LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD AND YEAR ENDED
31 MARCH 2021

LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)
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The Board of Directors of LYC Healthcare 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 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

		INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		Current Year Quarter	Preceding Year Corresponding Quarter		Current Year to Date	Preceding Year Corresponding Period	
		31-Mar-21	31-Mar-20	Change	31-Mar-21	31-Mar-20	Change
	Note	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	A8	13,079	3,098	322.2%	26,109	12,434	110.0%
Cost of sales		(6,130)	(2,473)	147.9%	(14,907)	(9,452)	57.7%
Gross profit		6,949	625		11,202	2,982	
Operating expenses		(9,086)	(4,728)	92.2%	(23,617)	(12,642)	86.8%
Other operating income		2,948	292	909.6%	5,280	532	892.5%
Loss from operations	B5	811	(3,811)		(7,135)	(9,128)	
Interest income		14	10	40.0%	47	81	-42.0%
Interest expense		(1,798)	(508)	253.9%	(3,934)	(1,114)	253.1%
Loss before tax		(973)	(4,309)	-77.4%	(11,022)	(10,161)	8.5%
Taxation	B6	(80)	(115)	-30.4%	(329)	(108)	204.6%
Loss for the financial period/ year		(1,053)	(4,424)		(11,351)	(10,269)	
Other comprehensive income							
Foreign currency translation		36	(3)	-1300.0%	8	2	300.0%
Surplus on revaluation of property, plant and equipment		-	1	-100.0%	-	1	-100.0%
Total other comprehensive (loss)/income for the financial period/year, net of tax		36	(2)	-1900.0%	8	3	166.7%
Total comprehensive loss for the financial period/ year		(1,017)	(4,426)	-77.0%	(11,343)	(10,266)	10.5%
(Loss)/income attributable to:							
Owners of the Company		(1,671)	(4,050)		(11,669)	(9,643)	
Non-controlling interest		618	(374)		318	(626)	
		(1,053)	(4,424)		(11,351)	(10,269)	
Total Comprehensive (loss)/income attributable to:							
Owners of the Company		(1,635)	(4,052)		(11,661)	(9,640)	
Non-controlling interest		618	(374)		318	(626)	
		(1,017)	(4,426)		(11,343)	(10,266)	
Earnings /(Loss) per share attributable to Owners of the Company:							
Basic earnings/(loss) per share (sen)	B11(a)	(0.45)	(1.19)		(3.22)	(2.91)	
Diluted earnings/(loss) per share (sen)	B11(b)	*	*		*	*	

* N/A

LYC HEALTHCARE BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	AS AT 31-Mar-21 (UNAUDITED) RM'000	AS AT 31-Mar-20 (AUDITED) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		20,215	18,413
Investment property		-	4,084
Goodwill	(a)	37,055	-
Right-of-use assets		39,364	25,734
Investment in joint venture and associate		300	-
Trade receivables		781	781
		97,715	49,012
Current assets			
Inventories		843	352
Trade and other receivables		9,408	3,710
Current tax assets		91	35
Amount due from shareholder		8,882	-
Amount due from joint venture & associate		929	3
Cash and bank balances		15,806	4,023
		35,959	8,123
Non-current assets held for sale		3,974	-
		39,933	8,123
TOTAL ASSETS		137,648	57,135
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		77,661	67,371
Reserves		1,785	1,648
Accumulated lossess		(59,506)	(47,608)
		19,940	21,411
Preference share		6,072	-
Non-controlling interest		6,044	(636)
TOTAL EQUITY		32,056	20,775
Non-current liabilities			
Loan and borrowings	B8	45,757	1,534
Lease liabilities		38,164	24,685
Provision for restroration cost		1,212	888
Deferred tax liabilities		543	397
		85,676	27,504
Current liabilities			
Trade and other payables		7,818	4,457
Contract liabilities		2,366	1,817
Amount due to a shareholder		-	86
Loan and borrowings		1,579	131
Lease liabilities		4,643	2,357
Provision for restroration cost		4	4
Deferred income		35	-
Current tax liabilities		1,852	4
		18,297	8,856
Liabilities classified as held for sale		1,619	-
		19,916	8,856
TOTAL LIABILITIES		105,592	36,360
TOTAL EQUITY AND LIABILITIES		137,648	57,135
Net assets per share attributable to owners of the Company (RM)		0.07	0.07

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2021 (UNAUDITED)

