



LYC HEALTHCARE BERHAD

(FORMERLY KNOWN AS MEXTER TECHNOLOGY BERHAD)

(Company No: 647673-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

LYC HEALTHCARE BERHAD
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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

The Board of Directors of LYC Healthcare Berhad (f.k.a. Mexter Technology Berhad) 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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2019**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		Current Year Quarter	Preceding Year Corresponding Quarter	Change %	Current Year to Date	Preceding Year Corresponding Period	Change %
		30-Jun-19	30-Jun-18		30-Jun-19	30-Jun-18	
		RM'000	RM'000		RM'000	RM'000	
Revenue	A8	2,686	4,744	-43.4%	2,686	4,744	-43.4%
Cost of sales		(1,960)	(3,863)	-49.3%	(1,960)	(3,863)	-49.3%
Gross profit		726	881		726	881	
Operating expenses		(2,244)	(2,553)	-12.1%	(2,244)	(2,553)	-12.1%
Other operating income		74	85	-12.9%	74	85	-12.9%
Loss from operations	B5	(1,444)	(1,587)		(1,444)	(1,587)	
Interest income		46	22	109.1%	46	22	109.1%
Interest expense		(194)	(24)	708.3%	(194)	(24)	708.3%
Loss before tax		(1,592)	(1,589)	0.2%	(1,592)	(1,589)	0.2%
Taxation	B6	2	2	0.0%	2	2	0.0%
Loss for the financial period		(1,590)	(1,587)		(1,590)	(1,587)	
Other comprehensive income							
Foreign currency translation		8	42	-81.0%	8	42	-81.0%
Total other comprehensive income for the financial period, net of tax		8	42	-81.0%	8	42	-81.0%
Total comprehensive loss for the financial period		(1,582)	(1,545)	2.4%	(1,582)	(1,545)	2.4%
Loss attributable to:							
Owners of the Company		(1,543)	(1,488)	3.7%	(1,543)	(1,488)	3.7%
Non-controlling interest		(47)	(99)	-52.5%	(47)	(99)	-52.5%
Total Comprehensive loss attributable to:							
Owners of the Company		(1,535)	(1,454)		(1,535)	(1,454)	
Non-controlling interest		(47)	(91)		(47)	(91)	
		(1,582)	(1,545)		(1,582)	(1,545)	
Earnings /(Losses) per share attributable to Owners of the Company:							
Basic earnings per share (sen)	B11(a)	(0.47)	(0.57)		(0.47)	(0.57)	
Diluted earnings per share (sen)	B11(b)	*	(0.50)		*	(0.50)	

* N/A

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	AS AT 30-Jun-19 (UNAUDITED) RM'000	AS AT 31-Mar-19 (AUDITED) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		10,792	9,684
Right-of-use assets		12,991	13,461
Investment property		4,167	4,194
		<u>27,950</u>	<u>27,339</u>
Current assets			
Inventories		445	214
Trade and other receivables		5,488	4,564
Current tax assets		110	53
Cash and bank balances		7,157	10,125
		<u>13,200</u>	<u>14,956</u>
TOTAL ASSETS		<u>41,150</u>	<u>42,295</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		59,215	59,215
Reserves		1,654	1,646
Accumulated lossess		(39,451)	(37,908)
		21,418	22,953
Non-controlling interest		(57)	(10)
Total equity		<u>21,361</u>	<u>22,943</u>
Non-current liabilities			
Loan and borrowings	B8	1,635	1,668
Lease liabilities		11,974	12,302
Provision for restroration cost		505	500
Deferred tax liabilities		319	321
		<u>14,433</u>	<u>14,791</u>
Current liabilities			
Trade and other payables		2,061	1,655
Contract liabilities		1,785	1,474
Loan and borrowings		125	122
Lease liabilities		1,279	1,242
Current tax liabilities		106	68
		<u>5,356</u>	<u>4,561</u>
TOTAL LIABILITIES		<u>19,789</u>	<u>19,352</u>
TOTAL EQUITY AND LIABILITIES		<u>41,150</u>	<u>42,295</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.07</u>	<u>0.07</u>

