial Reporting and paragraph 9.22 of Bursa Malaysia Berhad (Bursa Securities”) ACE Market Listing Requirements (“ACE LR”).

The accounting policies and methods of computations adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2018 except as discussed below.

The Group has adopted the following amendments/improvements to MFRSs that are mandatory for the current financial period:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 1	First-time adoption of MFRSs
MFRS 2	Share-based payment
MFRS 140	Investment Property

The Group has also elected to early adopt MFRS 16 Leases, which is mandatory for financial period beginning on or after 1 January 2019.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies except for the following:-

MFRS 16 Leases

The Group has applied this Standard retrospectively at the date of initial application i.e. 1 April 2018. In accordance with the transition provisions under the Appendix C, paragraph 5 (b) of this standard, and as such, comparative information is not restated.

As a result of the adoption of MFRS 16 Leases, it eliminates the distinction between finance and operating leases for lessees. All leases are brought onto its statements of financial position except for short-term and low value asset leases. For a lessor, MFRS 16 Leases continues to allow the lessor to classify leases as either operating leases or finance lease and to account for these two types of lease differently.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2019

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS (CONTINUED)

A1 – Accounting Policies and Basis of Preparation (Continued)

The following table presents the impact of changes to the statements of financial position of the Group resulting from early adoption of MFRS 16 Leases as at 1 April 2018:

	Note	As at 31 March 2018 RM'000	Changes RM'000	As at 1 April 2018 RM'000
Non- current assets				
Right-of-use assets	(a)	-	8,443	8,443
Current liabilities				
Lease liabilities	(b)	-	576	576
Non-current liabilities				
Lease liabilities	(b)	-	7,867	7,867
Total lease liabilities		-	8,443	8,443

Note:

- (a) The right-of-use assets comprise building leased for confinement centre and clinic and recognised during the financial year. Subsequent to initial recognition, the right of use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.
- (b) The lease liabilities are recognised and discounted using the incremental borrowing rate of 4.95%. Subsequent to initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification.
- (c) There is no impact to the Group's retained earnings as at 1 April 2018.

A2 – Declaration on Audit Qualification

The auditors' report on the Group's financial statements for the financial year ended 31 March 2018 was not qualified.

A3 – Seasonal or Cyclicity of Operations

In general, apart from the Group's business in Healthcare services, the Group's other businesses are primarily exposed to business cycles of the Electronic Manufacturing, Semiconductor and Automotive industries.

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A4 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A5 – Changes in Estimates

There were no materials changes in estimates of amounts reported in the prior financial year which may have had a material effect on the current quarter under review.

A6 – Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance and repayment of debts and equity securities during the current quarter under review.

The Company had not engaged in any share buyback scheme or implemented any share cancellations. The Company does not have any shares held as treasury shares.

A7 – Dividends

No dividend has been declared or paid during the current quarter under review.

A8 – Segmental Information

Segmental Information in respect of the Group's business segment is as follows:-

Segments	-	Products and services
i Healthcare Division	-	Provide mother and childcare related services such as postnatal and postpartum care, child specialist and family clinic and provision of retirement homes and aged care facilities and services.
ii Computing and Electronic Services	-	Performing research and development and the provision of e-manufacturing solutions and IT outsourcing service, dealers of computers and its related products.
iii Others	-	Provision of design, development, consulting, marketing supply, installation, testing and commissioning services for environmental friendly renewable energy products, trading of electronic and security products and building materials and investment holding, and the provision of management services.

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A8 – Segmental Information (Continued)

a) Period Ended 31 March 2019

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	2,474	4,711	418	-	7,603
Inter-segment revenue	-	-	-	-	-
	<u>2,474</u>	<u>4,711</u>	<u>418</u>	<u>-</u>	<u>7,603</u>
Segment results	(5,094)	140	(2,212)	-	(7,166)
Interest Income	219	-	3	-	222
Interest Expense	(482)	(99)	-	-	(581)
Loss before tax	(5,357)	41	(2,209)	-	(7,525)
Taxation					(34)
Loss net of tax from continued operations					(7,559)
Profit from discontinued operation					1,662
Loss for the period					<u>(5,897)</u>

b) Period Ended 31 March 2018

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	-	5,988	423	-	6,411
Inter-segment revenue	-	-	-	-	-
	<u>-</u>	<u>5,988</u>	<u>423</u>	<u>-</u>	<u>6,411</u>
Segment results	(815)	(406)	(1,978)	-	(3,199)
Interest Income	-	-	3	-	3
Interest Expense	-	(99)	(1)	-	(100)
Loss before tax	(815)	(505)	(1,976)	-	(3,296)
Taxation					(64)
Loss net of tax from continued operations					(3,360)
Loss from discontinued operation					(2,110)
Loss for the period					<u>(5,470)</u>

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A9 – Valuation of Property, Plant and Equipment

During the financial year, there was revaluation gain on the land recognised for RM170,000. The fair value has been determined by the valuation performed by a registered independent valuer having appropriate recognised professional qualification and recent experiences in the locations and category of properties being valued.