		← Attributable to owners of the Company →							
Group	Note	**Share capital** RM'000	**Translation reserve** RM'000	**Revaluation reserve** RM'000	**Accumulated losses** RM'000	**Equity attributable to owners of the Company** RM'000	**Preference share** RM'000	**Non-controlling interests** RM'000	**Total equity** RM'000
At 1 April 2020		67,371	32	1,616	(47,608)	21,411		(636)	20,775
Other comprehensive income, net of tax									
Foreign currency translation gain/(loss) differences for foreign operations		-	137	-	-	137	-	-	137
		-	137	-	-	137		-	137
Total other comprehensive loss , net of tax		-	137	-	-	137		-	137
Net loss for the financial period		-	-	-	(11,668)	(11,668)		318	(11,350)
Total comprehensive loss for the financial period		-	137	-	(11,668)	(11,531)		318	(11,213)
Transaction with owners:									
Issuance of ordinary share pursuant to :									
- private placement shares		10,290	-	-	-	10,290	-	-	10,290
- acquisition of subsidiary		-	-	-	-	-	6,072	6,179	12,251
Acquisition of shares from non-controlling interests		-	-	-	(230)	(230)	-	183	(47)
Non-controlling interests arising from acquisition of a new subsidiary *		-	-	-	-	-	-	0	0
Total transactions with owners		10,290	-	-	(230)	10,060	6,072	6,362	22,494
At 31 March 2021		77,661	169	1,616	(59,506)	19,939	6,072	6,044	32,056

* Less than hundred , representing subscription of shares by non-controlling interest of RM399

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (AUDITED)

		← Attributable to owners of the Company →						
Group	Note	**Share capital** RM'000	**Translation reserve** RM'000	**Revaluation reserve** RM'000	**Accumulated losses** RM'000	**Equity attributable to owners of the Company** RM'000	**Non-controlling interests** RM'000	**Total equity** RM'000
At 1st April 2019		59,215	31	1,615	(37,908)	22,953	(10)	22,943
Other comprehensive income, net of tax								
Surplus on revaluation of property, plant and equipment		-	-	1	-	1	-	1
Foreign currency translation differences for foreign operations		-	1	-	-	1	-	1
		-	1	1	-	2	-	2
Total other comprehensive loss, net of tax		-	1	1	-	2	-	2
Net loss for the financial year		-	-	-	(9,700)	(9,700)	(626)	(10,326)
Total comprehensive loss for the financial year		-	1	1	(9,700)	(9,698)	(626)	(10,324)
Transaction with owners:								
Issuance of ordinary share pursuant to : - private placement shares		8,156	-	-	-	8,156	-	8,156
Total transactions with owners		8,156	-	-	-	8,156	-	8,156
At 31 March 2020		67,371	32	1,616	(47,608)	21,411	(636)	20,775

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	AS AT 31-Mar-21 (UNAUDITED) RM'000	AS AT 31-Mar-20 (AUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(11,021)	(10,218)
Adjustments for:			
Non-cash items		8,919	3,190
Interest income		(47)	(76)
Interest expense		3,933	1,081
Operating Loss before Working Capital Changes		1,784	(4,361)
Changes In Working Capital:			
Net change in current assets		2,197	(155)
Net change in current liabilities		2,744	3,130
Net Cash Outflow from Operations		6,725	(1,386)
Income tax refund		-	23
Income tax paid		(251)	(104)
Net Operating Cash Flows		6,474	(1,467)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		47	76
Uplift of deposits with licensed bank		-	4,644
Purchase of property, plant and equipment		(3,833)	(10,367)
Acquisition of equity interest from non-controlling interest		(48)	-
Advances to a joint venture		(926)	(3)
Investment in joint venture and associate		(300)	-
Acquisition of subsidiaries	(a)	(31,049)	-
Net Investing Cash Flows		(36,109)	(5,650)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1,911)	(1,081)
Repayment of term loans		(9,381)	(125)
Proceed from the issuance of redeemable non-convertible preference share		45,000	-
Proceeds from the issuance of private placement shares		10,289	8,156
Subscription of shares by non-controlling interest *		-	-
Drawdown of bank borrowings		1,000	-
Advances from a shareholder		(86)	86
Payment on lease liabilities		(3,503)	(1,378)
Net Financing Cash Flows		41,408	5,658
NET CHANGE IN CASH AND CASH EQUIVALENTS		11,773	(1,459)
Effects of foreign exchange rate changes		10	1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR		4,023	5,481
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR		15,806	4,023

** Less than hundred , representing subscription of shares by non-controlling interest of RM399*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021 (Cont'd)

	AS AT 31-Mar-21 (UNAUDITED) RM'000	AS AT 31-Mar-20 (AUDITED) RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	9,290	4,023
Deposits placed with licensed banks	6,516	-
	15,806	4,023
Less: Non-short term deposit placed with licensed bank	-	-
Cash and bank balances	15,806	4,023

Note (a) – Acquisition of Two Subsidiaries

ACQUISITION OF T&T and HCOS

Details of of net asstest and net cash outflow arisimg from acquisition of the subsidiaries of are as follows,

	T&T RM'000	HCOS RM'000	Total RM'000
Book value of net assets acquired	(8,591)	(3,973)	(12,565)
Non-contolling interest	4,231	1,948	6,179
Goodwill arising from acquisition	(17,905)	(19,150)	(37,055)
Less : Cash and cash equivalent of subsidiaries acquired	3,006	3,313	6,319
Less : Consideration via issuance of preference shares	6,072	-	6,072
Net cash outflow on acquisition	(13,187)	(17,862)	(31,049)
	-	-	

The acquisition relates to the Group's acquisitions of 51% equity interest in T&T and HCOS respectively as disclosed in Note A10 of this report. The purchase price allocations of the acquisitions are provisional and will be adjusted, if necessary, upon completion of the purchase price allocation within twelve months window period from the acquisition date as allowed under MFRS 3.