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDING 30 JUNE 2019 (UNAUDITED)

Group	Note	← Attributable to owners of the Company →					Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Warrants reserve RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000			
At 1st April 2019		59,215	-	31	1,615	(37,908)	22,953	(10)	22,943
Other comprehensive income, net of tax									
Foreign currency translation differences for foreign operations		-	-	8	-	-	8	-	8
Total other comprehensive loss , net of tax		-	-	8	-	-	8	-	8
Net loss for the financial period		-	-	-	-	(1,543)	(1,543)	(47)	(1,590)
Total comprehensive loss for the financial period		-	-	8	-	(1,543)	(1,535)	(47)	(1,582)
Transaction with owners:									
Non-controlling interests arising from acquisition of new subsidiary *		-	-	-	-	-	-	0	0
Total transactions with owners		-	-	-	-	-	-	0	0
At 30 June 2019		59,215	-	39	1,615	(39,451)	21,418	(57)	21,361

* Less than hundred , representing subscription of shares by non-controlling interest of RM45

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (AUDITED)

Group	Note	← Attributable to owners of the Company →					Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Warrants reserve RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000			
At 1st April 2018		46,552	4,109	199	1,445	(32,081)	20,224	(746)	19,478
Other comprehensive income, net of tax									
Surplus on revaluation of property, plant and equipment		-	-	-	170	-	170	-	170
Foreign currency translation differences for foreign operations		-	-	80	-	-	80	18	98
Reclassification of translation reserve upon disposal of a subsidiary				(248)			(248)	-	(248)
		-	-	(168)	170	-	2	18	20
Total other comprehensive loss, net of tax		-	-	(168)	170	-	2	18	20
Net loss for the financial year		-	-	-	-	(5,928)	(5,928)	(18)	(5,946)
Total comprehensive loss for the financial year		-	-	(168)	170	(5,928)	(5,926)	-	(5,926)
Transaction with owners:									
Issuance of ordinary share:									
- Exercise of Warrants 2013/2018		12,663	(4,008)	-	-	-	8,655	-	8,655
Warrant lapsed		-	(101)	-	-	101	-	-	-
Subscription of shares in subsidiaries by non-controlling interest		-	-	-	-	-	-	60	60
Disposal of subsidiaries		-	-	-	-	-	-	676	676
Total transactions with owners		12,663	(4,109)	-	-	101	8,655	736	9,391
At 31 March 2019		59,215	-	31	1,615	(37,908)	22,953	(10)	22,943

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	AS AT 30-Jun-19 (UNAUDITED) RM'000	AS AT 31-Mar-19 (AUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax- Continuing operation	(1,592)	(7,570)
Profit before tax- Discontinued operation	-	1,662
	<u>(1,592)</u>	<u>(5,908)</u>
Adjustments for:		
Non-cash items	767	996
Interest income	(46)	(222)
Interest expense	194	570
	<u>(677)</u>	<u>(4,564)</u>
Operating Loss before Working Capital Changes	(677)	(4,564)
Changes In Working Capital:		
Net change in current assets	(1,163)	(2,104)
Net change in current liabilities	717	2,445
	<u>(1,123)</u>	<u>(4,223)</u>
Net Cash Outflow from Operations	(1,123)	(4,223)
Income tax paid	(15)	(58)
	<u>(1,138)</u>	<u>(4,281)</u>
Net Operating Cash Flows	(1,138)	(4,281)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	46	222
Proceeds from disposal of other investment	-	178
Uplift /(placement) of deposits with licensed bank	4,643	(2,093)
Purchase of property, plant and equipment	(1,367)	(3,077)
Disposal of a subsidiary, net of tax (Note 1)	-	(2,893)
Purchase of other investment	-	(1)
	<u>3,322</u>	<u>(7,664)</u>
Net Investing Cash Flows	3,322	(7,664)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(194)	(570)
Repayment of bank borrowings	(31)	(116)
Proceeds from the exercise Warrants 2013/2018	-	8,655
Subscription of shares by non-controlling interest	*	60
Payment on lease liabilities	(291)	(731)
	<u>(516)</u>	<u>7,298</u>
Net Financing Cash Flows	(516)	7,298
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,668	(4,647)
Effects of foreign exchange rate changes	8	98
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD/ YEAR	5,481	10,030
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD / YEAR	7,157	5,481