A10 – Changes in Composition of the Group

There was no other change to the composition of the Group during the current quarter under review save for the followings:

Proposed disposal - Mexcomm

The Company had on 7 September 2018 entered into a sale and purchase of shares agreement (“SPA”) with Chan Wai Fong to dispose its entire 80,000 ordinary shares in Mexcomm (“MXSB”), representing 80% equity interest in Mexcomm for a cash consideration of RM187,727.20 (“Proposed Disposal”). The completion of the proposed disposal is upon the completion of all requisite security documents in accordance to the terms of the SPA.

On 30 October 2018, the Proposed Disposal has been completed upon the completion of all requisite security documents in accordance to the terms of the SPA. Following the disposal, the following companies have ceased to be subsidiaries of LYC:-

- (a) Mexcomm Sdn Bhd
- (b) Ezymobile International Sdn Bhd
- (c) Mobile Holding Ltd.
- (d) Ezy M Holding Ltd.
- (e) E-G6 Solution (Thailand) Co. Ltd.
- (f) PT Mexcomm

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An analysis of the results of disposal of the subsidiaries are as follows:

Profit/ (loss) attributable to the discontinued operation :

	Up to the date of disposal	Financial year ended 31.3.2018
Results of discontinued operation		
Revenue	8,568	11,719
Cost of sales	<u>(6,839)</u>	<u>(10,132)</u>
	1,729	1,587
Other income	34	48
Expenses	<u>(1,646)</u>	<u>(3,758)</u>
Results from operating expenses before finance income	117	(2,123)
Finance income	<u>1</u>	<u>13</u>
Results from operating expenses	118	(2,110)
Taxation	-	-
Results from operating activities, net of tax	<u>118</u>	<u>(2,110)</u>
Gain on sale of discontinued operation	<u>1,544</u>	<u>-</u>
Profit/(loss) for the year	<u>1,662</u>	<u>(2,110)</u>

LYC Cosmetic& Aesthetic Sdn Bhd (“LYCCA”)

LYCCA was incorporated on 30 April 2019 as a private limited company by shares in Malaysia under the Companies Act, 2016. The share capital of LYCCA as at the date of announcement is Ringgit Malaysia One Hundred Only (RM100.00) comprising One Hundred (100) ordinary shares. The Company holds Fifty-One (51) shares for Ringgit Malaysia Fifty-One only (RM51.00), representing 51% shareholding of LYCCA while Xing Dao International Pte. Ltd. holds Forty-Nine (49) shares for Ringgit Malaysia Forty-Nine only (RM49.00), representing 49% shareholding of LYCCA.

The intended principal activities of LYCCA are to carry on the business of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.

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A11 – Material Subsequent Events

There was no material event subsequent to the end of the current quarter under review save for the following:

LYC Mother & Child Centre Sdn Bhd (Company No. 972687-K) (“LYCM”), a wholly-owned subsidiary of the Company had on 30 April 2019 entered into a Tenancy Agreement with Ho Hup Jaya Sdn Bhd (Company No. 82449-V) (“Ho Hup Jaya”) for the rental of one (1) retail unit lot at Aurora SOVO and three (3) retail unit lots at Ho Hup Tower to set-up a postpartum care centre to serve the surrounding neighborhood.

A12 –Contingent Liabilities or Contingent Assets

The Directors of the Company are not aware of any other material contingent liabilities or contingent assets that may impact the financial performance of the Group.

A13 –Capital Commitment

	31-Mar-19	31-Mar-18
	RM’000	RM’000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	1,585	565
- Authorised but not contracted for	610	-
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A14 –Related Party Transaction

	31-Mar-19	31-Mar-18
	RM'000	RM'000
Project management fee receivable from a company in which a major shareholder has interest	400,000	-

B1 – Financial Review for Current Quarter Compared with Preceding Year Corresponding Quarter

	Individual period		
	Current	Preceding year	
	quarter ended	corresponding	
	31-Mar-19	31-Mar-18	Changes
Continuing operations	RM'000	RM'000	%
Revenue	2,470	1,248	97.9%
Loss before tax	(2,238)	(1,471)	52.1%

For the financial year ended 31 March 2019, the Group recorded revenue of RM2.47 million, an increase by RM1.22 million or 97.9% as compared to preceding year's corresponding quarter's revenue. The increase was mainly due to new revenue streams from the Healthcare division arising from postpartum care business of RM1.27 million.