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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 2020 except as discussed below.

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

New MFRSs/ Amendments	
MFRS 3	Definition of a Business (Amendments to 3)
MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform (Amendments to MFRS 9 , MFRS 139, and MFRS 7)
MFRS 101 and MFRS 108	Definition of Material (Amendments to MFRS 101 and 1078)

1 June 2020 (earlier application effective 1 January 2020)

MFRS 16: Covid-19 - Related Rent Concessions (Amendments to MFRS 16)

The Group has elected the practical expedient to assess whether a COVID-19 related rent concession is a lease modification.

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 latest audited financial statements for the financial year ended 31 March 2020 was not subject to any qualification.

A3 – Seasonal or Cyclicality 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 – Items of Unusual Nature, Size or Incidence

There were no other items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows in the financial period 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 financial period 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 financial period under review.

The company has issued total 36,161,400 new shares with total gross proceeds of RM10,289,404 during the current financial period under review. The details of issuance were as follow,

a) Issuance of 1,986,400 new ordinary shares at RM0.38 per share to several places arising from the private placement on 29 May 2020.

b) Issuance of 3,000,000 new ordinary shares at RM0.3575 per share to several places arising from the private placement on 29 Sept 2020.

c) Issuance of 2,955,000 new ordinary shares at RM0.3384 per share to several places arising from the private placement on 15 Oct 2020.

d) Issuance of 4,920,000 new ordinary shares at RM0.3050 per share to several places arising from the private placement on 24 Dec 2020.

e) Issuance of 21,300,000 new ordinary shares at RM0.2550 per share to several places arising from the private placement on 18 March 2021.

f) Issuance of 2,000,000 new ordinary shares at RM0.2650 per share to several places arising from the private placement on 29 March 2021.

A7 – Dividends

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

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A8 – Segmental Information

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

i	Healthcare Division	-	Provide mother and child care related services such as postnatal and postpartum care, post-delivery confinment care, and aesthetics, provide senior nursing home care and related services.
ii	Computing and Electronic Service:	-	Performing research and development, and the provision of e-manufacturing solutions and IT oursourcing service, dealers of computers and other related products.
iii	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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A8 – Segmental Information (Cont'd)

a) Period Ended 31 March 2021 (Unaudited)

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	23,010	3,096	4	-	26,109
Inter-segment revenue	-	-	-	-	-
	23,010	3,096	4	-	26,109
Revenue					
Malaysia	13,352	3,096	4	-	16,452
Singapore	9,658	-	-	-	9,658
	23,010	3,096	4	-	26,109
Result					
Interest income	0	45	1	-	47
Interest expense	(3,862)	(72)	-	-	(3,934)
Depreciation & amortisation	(6,138)	(141)	(20)		(6,299)
Segment results before tax	(7,663)	792	(4,151)	-	(11,022)
Taxation	(339)	8	2	-	(329)
Segment results after tax	(8,002)	800	(4,149)	-	(11,351)
Segment results before tax					
Malaysia	(9,917)	792	(4,151)	-	(13,276)
Singapore	2,255	-	-	-	2,255
	(7,663)	792	(4,151)	-	(11,022)

b) Period Ended 31 March 2020 (Unaudited)

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Malaysia					
Revenue	8,128	3,107	1,199	-	12,434
Inter-segment revenue	-	-	-	-	-
	8,128	3,107	1,199	-	12,434
Malaysia					
Result					
Interest income	73	5	3	-	81
Interest expense	(1,024)	(90)	-	-	(1,114)
Depreciation & amortisation	(3,928)	(155)	(29)		(4,112)
Segment results before tax	(7,416)	122	(2,867)	-	(10,161)
Taxation	(16)	(52)	(39)	-	(108)
Segment results after tax	(7,432)	70	(2,906)	-	(10,269)

A9 – Valuation of Property, Plant and Equipment

There was no revaluation on any property, plant and equipment of the Group during current financial year under review.

A10 – Changes in Composition of the Group

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

I. LYC Medicare (Singapore) Pte. Ltd. ("LYCMS")

On 28 April 2020, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly owned subsidiary company of the Company, had subscribed to one thousand (1,000) ordinary shares in LYC Medicare Singapore Pte. Ltd. ("LYCMS") in Singapore for a cash consideration of Singapore Dollar One Thousand only (SGD1,000.00), representing 100% shareholding of LYCMS. Consequently, LYCMS became an indirect wholly owned foreign subsidiary of the Group.

The intended principal activity of LYCMS is to carry on the business of healthcare related services.