* Less than hundred , representing subscription of shares by non-controlling interest of RM45

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019 (Cont'd)

	AS AT 30-Jun-19 (UNAUDITED) RM'000	AS AT 31-Mar-19 (AUDITED) RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	4,526	2,439
Deposits placed with licensed banks	2,631	7,686
	<u>7,157</u>	<u>10,125</u>
Less: Non-short term deposit placed with licensed bank	-	(4,644)
Cash and bank balances	<u>7,157</u>	<u>5,481</u>

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

Net cash cash outflow arising from disposal:		
Cash consideration received	*n/a	188
Less: Cash and cash equivalents	-	(3,081)
	<u>-</u>	<u>(2,893)</u>

* Not applicable

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 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 2019 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
MFRS 16	Leases

Amendments/Improvements to MFRSs

MFRS 1	First-time adoption of MFRSs
MFRS 2	Share-based payment
MFRS 128	Investments in Associates and Joint Ventures
MFRS 140	Investment Property

New IC Interpretation (“IC Int”)

IC Int 22	Foreign Currency Transactions and Advance Consideration
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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

As a lessee, the Group previously classified leases as operating or finance lease under MFRS 117 Leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

The Group has applied MFRS 16 using the modified retrospective approach at the date of initial application i.e. 1 April 2018. As such, the Group has not restated the comparative information, which continues to be reported under MFRS 117 and IC Int 4 Determining Whether an Arrangement contains a Lease.

The Group has applied recognition exemption to short term leases of office equipment and low value office equipment.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A1 – Accounting Policies and Basis of Preparation (Cont'd)

MFRS 16 Leases (cont'd)

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2018. Right-of-use assets are measured at an amount equal to the lease liability. The Group applied the following practical expedients when applying MFRS 16 to leases previously classified as operating leases under MFRS 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term of the contract contains options to extend or terminate the lease.

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

A2 – Declaration on Audit Qualification

The auditors' report on the Group's financial statements for the financial year ended 31 March 2019 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.

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.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A6 – 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 segments are as follows: -

Segments	Products and services
i. Mobile Services Division (Discounted operation)	- Provision of mobile messaging gateway solutions and services. (Further details explained in note A10)
ii Healthcare Division	- Provide mother and child care related services such as postnatal and postpartum care, post-delivery confinement care, and aesthetics, provide senior nursing home care and related services.
iii Computing and Electronic Services	- Performing research and development, and the provision of e-manufacturing solutions and IT outsourcing service, dealers of computers and other related products.
iv. Others	- Investment holding, 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, provision of related engineering services, provision of management services , and dormant.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A8 – Segmental Information (Cont’d)

a) Period Ended 30 June 2019 (Unaudited)

	Mobile Services RM’000	Healthcare Services RM’000	Computer Electronic Services RM’000	Others RM’000	Elimination RM’000	Total RM’000
Revenue	*n/a	1,519	860	307	-	2,686
Inter-segment revenue	-	-	-	-	-	-
	-	1,519	860	307	-	2,686
Segment results	*n/a	(1,034)	(57)	(353)	-	(1,444)
Interest Income	-	45	-	1	-	46
Interest Expense	-	(172)	(22)	-	-	(194)
Loss before tax	-	(1,161)	(79)	(352)	-	(1,592)

* Not applicable

b) Period Ended 30 June 2018 (Unaudited)

	Mobile Services RM’000	Healthcare Services RM’000	Computer Electronic Services RM’000	Others RM’000	Elimination RM’000	Total RM’000
Revenue	3,265	34	1,440	5	-	4,744
Inter-segment revenue	-	-	-	-	-	-
	3,265	34	1,440	5	-	4,744
Segment results	(22)	(1,364)	158	(359)	-	(1,587)
Interest Income	1	20	-	1	-	22
Interest Expense	-	-	(24)	-	-	(24)
Loss before tax	(21)	(1,344)	134	(358)	-	(1,589)

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A9 – Valuation of Property, Plant and Equipment

There was no valuation on any property, plant and equipment of the Group during current quarter under review.

