



# **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 SEPTEMBER 2019**

**LYC HEALTHCARE BERHAD**  
**(FORMERLY KNOWN AS MEXTER TECHNOLOGY BERHAD)**

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

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 SEPTEMBER 2019**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS				
		Current Year Quarter	Preceding Year Corresponding Quarter	Change %	Current Year to Date	Preceding Year Corresponding Period	Change %		
		30-Sep-19	30-Sep-18		30-Sep-19	30-Sep-18			
		RM'000	RM'000			RM'000	RM'000		
Revenue	A8	3,053	5,662	-46.1%	5,739	10,406	-44.8%		
Cost of sales		(2,313)	(4,432)	-47.8%	(4,273)	(8,295)	-48.5%		
Gross profit		740	1,230		1,466	2,111			
Operating expenses		(2,711)	(2,798)	-3.1%	(4,955)	(5,349)	-7.4%		
Other operating income		91	76	19.7%	165	161	2.5%		
Loss from operations	B5	(1,880)	(1,492)		(3,324)	(3,077)			
Interest income		24	52	-53.8%	70	75	-6.7%		
Interest expense		(197)	(25)	688.0%	(391)	(49)	698.0%		
Loss before tax		(2,053)	(1,465)	40.1%	(3,645)	(3,051)	19.5%		
Taxation	B6	2	2	0.0%	4	4	0.0%		
<b>Loss for the financial period</b>		<b>(2,051)</b>	<b>(1,463)</b>		<b>(3,641)</b>	<b>(3,047)</b>			
<b>Other comprehensive income</b>									
Foreign currency translation		(5)	95	-105.3%	3	137	-97.8%		
Total other comprehensive (loss)/ income for the financial period, net of tax		(5)	95	-105.3%	3	137	-97.8%		
<b>Total comprehensive loss for the financial period</b>		<b>(2,056)</b>	<b>(1,368)</b>	50.3%	<b>(3,638)</b>	<b>(2,910)</b>	25.0%		
<b>Loss attributable to:</b>									
Owners of the Company		(1,994)	(1,588)	25.6%	(3,537)	(3,072)	15.1%		
Non-controlling interest		(57)	125	-145.6%	(104)	25	-516.0%		
<b>Total Comprehensive loss attributable to:</b>		<b>(2,051)</b>	<b>(1,463)</b>		<b>(3,641)</b>	<b>(3,047)</b>			
Owners of the Company		(1,999)	(1,510)		(3,534)	(2,960)			
Non-controlling interest		(57)	142		(104)	50			
		<b>(2,056)</b>	<b>(1,368)</b>		<b>(3,638)</b>	<b>(2,910)</b>			
<b>Earnings /(Losses) per share attributable to Owners of the Company:</b>									
Basic earnings per share (sen)	B11(a)	(0.61)	(0.49)		(1.09)	(1.03)			
Diluted earnings per share (sen)	B11(b)	*	*		*	*			

\* N/A

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2019**

	AS AT 30-Sep-19 (UNAUDITED)	AS AT 31-Mar-19 (AUDITED)
	RM'000	RM'000
Note		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,374	9,684
Right-of-use assets	14,076	13,461
Investment property	4,139	4,194
	<u>29,589</u>	<u>27,339</u>
<b>Current assets</b>		
Inventories	338	214
Trade and other receivables	6,090	4,564
Current tax assets	117	53
Cash and bank balances	7,386	10,125
	<u>13,931</u>	<u>14,956</u>
<b>TOTAL ASSETS</b>	<u>43,520</u>	<u>42,295</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	61,615	59,215
Reserves	1,649	1,646
Accumulated lossess	(41,445)	(37,908)
	<u>21,819</u>	<u>22,953</u>
Non-controlling interest	(114)	(10)
<b>TOTAL EQUITY</b>	<u>21,705</u>	<u>22,943</u>
<b>Non-current liabilities</b>		
Loan and borrowings	1,602	1,668
Lease liabilities	13,086	12,302
Provision for restroration cost	509	500
Deferred tax liabilities	316	321
	<u>15,513</u>	<u>14,791</u>
<b>Current liabilities</b>		
Trade and other payables	2,424	1,655
Contract liabilities	2,229	1,474
Loan and borrowings	126	122
Lease liabilities	1,417	1,242
Current tax liabilities	106	68
	<u>6,302</u>	<u>4,561</u>
<b>TOTAL LIABILITIES</b>	<u>21,815</u>	<u>19,352</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>43,520</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 SEPTEMBER 2019**