II. KLIMC Sdn. Bhd. ("KLIMC")

On 19 May 2020, the Company had subscribed fifty-one (51) ordinary shares in KLIMC Sdn. Bhd. ("KLIMC") for a cash consideration of Ringgit Malaysia Fifty-One only (RM51.00), representing 51% shareholding of KLIMC while Urban Masterpiece Sdn. Bhd. had subscribed forty-nine (49) shares for Ringgit Malaysia Forty-Nine only (RM49.00). Consequently, KLIMC became a direct 51% owned subsidiary of company of the Group.

The intended principal activities of KLIMC are to own and to carry on the business of running hospitals.

III. T&T Medical Group Pte. Ltd. ("T&T")

On 4 May 2020, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly owned subsidiary company of the Company, had entered into a conditional share sale agreement ("SSA") with Ting Choon Meng ("Vendor") for the acquisition by LYCM of 51% equity interest in T&T Medical Group Pte. Ltd. ("T&T") for a purchase consideration of SGD 7,293,000.00 to be satisfied via a combination of the following:-

(a) cash amounting to SGD 5,304,000.00 (equivalent to RM 16,198,416.00) and;
(b) issuance of 1,989,000 redeemable non-cumulative preference shares in LYC Medicare Sdn. Bhd. ("RPS") amounting to SGD 1,989,000.00 (equivalent to RM 6,074,406.00), on the terms and conditions contained in the Share Sale Agreement

On 13 November 2020, all the conditions precedent under the SSA have been fulfilled, and with the full settlement of the purchase consideration.

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

There was no other change to the composition of the Group during the current year under review save for the followings: (Cont'd)

IV. HC Orthopaedic Surgery Pte. Ltd. ("HCOS")

On 28 May 2020, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly-owned subsidiary of the Company, had entered into a conditional share sale agreement ("SSA") with Chan Ying Ho and Beyond Wellness Group Pte Ltd ("BWG") ("Vendors") for the proposed acquisition by LYCM of 51% equity interest in HC Orthopaedic Surgery Pte. Ltd. ("HCOS") for a purchase consideration of SGD 6,936,000.00 to be satisfied entirely in cash, on the terms and conditions contained in the SSA.

On 2 December 2020, all the conditions precedent under the SSA have been fulfilled, and with the full settlement of the purchase consideration.

V. Mexter DC Sdn. Bhd. ("MDC")

On 12 November 2020, Mexter (M) Sdn. Bhd. ("MM"), a wholly-owned subsidiary of the Company, had subscribed six hundred fifty (650) ordinary shares in Mexter DC Sdn. Bhd. ("MDC") for a cash consideration of Ringgit Malaysia Six Hundred Fifty only (RM650.00), representing 65% shareholding of MDC while Cloud Asia Sdn. Bhd. had subscribed three hundred fifty (350) shares for Ringgit Malaysia Forty-Nine only (RM350.00). Consequently, MDC became an indirect 65% owned subsidiary of company of the Group.

The intended principal activities of Mexter DC are to carry on the activities of providing infrastructure for hosting, data processing services and related activities, data processing activities and research and development on Information Communication Technology.

A11 – Material Subsequent Events

Except as stated in note B7, there were no material event subsequent to the end of the current financial year under review.

A12 –Contingent Liabilities or Contingent Assets

The Group is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results and financial position of the Group of companies.

A13 –Capital Commitment

	As at 31-Mar-21 RM'000	As at 31-Mar-20 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	-	2,308

A14 –Related Party Transaction

	As at 31-Mar-21 RM'000	As at 31-Mar-20 RM'000
Project management fee receivable from a company in which a major shareholder has interest	-	1,200

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B1 – Financial Review of Performance

	Individual Period				Cumulative period			
	Current Quarter Ended 31-Mar-21	Preceding Year Corresponding Quarter Ended 31-Mar-20	Changes		Current Quarter Ended 31-Mar-21	Preceding Year Corresponding Quarter Ended 31-Mar-20	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	13,079	3,098	9,981	322%	26,109	12,434	13,675	110%
Loss before tax (LBT)	(973)	(4,309)	3,336	-77%	(11,022)	(10,161)	(861)	8%
Loss before tax (LAT)	(1,053)	(4,424)	3,371	-76%	(11,351)	(10,269)	(1,082)	11%

<u>Individual Period</u>

The revenue and loss before tax for the Group in the current period was RM13.07 million and RM0.97 million respectively, which represents an increase of 322% and decrease of 77% from RM3.09 million and RM4.30 million respectively in the same period in preceding year.

Malaysia

Malaysia business generated a revenue of RM5.44 million in the current quarter ended 31 March 2021, representing a 76% or RM2.35 million increase in comparison to RM3.09 million in the quarter ended 31 March 2020. The improvement in revenue was attributed to the sustained organic growth in our existing operations and contribution from the new confinement centre in Bukit Jalil (opened in June 2020) and commencement of full operation from Puchong confinement centre (opened in July 2019) by a total of RM2.08 million. The Computer Electric Segment recorded a higher revenue of RM0.55 million which is mainly attributed to the higher spending and stronger demand from semiconductor equipment customers. Nevertheless, this was offset by the absence of revenue from the other segment, which was approximately RM0.28 million.