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:

Disposal of Subsidiary of Company - 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

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 Period Ended 30.6.2018
	RM'000	RM'000
Results of discontinued operation		
Revenue	8,568	3,265
Cost of sales	(6,839)	(2,632)
	1,729	633
Other income	34	19
Expenses	(1,646)	(687)
Results from operating expenses before finance income	117	(35)
Finance income	1	1
Results from operating expenses	118	(34)
Taxation	-	-
Results from operating activities, net of tax	118	(34)
Gain on sale of discontinued operation	1,544	-
Profit/(loss) for the year	1,662	(34)

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A10 – Changes in Composition of the Group (Cont’d)

LYC Cosmetic & Aesthetic Sdn. Bhd. (“LYCCA”)

On 30 April 2019, the Company had subscribed fifty-one (51) ordinary share in LYC Cosmetic & Aesthetic Sdn. Bhd. (“LYCCA”) for cash consideration of Ringgit Malaysia Fifty-One only (RM51.00), representing 51% shareholding of LYCCA while Xing Dao International Pte. Ltd. had subscribed forty-nine (49) shares for Ringgit Malaysia Forty-Nine only (RM49.00). Consequently, LYCCA became a direct 51% owned subsidiary of company of the Company.

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.

A11 – Material Subsequent Events

There was no material event subsequent to the end of the current quarter under review.

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

	As at 30-Jun-19 RM'000	As at 30-Jun-18 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	554	-
- Authorised but not contracted for	610	-
	<hr/>	<hr/>

A14 –Related Party Transaction

	As at 30-Jun-19 RM'000	As at 30-Jun-18 RM'000
Project management fee receivable from a company in which a major shareholder has interest		
	<hr/> 300,000	<hr/> -

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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

	Individual Period / Cumulative Period			
	Current Quarter Ended 30-Jun-19	Preceding Year Corresponding Quarter Ended 30-Jun-18		
	RM'000	RM'000	RM'000	%
Continuing operations				
Revenue	2,686	1,479	1,207	81.6%
Loss before tax	(1,592)	(1,555)	(37)	2.4%
Discontinuing operations				
Revenue	-	3,265	(3,265)	-100.0%
Loss before tax	-	(34)	34	-100.0%
Total				
Revenue	2,686	4,744	(2,058)	-43.4%
Loss before tax	(1,592)	(1,589)	(3)	0.2%

For the financial quarter ended 30 June 2019, the Group's total revenue decreased by approximately 43% or RM2.06 million to RM2.69 million as compared to RM4.74 million in the preceding year corresponding financial quarter ended 30 June 2018. The decrease was primarily due to revenues generated from discontinued operation, namely Mobile Services, at a total of RM3.27 in the preceding year corresponding financial quarter. The disposal was completed on 30 October 2018 as explained in note A10 above.

Excluding the revenues from discontinued operation, the Group's revenue increased by approximately RM1.21 million or 82% to RM2.69 million as compared to RM1.48 million in the preceding year corresponding financial quarter ended 30 June 2018. The increase in revenue was mainly boosted by the healthcare services arising from the postpartum care business and other segment at total of RM1.35 million and RM0.30 million respectively. The revenue was further enhanced by the contribution from Senior Living Services at approximately RM0.13 million which commenced its full operations following the renovation in November 2018. Nevertheless, the increase in revenue is offset by the reduction of revenue from Computing Electronic Services at approximately RM0.58 million. Lower revenues in Computing Electronic Services Division in current quarter was mainly due to the global economic downturn and intense competition in the industry resulting in lower revenue recorded.