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDING 30 SEPTEMBER 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			
<b>At 1 April 2019</b>		59,215	-	31	1,615	(37,908)	22,953	(10)	22,943
<b>Other comprehensive income, net of tax</b>									
Foreign currency translation gain/(loss) differences for foreign operations		-	-	3	-	-	3	-	3
		-	-	3	-	-	3	-	3
<b>Total other comprehensive loss, net of tax</b>		-	-	3	-	-	3	-	3
Net loss for the financial period		-	-	-	-	(3,537)	(3,537)	(104)	(3,641)
<b>Total comprehensive loss for the financial period</b>		-	-	3	-	(3,537)	(3,534)	(104)	(3,638)
<b>Transaction with owners:</b>									
Issuance of ordinary share pursuant to : - private placement shares		2,400	-	-	-	-	2,400	-	2,400
Non-controlling interests arising from acquisition of new subsidiary *		-	-	-	-	-	-	0	0
<b>Total transactions with owners</b>		2,400	-	-	-	-	2,400	0	2,400
<b>At 30 September 2019</b>		61,615	-	34	1,615	(41,445)	21,819	(114)	21,705

\* 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 SEPTEMBER 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			
<b>At 1st April 2018</b>		46,552	4,109	199	1,445	(32,081)	20,224	(746)	19,478
<b>Other comprehensive income, net of tax</b>									
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
<b>Total other comprehensive loss, net of tax</b>		-	-	(168)	170	-	2	18	20
Net loss for the financial year		-	-	-	-	(5,928)	(5,928)	(18)	(5,946)
<b>Total comprehensive loss for the financial year</b>		-	-	(168)	170	(5,928)	(5,926)	-	(5,926)
<b>Transaction with owners:</b>									
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
<b>Total transactions with owners</b>		12,663	(4,109)	-	-	101	8,655	736	9,391
<b>At 31 March 2019</b>		59,215	-	31	1,615	(37,908)	22,953	(10)	22,943

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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

	<b>AS AT 30-Sep-19 (UNAUDITED) RM'000</b>	<b>AS AT 31-Mar-19 (AUDITED) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax- Continuing operation	(3,645)	(7,570)
Profit before tax- Discontinued operation	-	1,662
	<u>(3,645)</u>	<u>(5,908)</u>
Adjustments for:		
Non-cash items	1,627	996
Interest income	(70)	(222)
Interest expense	391	570
	<u>(1,697)</u>	<u>(4,564)</u>
Operating Loss before Working Capital Changes	(1,697)	(4,564)
Changes In Working Capital:		
Net change in current assets	(1,656)	(2,104)
Net change in current liabilities	1,527	2,445
	<u>(1,826)</u>	<u>(4,223)</u>
Net Cash Outflow from Operations	(1,826)	(4,223)
Income tax paid	(27)	(58)
	<u>(1,853)</u>	<u>(4,281)</u>
Net Operating Cash Flows	(1,853)	(4,281)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	70	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	(2,296)	(3,077)
Disposal of a subsidiary, net of tax (Note 1)	-	(2,893)
Purchase of other investment	-	(1)
	<u>2,417</u>	<u>(7,664)</u>
Net Investing Cash Flows	2,417	(7,664)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(391)	(570)
Repayment of bank borrowings	(62)	(116)
Proceeds from the exercise Warrants 2013/2018	-	8,655
Proceeds from the issuance of private placement shares	2,400	-
Subscription of shares by non-controlling interest	*	60
Payment on lease liabilities	(609)	(731)
	<u>1,338</u>	<u>7,298</u>
Net Financing Cash Flows	1,338	7,298
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,902</b>	<b>(4,647)</b>
Effects of foreign exchange rate changes	3	98
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD/ YEAR</b>	<b>5,481</b>	<b>10,030</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD / YEAR</b>	<b>7,386</b>	<b>5,481</b>

\* 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 SEPTEMBER 2019**

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

	<b>AS AT 30-Sep-19 (UNAUDITED) RM'000</b>	<b>AS AT 31-Mar-19 (AUDITED) RM'000</b>
<b>CASH AND BANK BALANCES</b>		
Cash on hand and at banks	7,386	2,439
Deposits placed with licensed banks	-	7,686
	<u>7,386</u>	<u>10,125</u>
Less: Non-short term deposit placed with licensed bank	-	(4,644)
Cash and bank balances	<u>7,386</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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**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.