Meanwhile, the loss before tax for the period ended 31 March 2021 was RM2.69 million, which decrease by RM1.61 million as compared to the RM4.30 million reported in the corresponding year. The decrease in Malaysia segment's loss before tax was mainly due to the audit adjustment of the marketing cost of total RM1.80 million in relation to the issuance of RM45 million in redeemable preference shares to fund the 51% shareholding acquisition of T&T Medical Group Pte. Ltd. and HC Orthopaedic Surgery Pte. Ltd. The cost will be charged out over the tenure of the repayment period.

Singapore

After the consolidation of the results of the two foreign subsidiaries, HCOS and T&T, the revenue of our Singapore Healthcare segment for the current period ended 31 March 2021 was RM7.63 million and the profit before tax was RM1.72 million.

B1 – Financial Review of Performance (Cont'd)

Cumulative Period

The revenue and loss before tax for the twelve months result was RM26.10 million and RM11.02 million respectively, which represents an increase of 110% and 8% from RM12.43 million and RM10.16 million respectively for the same period in the preceding year.

Malaysia

The revenue generated from the Malaysia business was RM16.45 million in the current quarter ended 31 March 2021, which represents a 32% or RM4.02 million increase in comparison to the RM12.43 million generated in the quarter ended 31 March 2020. The improvement in revenue was due to the sustained organic growth at our existing operations, the contribution from our new confinement centre in Bukit Jalil along with the continuous ramp up in occupancy rate in our Puchong confinement centre and childcare centre. However, the increase in revenue in the healthcare segment by RM5.22 million was adversely affected by the reduction of revenue in other segments by RM1.20 million.

The Group's loss before tax registered an increase from RM10.16 million to RM13.27 million in the current quarter ended 31 March 2021. The higher loss was mainly attributable to the RM 2.18 million in one-off non-cash impairment due the lower revenue contributions from senior living, cosmetic and family clinic. The impairment is mainly due to the rationalisation of non-core businesses caused by the pandemic outbreak. Furthermore, the Group incurred higher depreciation on the right of use assets, property and equipment by approximately RM2.18 million.

Nevertheless, the overall increase in expenses were offset by a higher gross profit margin and other income in relation to Covid-19 related rental concession income, wages subsidy under Prihatin Package, and a write back on the overprovision on renovation.

Singapore

After the consolidation of the results of the two foreign subsidiaries, HCOS and T&T, the revenue of our Singapore Healthcare segment for the current period ended 31 March 2020 was RM9.65 million and the profit before tax for this segment was RM2.25 million.

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B2 – Material Changes in the Quarterly Results

	Current Quarter Ended 31-Mar-21	Preceding Quarter Ended 31-Dec-20	Changes	
	RM'000	RM'000	RM'000	%
Continuing operations				
Revenue	13,079	6,526	6,553	100%
Loss before tax (LBT)	(973)	(4,324)	3,351	-77%
Loss after tax (LAT)	(1,053)	(4,577)	3,524	-77%

The Group reported a 100% quarter-on-quarter increase in revenue from RM6.52 million in 31 December 2020 to RM13.07 million in 31 March 2021, which is directly attributable to the revenue growth of healthcare segment in Malaysia and Singapore by RM0.44 million and RM5.62 million respectively, while gross profit margin jumped by a total RM4.11 million. The Computer Electric Segment recorded a higher revenue of RM0.49 million due to the higher spending and stronger demand from the semiconductor equipment as the world semiconductor demand started to pick up after the downturn during the pandemic.

In the current quarter ended 31 March 2021, the loss before tax of RM0.97 million is 77% lower in comparison to RM4.32 million recorded in the preceding quarter. The decrease in the loss before tax in the current quarter is mainly attributable to the higher gross profit margin and other operating income on the remeasurement on the lease liability. However, the decrease in the loss before tax was ~~mainly~~ offset partly by one-off non-cash impairment due to the lower revenue contribution from the non-core businesses of RM2.18 million. The impairment was mainly due to the rationalisation of non-core businesses caused by the Covid-19 pandemic outbreak. Separately, the Group recorded an income tax of RM0.10 million in the current quarter after the consolidation of result of the foreign Singapore subsidiaries of the Group.

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B3 – Current Year Prospects

The recent outbreak of the COVID-19 pandemic has led to the implementation of various measures in the countries across the world, including Malaysia, which has unfavourably affected on the growth of Malaysian economies. However, going into 2021, Malaysia's economy is projected to recover and grow within the range of 6.5 per cent to 7.5 per cent. This projection is also in line with other multilateral institutions such as the IMF and the World Bank. (*Source: Malay Mail, 13 November 2020*). With the first batch of one million doses of the Pfizer Covid-19 vaccine will be received and given out to target groups as early as February 2021. (*Source: The Star, 22 December 2020*)

The Group expects our financial performance to improve due to the opening of our large confinement centre in Bukit Jalil after the lifting of MCO.