Despite the higher revenue reported, the Group registered a loss before tax of RM2.24 million as compared to a loss before tax of RM1.47 million reported in preceding year's corresponding quarter. This are partially due to incremental costs (interest expenses and depreciation expenses) of RM0.49 million recognised as result of the early adoption MFRS 16 Leases, inventories write-down of RM0.26 million and provision made for impairment loss on trade receivables of RM0.06 million arising from a loss making subsidiary which has temporarily ceased operation.

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B2 – Comparison with Preceding Quarter’s Results

	Current quarter ended 31-Mar-19 RM’000	Preceding quarter ended 31-Dec-18 RM’000	Changes %
Continuing operations			
Revenue	2,470	1,807	36.7%
Gross profit	722	292	147.3%
Loss before tax	(2,238)	(2,200)	1.7%
Loss after tax	(2,300)	(2,176)	5.7%
Loss attributable to Owners of the Company	(2,253)	(520)	333.3%

The Group’s revenue for the current quarter under review of RM2.47 million recorded an increase of RM0.66 million or 36.7% as compared to the revenue of RM1.81 million in the preceding quarter. The overall increase in revenue mainly due to the improved sales in postpartum care business.

The Group posted higher loss after tax of RM2.30 million as compared to the preceding quarter of RM2.18 million mainly due to incremental costs (interest expenses and depreciation expenses) of RM0.49 million recognised as result of the early adoption MFRS 16 Leases, inventories write-down of RM0.26 million and provision made for impairment loss on trade receivables of RM0.06 million arising from a loss making subsidiary which has temporarily ceased operation.

B3 – Current Year Prospects

The outlook for the Malaysian economy remains resilient in the near term despite considerable external and domestic headwinds. Real gross domestic product is projected to expand 4.8% and 4.9% in 2018 and 2019 (2017: 5.9%), respectively, supported mainly by domestic demand. Private sector expenditure, in particular, household spending will remain as the anchor of growth following a continuous increase in employment and wage amid benign inflation. Meanwhile, private investment will be supported by new and ongoing projects in the services and manufacturing sectors. On the contrary, public expenditure is expected to grow marginally in 2018 and contract in 2019 following the lower capital outlays by public corporations. *(Source: Economic Report 2019, Ministry of Finance, Malaysia)*

Moving forward, the Group has diversified its business activities into healthcare services to enhance its prospects. By embarking initially into the mother and child and senior living related healthcare services, the Board is of the view that this would provide a platform for the Group to spearhead into other areas of the healthcare sector.

The Group is in the midst of exploring various new healthcare related projects which are currently at various stages of business viability assessments. Notwithstanding, the Group strongly believe that the healthcare segment is an attractive business proposition and offers good growth opportunities for the Group in the long term.

LYC HEALTHCARE BERHAD
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(Company No 647673-A)
(Incorporated in Malaysia)

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B4 – Profit Forecast

The Group did not publish any profit forecast in its Prospectus or in any public documents.

B5 – Loss from operations

Loss from operations has been arrived at after crediting/ (charging):-

	Current Quarter		Cumulative Quarters	
	31-Mar-19 RM'000	31-Mar-18 RM'000	31-Mar-19 RM'000	31-Mar-18 RM'000
Depreciation	(1,499)	(112)	(2,125)	(239)
Amortisation of Intangible Assets	-	(5)	-	(23)
Interest income	104	8	222	16
Interest expenses	(506)	(50)	(581)	(100)
Impairment loss on trade and other receivables	(60)	(120)	(60)	(120)
Net allowance for slow moving inventories	(256)	(167)	(251)	(150)
Net unrealised foreign exchange gain/(loss)	28	59	(7)	(13)
Gain on disposal of subsidiaries	-	-	1,544	-
Property, plant and equipment written off	-	(52)	-	(95)
Impairment of goodwill	-	(817)	-	(817)

B6 – Taxation

	31-Mar-19 Current Quarter RM'000	31-Mar-19 Cumulative Quarters RM'000
Income tax:-		
- Current year	64	64
-Over provision in prior year	-	(22)
	64	42
Deferred taxation:		
- Reversal of temporary differences	(2)	(8)
	62	34

The provision for tax relates principally to the profit made by profitable subsidiary companies which cannot be offset against the losses of other subsidiary companies within the Group.