**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.



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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 – Debt and Equity Securities**

Saved as disclosed below, there were no other issuances, cancellation, repurchases, resales and repayment of debts and equity securities during the current quarter.

Pursuant to the private placement of up to 32,486,400 of new ordinary shares, the company has issued total 8,000,000 new shares with total gross proceeds of RM2,400,000.00. The details of issuance were as follow,

- a) Issuance of 4,000,000 new ordinary shares at RM0.30 per share to several places arising from the private placement on 18 September 2019 and 19 September 2019 respectively.

**A7 – Dividends**

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

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**A8 – Segmental Information**

Segmental Information in respect of the Group’s business segments are as follows: -

<b>Segments</b>	<b>Products and services</b>
Mobile Services Division  (Discontinued operation)	- Provision of mobile messaging gateway solutions and services.  (Further details explained in note A10)
Healthcare Division	- Provide mother and child care related services such as postnatal and postpartum care, post-delivery confinement care, cosmetic and aesthetics, provide senior nursing home care and related services.
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.
Others	- Investment holding, provision of design, development, consulting, marketing supply, installation, testing and commissioning services for environmentally 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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**A8 – Segmental Information (Cont’d)**

**a) Period Ended 30 September 2019 (Unaudited)**

	<b>Mobile Services</b>	<b>Healthcare Services</b>	<b>Computer Electronic Services</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Revenue	*n/a	3,324	1,817	598	-	5,739
Inter-segment revenue	-	-	-	-	-	-
	-	3,324	1,817	598	-	5,739
Segment results	*n/a	(2,430)	19	(913)	-	(3,324)
Interest Income	-	68	-	2	-	70
Interest Expense	-	(345)	(46)	-	-	(391)
Loss before tax	-	(2,707)	(27)	(911)	-	(3,645)

\* Not applicable

**b) Period Ended 30 September 2018 (Unaudited)**

	<b>Mobile Services</b>	<b>Healthcare Services</b>	<b>Computer Electronic Services</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Revenue	7,080	326	2,990	10	-	10,406
Inter-segment revenue	-	-	-	-	-	-
	7,080	326	2,990	10	-	10,406
Segment results	58	(2,723)	370	(782)	-	(3,077)
Interest Income	1	73	-	1	-	75
Interest Expense	-	-	(49)	-	-	(49)
Profit/(Loss) before tax	59	(2,650)	321	(781)	-	(3,051)

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**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 Group 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 attributable to the discontinued operation :**

<b>Results of discontinued operation</b>	<b>Up to the Date of Disposal</b>	<b>Financial Period Ended 30.09.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	8,568	7,080
Cost of sales	(6,839)	(5,634)
Gross profit	1,729	1,446
Other income	34	19
Expenses	(1,646)	(1,432)
<b>Results from operating expenses before finance income</b>	117	33
Finance income	1	1
<b>Results from operating expenses</b>	118	34
Taxation	-	-
<b>Results from operating activities, net of tax</b>	118	34
Gain on sale of discontinued operation	1,544	-
<b>Profit for the financial period</b>	1,662	34

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

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

On 30 April 2019, the Group 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 Group.

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

**A13 –Capital Commitment**

	<b>As at 30-Sep-19 RM’000</b>	<b>As at 30-Sep-18 RM’000</b>
Capital expenditure in respect of purchase of property, plant and equipment		
- Authorised but not Contracted for	-	3,500
- Contracted but not provided for	5,263	-

**A14 –Related Party Transaction**

	<b>As at 30-Sep-19 RM’000</b>	<b>As at 30-Sep-18 RM’000</b>
Project management fee receivable from a company in which a major shareholder has interest	600,000	-

