



# **LYC HEALTHCARE BERHAD**

Registration No: 200401009170 (647673-A)

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD AND YEAR ENDED  
31 MARCH 2022**

**LYC HEALTHCARE BERHAD**  
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The Board of Directors of LYC Healthcare Berhad wishes to announce the following unaudited Condensed Consolidated Statement of Comprehensive Income which should be read in conjunction with the Audited Financial Statements of LYC for the financial year ended 31 March 2021 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 2022**

	Note	INDIVIDUAL QUARTER		Change %	CUMULATIVE QUARTERS		Change %
		Current Year Quarter	Preceding Year Corresponding Quarter		Current Year to Date	Preceding Year Corresponding Period	
		31-Mar-22 RM'000	31-Mar-21 RM'000		31-Mar-22 RM'000	31-Mar-21 RM'000	
Revenue	A8	19,565	13,079	49.6%	64,596	26,109	147.4%
Cost of sales		(10,328)	(6,130)	68.5%	(32,407)	(14,907)	117.4%
Gross profit		9,237	6,949		32,189	11,202	
Operating expenses		(9,122)	(9,086)	0.4%	(33,754)	(23,617)	42.9%
Share of result of associate and Joint venture, net of tax		(514)	-		(514)	-	
Other operating income		6,043	2,948	105.0%	9,596	5,280	81.7%
Profit/(Loss) from operations	B5	5,644	811		7,517	(7,135)	
Interest income		77	14	450.0%	119	47	153.2%
Interest expense		(2,587)	(1,798)	43.9%	(8,717)	(3,934)	121.6%
Profit/(Loss) before tax		3,134	(973)	-422.1%	(1,081)	(11,022)	-90.2%
Taxation	B6	(2,115)	(80)	2543.8%	(3,035)	(329)	822.5%
<b>Profit/(Loss) for the financial period/ year</b>		1,019	(1,053)		(4,116)	(11,351)	
<b>Other comprehensive income</b>							
Surplus on revaluation of property, plant and equipment		404	36	1022.6%	404	8	4951.9%
Foreign currency translation		700	-		678	-	
Total other comprehensive (loss)/income for the financial period/year, net of tax		1,104	36	2967.7%	1,082	8	13429.7%
<b>Total comprehensive profit/(loss) for the financial period/year</b>		2,123	(1,017)	-308.8%	(3,034)	(11,343)	-73.3%
<b>Income/(Loss) attributable to:</b>							
Owners of the Company		251	(1,671)		(9,089)	(11,669)	
Non-controlling interest		768	618		4,973	318	
<b>Total Comprehensive (loss)/income attributable to:</b>		1,019	(1,053)		(4,116)	(11,351)	
Owners of the Company		1,188	(1,635)		(8,164)	(11,661)	
Non-controlling interest		935	618		5,130	318	
		2,123	(1,017)		(3,034)	(11,343)	
<b>Earnings /(Loss) per share attributable to Owners of the Company:</b>							
Basic earnings/(loss) per share (sen)	B11(a)	0.04	(0.45)		(2.09)	(3.22)	
Diluted earnings/(loss) per share (sen)	B11(b)	0.04	(0.45)		(2.09)	(3.22)	

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Note	AS AT 31-Mar-22 (UNAUDITED) RM'000	AS AT 31-Mar-21 Restated (AUDITED) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		26,917	19,736
Intangible assets	(a)	62,513	36,022
Right-of-use assets		34,937	39,421
Investment in associate and joint venture		3,866	300
Deferred tax assets		94	-
Amount due from shareholder		9,861	9,552
		138,188	105,031
<b>Current assets</b>			
Inventories		5,937	843
Trade and other receivables		14,699	9,860
Current tax assets		80	56
Amount due from joint venture & associate		3,428	908
Cash and bank balances		21,831	15,362
		45,975	27,029
Assets classified as held for sale		-	3,974
		-	-
<b>TOTAL ASSETS</b>		184,163	136,034
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		57,580	77,661
Other Reserves		1,446	521
Reserves related to assets classified as held for sale		-	1,230
Accumulated losses		(31,060)	(59,704)
		27,966	19,708
Non-controlling interest		14,565	5,889
<b>TOTAL EQUITY</b>		42,531	25,597
<b>Non-current liabilities</b>			
Loan and borrowings	B8	85,193	49,137
Lease liabilities		33,705	38,145
Provision for restoration cost		914	1,272
Deferred tax liabilities		694	87
		120,506	88,641
<b>Current liabilities</b>			
Trade and other payables		10,569	10,631
Contract liabilities		1,523	1,762
Loan and borrowings		2,484	874
Lease liabilities		4,511	4,661
Provision for restoration cost		336	336
Deferred income		99	-
Current tax liabilities		1,604	1,591
		21,126	19,855
Liabilities classified as held for sale		-	1,941
<b>TOTAL LIABILITIES</b>		141,632	110,437
<b>TOTAL EQUITY AND LIABILITIES</b>		184,163	136,034
Net assets per share attributable to owners of the Company (RM)		0.06	0.05