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B7 – Corporate Proposals

Save as disclosed below, there was no other corporate proposal announced or outstanding as at the date of this report.

- (i) On 23 March 2017, the Group announced the proposals to undertake the following:
- Proposed diversification of the business of the Group into healthcare services (**“Proposed Diversification”**)
 - Proposed private placement of up to 20% of the share capital of the Company to fund its expansion into this new business offering in conjunction with the Proposed Diversification. (**“Proposed Private Placement”**)

Following Bursa Malaysia’s approval, the shareholders of LYC Healthcare Berhad (f.k.a. Mexter Technology Berhad) has also approved the Proposed Diversification and Proposed Private Placement respectively at the Extraordinary General Meeting convened on 24 May 2017.

On 13 July 2017, the Group announced that the issue price for the First Tranche of Placement Shares is fixed at RM0.24 per Placement Share pursuant to the Private Placement. The First Tranche of 22,000,000 units of Placement Shares were subsequently issued on 26 July 2017, and total cash proceeds of RM5.28 million were raised. The remaining block of 18,142,800 shares have yet to be taken up.

On 9 October 2017, the Group announced that Bursa Securities had approved the application for an extension of time of 6 months up to 19 April 2018 to complete the Private Placement.

On 4 December 2017, the Group completed its second tranche of the Private Placement, issuing 3,400,000 units of Placement Shares at an issue price of RM0.445 per share, raising RM1.513 million.

On 20 December 2017, the Company completed its final tranche of the Private Placement, issuing 14,900,000 units of Placement Shares at an issue price of RM0.48 per share, raising RM7.15 million.

A total of 40,300,000 Placement Shares were issued, raising a total of RM13.945 million.

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B7 – Corporate Proposals (Continued)

As at the date of announcement, the Private Placement fund was fully utilised.

Purpose	Revised Proposed Utilisation ⁽¹⁾ RM'000	Actual Utilisation RM'000	Reallocation ⁽²⁾ RM'000	Remaining Balance RM'000	Intended Timeframe for utilisation
Renovation cost	6,000	6,600	600	-	Completed
Working capital:					
- Salaries	2,200	2,200	-	-	Completed
- Rental #	1,000	1,000	-	-	Completed
- Operating cost	1,287	1,287	-	-	Completed
Contingencies for future projects/ expansion in healthcare services	2,919	2,319	(600)	-	Completed
Estimated expenses for the proposals	539	539	-	-	Completed
Total	13,945	13,945	-	-	

Notes:

(1) The revised proposed utilisation is based on announcement made on 24 August 2017 and 26 December 2017.

(2) The reallocation of RM0.60 million from the reduction of contingencies for future projects / expansion in healthcare services is to be utilised for renovation cost due to variation orders.

B8 – Borrowings

Group borrowings as at the end of the reporting quarter were as follows:-

	Current RM'000	Non-current RM'000
Hire purchase liabilities (Unsecured)	-	-
Term loan (Secured)	131	1,660
	<u>131</u>	<u>1,660</u>

The Group does not have any foreign borrowing as at the date of this announcement.

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B9 – Material Litigations

As at the date of this report, the Group is not engaged in any material litigation. The Directors of the Company are not aware of any proceedings pending or threatened against the Group.

B10 – Dividends

No dividend has been declared or paid during the current quarter under review.

B11 –Earnings per Share

(a) *Basic earnings per share (“EPS”)*

Basic EPS of the Group is calculated by dividing the profit for the period attributable to ordinary equity holders of LYC by the weighted average number of ordinary shares in issue during the financial period.

		Current quarter ended		Cumulative quarters ended	
		31-Mar	31-Mar	31-Mar	31-Mar
		2019	2018	2019	2018
Loss for the period attributable to owners of LYC	(RM'000)	(2,253)	(2,570)	(5,881)	(5,180)
Weighted average number of ordinary shares in issue	('000)	324,864	258,290	298,390	224,309
Basic EPS	(sen)	(0.69)	(1.00)	(1.97)	(2.31)

The weighted average number of ordinary shares in issue is determined using the number of days that the specific shares are outstanding in proportion to the total number of days in the corresponding period.

(b) *Diluted EPS*

The diluted earnings per share of the Company is the same as the basic earnings per ordinary share of the Company

Dated: 23 May 2019