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

	Individual Period /				Cumulative period			
	Current Quarter Ended 30-Sep-19	Preceding Year Corresponding Quarter Ended 30-Sep-18	Changes		Current Quarter Ended 30-Sep-19	Preceding Year Corresponding Quarter Ended 30-Sep-18	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Continuing operations</b>								
Revenue	3,053	1,847	1,206	65%	5,739	3,326	2,413	73%
Loss before tax (LBT)	(2,053)	(1,533)	(520)	34%	(3,645)	(3,085)	(560)	18%
<b>Discontinuing operations</b>								
Revenue	-	3,815	(3,815)	-100%	-	7,080	(7,080)	-100%
Profit before tax (PBT)	-	68	(68)	-100%	-	34	(34)	-100%
<b>Total of Continuing and Discontinuing operations</b>								
Revenue	3,053	5,662	(2,609)	-46%	5,739	10,406	(4,667)	-45%
Loss before tax (LBT)	(2,053)	(1,465)	(588)	40%	(3,645)	(3,051)	(594)	19%

**Discontinuing and Continuing Operations**

For the cumulative financial period ended 30 September 2019, the Group's total revenue decreased by approximately 45% or RM4.67 million to RM5.74 million as compared to RM10.41 million in the preceding year corresponding financial period ended 30 September 2018. The decrease was primary due to revenue from discontinued operation, namely Mobile Services, amounting to of RM7.08 million as explained in note A10 above. However, the reduction of revenue in discontinuing operation was offset by the increase of revenue generated from continued operation at total of RM2.41 million.

**Continuing operations**

The Group's business activities from continuing operations were in Healthcare Services, Computing Services and Investment Holdings.

For the cumulative financial period ended 30 September 2019, the Group posted a 73% rise in revenue from continuing operations of RM5.74 million as compared to RM3.33 million in the preceding year corresponding financial period ended 30 September 2018, mainly due to higher contributions of Healthcare Services from postpartum care business a total of RM2.70 million, and senior nursing home at total RM0.30 million which commenced its full operation following the renovation in November 2018. Additionally, the revenue of other segment has further contributed to the overall performance of revenue at total RM0.60 million. Nevertheless, the increase in revenue was offset by the reduction of revenue in Computing Electronic Services of RM1.17 million.

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**B1 – Financial Review for Current Quarter Compared with Preceding Year Corresponding Quarter (cont’d)**

**Continuing operations (cont’d)**

Higher revenue has translated into higher gross margin at total of RM0.80 million in the current cumulative financial period under review. Nevertheless, the Group posted LBT of RM3.65 million as compared to previous year corresponding period of RM3.08 million. The Group’s overall bottom-line was adversely impacted by the depreciation of right-of-use assets (“ROU”) at total of RM0.96 million as a result of adoption of *MFRS 16 Leases* since April 2019. Furthermore, depreciation cost on property, plant and equipment was comparatively higher at total of RM0.35 million with additional acquisition of non-current assets in the current financial period under review.

**B2 – Comparison with Preceding Quarter’s Results**

	<b>Current Quarter Ended 30-Sep-19</b>	<b>Preceding Quarter Ended 30-Jun-19</b>	<b>Changes</b>	
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>%</b>
<b>Continuing operations</b>				
Revenue	3,053	2,686	367	14%
Loss before tax (LBT)	(2,053)	(1,592)	(461)	29%
Loss after tax (LAT)	(2,051)	(1,590)	(461)	29%

For the current quarter under review, the Group posted revenue of RM3.05 million, representing an increase of approximately 14% or RM0.37 million as compared to its immediate preceding quarter of RM2.69 million.

The overall increase in revenue in the current quarter mainly attributed to the Healthcare Services and Computing Electronic Services Divisions which recorded an increase in revenue of RM0.29 million and RM0.09 million respectively. Total increase in revenue is mainly due to sustained organic growth from existing operations and the continuous ramp up of the sales in the TTDI postpartum care centre. The postpartum care centre located at Puchong also started contributing to the increase of Group’s revenue in the current quarter under review.

Nevertheless, the Group’s LBT and LAT of current financial period were softened due to the increase of the operating expenses. The operating expenses increased by total RM0.39 million mainly due to new sales and marketing cost incurred, salaries and staff related expenses, and additional depreciation cost incurred for the new postpartum care centre at Puchong.