On 12th October 2020, Bursa Malaysia Berhad (Bursa Malaysia) has approved the classification of sector for the Group from Technology to Healthcare, mainly due to the reason of healthcare business activity has become the major revenue contribution to Group's financial results. The classification to healthcare sector positions our services stand in the marketplace to maximize customer relevancy and competitive distinctiveness, ultimately maximizing brand value.

Over the year, the Group has been focusing on organic growth, nurturing its healthcare and healthcare related businesses. They include confinement centres, senior living homes, family clinic, in-vitro fertilisation (IVF) centre, cosmetic and aesthetic centre and childcare centre. Following the acquisition of 51% stake in the Singapore medical firm T&T Medical Group Pte. Ltd. ("T&T") and HC Orthopaedic Surgery Pte. Ltd. ("HCOS") respectively, the Group believes that the acquisition will contribute positively to the earnings of the Group and will add a valuable new dimension in the provision of healthcare services to our older customer base.

The Group can catalyse the growth prospects for T&T and HCOS by leveraging its own strong execution track record, operational expertise, robust balance sheet strength and strong corporate governance. It can also derive synergistic benefits through measures such as cost rationalization by streamlining of processes, capital expenditure optimization through brownfield expansion, cross-selling opportunities from integrated offering across specialized treatment areas and brand benefits through common branding under LYC.

On 13 April 2021, Singapore O&G Ltd had entered into a joint venture ("JV") agreement with LYC Mother & Child Centre Sdn Bhd, a wholly-owned subsidiary of the Group for the purpose of setting up a postpartum confinement centre of up to 130 beds in Johor, Malaysia. The proposed confinement centre will provide postpartum confinement care and related services catering to both Malaysian and Singaporean customers who wish to spend their post-childbirth confinement period in Johor. The Group believes Johor to be an attractive location for the Group's expansion plans with its population, total live births and median income trailing closely behind Selangor and Kuala Lumpur.

We expect the Group will continue to grow on the back of sustained demand growth in all its markets, expansion in Malaysia and Singapore, continuous improvement in booking volumes, better operating leverage and tighter costs controls. However, these will be partly dragged by the pre-operating and start-up costs of new operations and wages inflation.

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-21	31-Mar-20	31-Mar-21	31-Mar-20
	RM'000	RM'000	RM'000	RM'000
Depreciation	(1,620)	(1,555)	(6,299)	(4,112)
Interest income	-	10	47	81
Interest expenses	(2,893)	(508)	(3,934)	(1,114)
Bad debt written off		(8)		(8)
Impairment loss on trade and other receivables	-	(2)	-	(2)
Impairment loss on property, plant and equipment	(1,403)	(263)	-	(263)
Impairment loss on right-of-use assets	(779)	(388)	-	(388)
Net reversal /(allowance) for slow moving inventories	20	1	30	(4)
Net unrealised foreign exchange (loss)/ gain	36	(3)	8	(5)
Unwinding up discount on provison for restoration cost	(4)	(7)	(28)	(32)

B6 – Taxation

	Current Quarter 31-Mar-21 RM'000	Cumulative Quarters 31-Mar-21 RM'000
Income tax:-		
- Current year	100	355
-Over provision in prior year	(1)	(1)
	99	354
Deferred taxation:		
- Reversal of temporary differences	(19)	(25)
	80	329

B7 – Corporate Proposals

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

I. Mutual Termination of Consultancy and Project Management Agreement ("Agreement")

On 9 April 2020, LYC Living Sdn. Bhd. ("LYCL"), a 70% owned subsidiary of company of the Group, had mutually agreed to terminate its consultancy and project management agreement with LYC Wellness Sdn. Bhd. ("LYCW"), which was formerly known as LYC Venture Sdn. Bhd., effective 1st April 2020.

Reference is made on the announcement dated 30 October 2018 where LYCL had entered into the Agreement with LYCW for the provision of general consultancy, advise and project management by LYCL to LYCW to facilitate the construction, sale and development of LYC Wellness Valley, an integrated health and wellness hub located at Genting Sempah.

Pursuant to the above and coupled with the current challenging market condition, LYCL and LYCW had mutually agreed in writing to terminate the Agreement.

II. Private Placement of 10% the Total Number of Issued Shares

On 4 May 2020, the Group had announced to undertake a proposed private placement of up to 30% of the total number of issued shares at an issue price to be determined and announced later ("Proposed Private Placement").

On 27 August 2020, the Group announced that Bursa Securities, vide its letter dated 27 August 2020, approved the listing and quotation of up to 107,205,222 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 9 February 2021, the Company had applied for an extension of time to implement the above private placement. Bursa Malaysia Securities Berhad had vide its letter dated 25 February 2021 approved the said application.