Despite the notable increase in revenue from continuing operation by 82%, the Group registered a comparable loss before tax of RM1.59 million and RM1.56 million in the current financial period under review and in the preceding year corresponding quarter respectively. Overall, the reduction was due to the pre-operational costs incurred for the set-up of the postpartum care centre located in Puchong of approximately RM0.26 million in the current financial period under review. The postpartum care centre in Puchong is expected to be in full operation by the third quarter of 2019.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

B2 – Comparison with Preceding Quarter’s Results

	Current Quarter Ended 30-Jun-19	Preceding Quarter Ended 31-Mar-19	Changes	
	RM'000	RM'000	RM'000	%
Continuing operations				
Revenue	2,686	2,470	216	8.7%
Gross profit	726	722	4	0.6%
Loss before tax	(1,592)	(2,238)	646	-28.9%
Loss after tax	(1,590)	(2,300)	710	-30.9%
Loss attributable to Owners of the Company	(1,543)	(2,253)	710	-31.5%

As compared to immediate preceding quarter, the Healthcare Services and Computing Electronic Services Divisions recorded an increase in revenue of RM0.13 million and RM0.09 million respectively. The total increase of RM0.22 million in revenue mainly due to sustained organic growth from existing operations and the continuous ramp up of the sales in the TTDI postpartum care centre.

The loss before tax reduced by RM0.65 million or 29% to RM1.59 million as compared to RM2.24 million which was mainly attributable to the impact of early adoption of MFRS 16 Leases by recognising total interest expenses and depreciation of RM0.50 million in the immediate preceding quarter. In addition, the Group recorded write-down in value of inventories at RM0.26 million arising from a loss-making subsidiary under the Computing Electronic Services in the immediate preceding quarter.

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 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.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM'000	RM'000	RM'000	RM'000
Depreciation	(756)	(119)	(756)	(119)
Interest income	46	22	46	22
Interest expenses	(194)	(24)	(194)	(24)
Net reversal /(allowance) for slow moving inventories	7	(11)	7	(11)
Net unrealised foreign exchange loss	(4)	(23)	(4)	(23)
Unwinding up discount on provision for restoration cost	(5)	-	(5)	-

B6 – Taxation

	Current Quarter 30-Jun-19 RM'000	Cumulative Quarters 30-Jun-19 RM'000
Income tax:-		
- Current year	-	-
-Over provision in prior year	-	-
Deferred taxation:		
- Reversal of temporary differences	(2)	(2)
	<u>(2)</u>	<u>(2)</u>

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

B7 – Corporate Proposals

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

On 5 August 2019, the Group had announced to undertake a proposed private placement of up to 10% of the total number of issued shares entailing 32,486,400 new shares at an issued price to be determined at a later stage.

On 6 August 2019, the Group announced that the additional listing application for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.

The Proposed Private Placement may be implemented in tranches within six (6) months from the date of approval from Bursa Malaysia Securities Berhad, or any extended period as may be approved by Bursa Securities.

On 15 August 2019, the Group announced that Bursa Securities, vide its letter dated 15 August 2019, approved the listing and quotation to be issued pursuant to the Proposed Private Placement.

B8 – Borrowings

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

	Current	Non-current
	RM'000	RM'000
Term loan (Secured)	<u>125</u>	<u>1,635</u>

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

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.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Loss for the period attributable to owners of company (RM'000)	(1,543)	(1,488)	(1,543)	(1,488)
Weighted average number of ordinary shares in issue ('000)	324,864	262,481	324,864	262,035
Basic EPS (sen)	(0.47)	(0.57)	(0.47)	(0.57)

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*

	Current Quarter Ended		Cumulative Quarters Ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Loss for the period attributable to owners of company (RM'000)		(1,488)		(1,488)
Weighted average number of ordinary shares		262,481		262,035
Effect of dilution from detachable warrants 2013/2018 ('000)	* n/a	37,106	* n/a	37,106
Weighted average number of ordinary shares for diluted EPS (sen)	-	299,587	-	299,141
Diluted EPS	-	(0.50)	-	(0.50)

* Not applicable

The diluted earnings per share of the Company is the same as the basic earnings per ordinary share of the Company during current quarter under review.

Dated: 22 August 2019