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**B3 – Current Year Prospects**

Malaysia's second quarter 2019 gross domestic product (GDP) growth which expanded to 4.9 per cent year-on-year, from 4.5 per cent in the previous quarter, continued to highlight our country's resilience amid the challenging global environment. The second quarter Malaysian GDP growth was supported by solid domestic demand growth of 4.6 per cent year-on-year, which was faster than the 4.4 per cent rate recorded in the first quarter of the year. *(Source: New Strait Times, 2019, 17<sup>th</sup> August).*

Revenue for Health, Education and Arts, Entertainment & Recreation segment went up 6.5 per cent to RM16.4 billion as compared to RM15.4 billion in second quarter 2018. The growth was driven by Education (+8.3%) and followed by Health (+6.4%). *(Source: Department of Statistic, Malaysia, 2019, 13<sup>th</sup> August).*

As the Group is currently in expansion mode, we are incurring startup losses during the gestation period. However, 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.

**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 was arrived at after crediting/ (charging): -

	Current Quarter		Cumulative Quarters	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
Depreciation	(859)	(198)	(1,615)	(317)
Interest income	24	53	70	75
Interest expenses	(197)	(25)	(391)	(49)
Net reversal /(allowance) for slow moving inventories	(12)	-	(5)	(11)
Net unrealised foreign exchange loss/ (gain)	2	(36)	(2)	(59)
Unwinding up discount on provision for restoration cost	(4)	-	(9)	-



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**B6 – Taxation**

	<b>Current Quarter 30-Sep-19 RM'000</b>	<b>Cumulative Quarters 30-Sep-19 RM'000</b>
Income tax:-		
- Current year	-	-
-Over provision in prior year	-	-
Deferred taxation:		
- Reversal of temporary differences	(2)	(4)
	(2)	(4)

**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 in tranches.

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.

On 18<sup>th</sup> and 19<sup>th</sup> September 2019, first and second tranches were completed respectively with total issuance of 8,000,000 at issuance price of RM0.30 per share for total cash consideration of for RM2.4 million.

On 11<sup>th</sup> November 2019, third tranche was completed with total issuance of 4,000,000 at issuance price of RM0.32 per share for total cash consideration for RM1.28 million.

The remaining of 20,486,400 placement shares may be issued at a later unspecified date.

**B8 – Borrowings**

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

	<b>Current RM'000</b>	<b>Non-current RM'000</b>
Term loan (Secured)	126	1,602

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 announcement, there are no other material litigations against or taken by the Group other than the following:

a) Claim by In & On Sdn. Bhd. (“IOSB”)

On 23 September 2019, LYC Mother & Child Centre Sdn. Bhd. (“LYCMC”), a wholly owned subsidiary of LYC Healthcare Bhd. (“LYCHB”), was served with a Writ of Summons filed by IOSB. This matter had been fixed for case management by the High Court of Kuala Lumpur on 26 September 2019.

IOSB is an interior decorating and a renovation company under registration of Malaysia’s Companies Act.

The claim submitted by IOSB is for:-

- i) Judgment for the balance due on contract of RM213,317.54;
- ii) Sum of RM786,674.00 and RM81,100 for additions and omissions and, variation works respectively,
- iii) Retention sum of RM255,800.00,
- iv) Interest at the rate of 5% per annum on the above sum (or any amount to be determined by the Court) from the date of this action until full payment,
- v) Costs; and
- vi) Such further and/or other reliefs that the Court deems fit and proper.

The above claims are disputed by LYCMC. LYCMC has filed a counter claim against IOSB on the basis that the Renovation Contract entitles LYCMC to claim a Liquidated Ascertained Damages (“LAD”) amounting to RM900,000 which IOSB is liable to pay as a result of the delay in the completion of the renovation works.

As directed by the Learned Judge on 21 November 2019, the Board will proceed with the mediation and the date for mediation has yet to be fixed.

Next Case Management for the suit is fixed on 3 January 2020.

**B10 – Dividends**

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

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**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-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Loss for the period attributable to owners of company (RM'000)	(1,994)	(1,588)	(3,537)	(3,072)
Weighted average number of ordinary shares in issue ('000)	325,951	324,864	325,411	298,390
Basic EPS (sen)	(0.61)	(0.49)	(1.09)	(1.03)

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 during current quarter under review.

**B12 – Approval for the Release of Quarterly Results**

The quarterly financial results have been approved for release by the Board of Directors.