The details of share issuance are as follows:-

Tranches	Issuance Date	No of shares	Issue Price (RM)	Total Proceeds (RM)
1st tranche	29-Sep-20	3,000,000	0.3575	1,072,500
2nd tranche	15-Oct-20	2,955,000	0.3384	999,972
3rd tranche	24-Dec-20	4,920,000	0.3050	1,500,600
4th tranche	18-Mar-21	21,300,000	0.2550	5,431,500
5th tranche	29-Mar-21	2,000,000	0.2650	530,000
		34,175,000		9,534,572

B7 – Corporate Proposals (Cont'd)

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

II. Private Placement of 10% the Total Number of Issued Shares (Cont'd)

On 4 May 2021, the Board proposed to vary the utilisation of proceeds form the Private Placement through the Proposed Variation.

The status of utilisation of proceeds arising from the issuance, as at LPD is as follows:-

Purpose	Proposed Utilisation (RM'000)	Reallocation (RM'000)	Proceed Rasied (RM'000)	Actual Utilisation (RM'000)	Remaining Balance (RM'000)	Intended Timeframe
a. Finance the propsoed Acquisition and business expansion	32,297	22,000	4,500	-	4,500	within 24 months
b. Working capital	7,441	18,235	4,532	3,732	800	within 18 months
c. Estimated expenses in relation to acqusition and private placement, i.e professional fee	1,000	503	503	503	-	within 12 months
Total	40,738	40,738	9,535	4,235	5,300	

III. Collaboration Agreement with Forwen Sdn. Bhd. ("Forwen") to Market Covid-19 Tracking Application

On 14 May 2020, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly owned subsidiary company of the Company, entered into a Covid-19 Contact Tracing Collaboration Agreement with Forwen Sdn. Bhd. ("Forwen") to market an application called the "Forwen Tracker" to centralise Big Data system with a simple and fast combination of web application as well as Android and iOS application for data collection in relation to the Covid-19 outbreak.

IV. Collaboration Agreement with Biofresh Hygiene Services Sdn. Bhd. ("Biofresh") to Market Cleanliness, Hygiene, and Sanitation Services.

On 18 May 2020, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly owned subsidiary company of the Company, entered into a Hygiene and Disinfection Services Collaboration Agreement with Biofresh Hygiene Services Sdn. Bhd. ("Biofresh") to market a range of cleanliness, hygiene and sanitation services including manual and automatic hand sanitizer dispensers, hand soap dispenser, toilet seat sanitizer, lady bin as well as disinfection service, on behalf of Biofresh.

B7 – Corporate Proposals (Cont'd)

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

V. Investment by LYC Medicare Sdn. Bhd. of 30% Equity Interest in Sel Stem Sdn. Bhd.

On 1 October 2020, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly-owned subsidiary of the Company, had entered into a shareholder agreement with All Life Advance Immunology Sdn Bhd ("ALAI"), Life Capital Sdn Bhd ("LIFE") and Khoo Toh Hock ("KTH") to regulate their rights and obligations as shareholders of Sel Stem Sdn. Bhd. ("Sel Stem") and in respect of the management and business affairs of Sel Stem.

LYCM had subscribed for three hundred thousand (300,000) shares in Sel Stem, representing 30% equity interest in Sel Stem, for a cash consideration of total RM300,000.

The business of Sel Stem shall be the making of a proposed investment in the ordinary shares of Advanced Neuroscience & Orthopaedic Clinic Sdn Bhd ("ANOC"), which is principally involved in the provision of consultancy services in medical and healthcare related fields including the sale of pharmaceutical products.

VI. Proposed Issuance of 45,000,000 New Redeemable Preference Share ("RPS")

On 19 October 2020, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly owned subsidiary of the Company, had issued 45,000,000 new RPS at a subscription price of RM1.00 each RPS to RHB Trustees Berhad, for and on behalf of Kenanga Investors Berhad. The Company had notified the Companies Commission of Malaysia and registered the allotment of new RPS in the Register of Members on 21 October 2020.

VII. Non-Binding Memorandum for the Development of Data Centre Project ("MOU")

On 24 December 2020, Mexter DC Sdn. Bhd. ("MDC") entered into a non-binding memorandum of understanding with Empyrion DC Pte Ltd ("Empyrion DC") to pursue the consultancy, engineering, procurement and construction of two (2) greenfield purpose built to suite data centre projects in Johor, Malaysia, subject to the feasibility studies and the finalisation of a mutually acceptable and binding definitive development agreement ("Development Agreement").

The MOU sets out the relationship between both parties and their scope of work, which involve the carrying out of a feasibility study for the set-up of two greenfield data centre projects in Johor, Malaysia ("DC Project"). It is anticipated that MDC will identify the site(s) for Empyrion DC's consideration and upon satisfaction of the feasibility study, Empyrion DC will enter into the Development Agreement for the DC Project and other relevant transaction documents including documents in relation for the purchase of the land by a special purpose entity.

B7 – Corporate Proposals (Cont'd)

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

VIII. Joint Venture Agreement for Setting up a Confinement Centre in Johor

On 18 March 2021, LYC Mother & Child Centre Sdn. Bhd. ("LYCMC"), a wholly owned subsidiary of the Company, had entered into a joint venture agreement (the "JV Agreement") with Singapore O&G Ltd., to incorporate a Special Purpose Vehicle, for the purpose of setting up a postpartum confinement centre of up to 130 beds in Johor, Malaysia offering confinement care and other related services.

In this Joint Venture, LYCMC will utilize its expertise in establishing, setting up and running the day to-day business of the Johor Confinement Centre; while SOG will leverage on its extensive healthcare experience particularly in the field of O&G and paediatrics, to provide advice to LYCMC in relation to the operations and applicable regulatory matters concerning the Johor Confinement Centre.

IX. Incorporation of LYC SOG Mother & Child Centre Sdn. Bhd. ("LYCSOG")

On 13 April 2021, YC Mother & Child Centre Sdn Bhd ("LYCMC"), a wholly owned subsidiary of the Company had incorporated a Fifty-One percent (51%) owned subsidiary known as LYC SOG Mother & Child Sdn Bhd ("LYCSOG"). The remaining Forty-Nine percent (49%) shareholding is held by SOG Mummy & Baby Centre Pte. Ltd.

The intended principal activities of LYCSOG are to operate confinement centres, mother and childcare centres and its related services.

X. Proposed Share Capital Reduction

On 19 April 2021, the Group proposed to undertake capital reduction pursuant to Section 116 of the Companies Act, 2016 ("Act") ("Proposed Share Capital Reduction").

The Proposed Capital Reduction entails the reduction and cancellation of RM37.41 million of the issued share capital of the Company pursuant to Section 116 of the Act which is lost and unrepresented by available assets. The corresponding credit of RM37.41 million arising from the Proposed Capital Reduction will be utilised to eliminate the accumulated losses of the Company while the balance, if any, will be credited to the retained earnings account of the Company which may be utilised in such manner as the Board deems fit, as permitted by the relevant and applicable laws, the Listing Requirements as well as the Company's Constitution.

B7 – Corporate Proposals (Cont'd)

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

XI. Incorporation of LYC Nutrihealth Sdn. Bhd. ("LYCN")

On 19 April 2021, LYC Medicare Sdn. Bhd. ("LYCM"), a wholly owned subsidiary company of the Company, had subscribed to one hundred (100) ordinary shares in LYC Nutrihealth Sdn. Bhd. ("LYCN") for a cash consideration of Ringgit Malaysia One Hundred only (RM100.00), representing 100% shareholding of LYCN. Consequently, LYCN became an indirect wholly owned subsidiary of the Group.

The intended principal activity of LYCN is to supply functional ingredients for the pharmaceutical, nutraceutical, food and beverage, cosmetic, sugar and sweetener and feed industry in Malaysia.

XII. Proposed Disposal of Two Units of Office Suites (the "Disposal")

On 19 April 2021, Company announced that Mexter (M) Sdn. Bhd., a wholly owned subsidiary of the company, had entered into two sale and purchase agreements ("SPA") with Damac Capital Sdn. Bhd. to dispose two units of office suites with an address at No. L-05-01 and L-05-02, Solaris Mont Kiara, Jalan Solaris, 50480 Kuala Lumpur ("**Properties**"), together with a novation of tenancies on the Properties in favour of the Purchaser at a total sale consideration of Ringgit Malaysia Four Million One Hundred Thousand (RM4,100,000.00) only ("Purchase Price") (the "Disposal").

The Purchaser's solicitors stamped and indorsed the SPA on 12 April 2021 and delivered the duly and delivered the duly executed and stamped SPA to the Vendor on 19 April 2021.

B8 – Borrowings

The Group borrowings as at the end of the current financial year were as follows: -

	Current RM'000	Non-current RM'000
Term loan (Secured)	3,049	45,906

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 RM784,674.00 and RM81,100 for additions and omissions and, variation works respectively,
iii) Retention sum of RM255,800.00, and
iv) Such further and/or other reliefs that the Court deems fit and proper.

On 3 November 2020, the Court has recorded a consent judgment wherein it is agreed that LYCMC shall pay a sum of compensation amounting to RM415,000.00 only to IOSB. The Consent Judgement provides as follows:

a) LYCMC shall pay a sum of compensation amounting to RM415,000 to the IOSB by way of cheque in the following manner as full and final settlement,
   - RM155,000 dated 10 November 2020
   - RM130,000 dated 10 December 2020
   - RM130,000 dated 10 January 2021

The above sum had settled. There are no longer any issues outstanding in the matter as the case and disputes between parties have been resolved.

B10 – Dividends

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

B11 –Earnings / (Loss) 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 and year.

	Current Quarter Ended		Cumulative Quarters Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Loss for the period attributable to owners of company (RM'000)	(1,671)	(4,050)	(11,669)	(9,643)
Weighted average number of ordinary shares in issue ('000)	369,758	340,272	361,944	331,438
Basic EPS (sen)	(0.45)	(1.19)	(3.22)	(2.91)

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 and year.

(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 period and year under review.

B12 – Approval for the Release of Quarterly/ Yearly Results

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