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**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDING 31 MARCH 2022 (UNAUDITED)**

Group	Note	← Attributable to owners of the Company					→			
		Share capital RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Reserves related to assets classified as held for sale RM'000	Equity attributable to owners of the Company RM'000	Preference share RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 April 2021</b>		77,661	136	228	(59,889)	1,387	19,523	6,072	6,044	31,639
Restatement (note a)		-	-	157	185	(157)	185	(6,072)	(155)	(6,041)
<b>At 1 April 2021 (restated)</b>		77,661	136	385	(59,704)	1,230	19,708	-	5,889	25,597
<b>Other comprehensive income, net of tax</b>										
Foreign currency translation gain/(loss) differences for foreign operations		-	642	-	-	-	642	-	36	678
Surplus on revaluation of property				283			283		121	404
		-	642	283	-	-	925	-	157	1,082
<b>Total other comprehensive loss , net of tax</b>		-	642	283	-	-	925	-	157	1,082
Net loss for the financial period		-	-	-	(9,089)	-	(9,089)	-	4,973	(4,116)
<b>Total comprehensive loss for the financial period</b>		-	642	283	(9,089)	-	(8,164)	-	5,130	(3,034)
<b>Transaction with owners:</b>										
Issuance of ordinary share pursuant to : - private placement shares		17,791	-	-	-	-	17,791	-	-	17,791
Acquisition of shares from non-controlling interests		-	-	-	(1,231)	-	(1,231)	-	1,171	(60)
Share Capital Reduction		(37,410)	-	-	37,410	-	-	-	-	-
Dividend issued to non-controlling interest		-	-	-	-	-	-	-	(2,256)	(2,256)
Disposal of revalued assets		-	-	-	1,230	(1,230)	-	-	-	-
Realization in deferred tax		-	-	-	324	-	324	-	-	324
Transaction costs of share issue		(462)	-	-	-	-	(462)	-	-	(462)
Non controlling interest arising from acquisition of subsidiaries		-	-	-	-	-	-	-	4,630	4,630
<b>Total transactions with owners</b>		(20,081)	-	-	37,733	(1,230)	16,422	-	3,545	19,967
		-								
<b>At 31 March 2022</b>		57,580	778	668	(31,060)	-	27,966	-	14,565	42,531

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**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (AUDITED)**

Group (Restated)	Note	← Attributable to owners of the Company					→ Equity		Non-controlling interests	Total equity
		Share capital	Translation reserve	Revaluation reserve	Accumulated losses	Reserves related to assets classified as held for sale	attributable to owners of the Company	Preference share		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1st April 2020</b>		67,371	33	1,615	(47,608)	-	21,411	-	(636)	20,775
<b>Other comprehensive income, net of tax</b>										
Surplus on revaluation of property, plant and equipment		-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations		-	103	-	-	-	103	-	93	196
		-	103	-	-	-	103	-	93	196
<b>Total other comprehensive loss, net of tax</b>		-	103	-	-	-	103	-	93	196
Net loss for the financial year		-	-	-	(12,051)	-	(11,866)	-	401	(11,465)
<b>Total comprehensive loss for the financial year</b>		-	103	-	(12,051)	-	(11,763)	-	494	(11,269)
<b>Transaction with owners:</b>										
Issuance of ordinary share pursuant to :										
- private placement shares		10,290	-	-	-	-	10,290	-	-	10,290
- redeemable preference shares		-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests		-	-	-	(230)	-	(230)	-	182	(48)
Non-controlling interests arising from acquisition of subsidiaries		-	-	-	-	-	-	-	5,849	5,849
Assets classified as held for sale		-	-	(1,230)	-	1,230	-	-	-	-
<b>Total transactions with owners</b>		10,290	-	(1,230)	(230)	1,230	10,060	-	6,031	16,091
<b>At 31 March 2021 (Restated)</b>		77,661	136	385	(59,889)	1,230	19,708	-	5,889	25,597

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

Note	<b>AS AT 31-Mar-22 (UNAUDITED) RM'000</b>	<b>AS AT 31-Mar-21 (AUDITED) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,080)	(11,501)
Adjustments for:		
Non-cash items	6,604	7,857
Interest income	(119)	(90)
Interest expense	1,221	3,898
Operating Profit /(Loss) before Working Capital Changes	6,626	164
Changes In Working Capital:		
Net change in current assets	(5,694)	(1,021)
Net change in current liabilities	(5,414)	(665)
Net Cash Outflow from Operations	(4,482)	(1,522)
Income tax refund	-	-
Income tax paid	(1,331)	(279)
Net Operating Cash Flows	(5,813)	(1,801)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	119	47
Proceeds from disposal of investment property	4,100	-
Purchase of property, plant and equipment	(2,620)	(3,805)
Acquisition of equity interest from non-controlling interest	(60)	(48)
Advances to joint venture and associate	(19)	(905)
Subscription of shares in joint venture and associate	(3,742)	(300)
Acquisition of subsidiaries, net of cash acquired	(31,635)	(31,050)
Net Investing Cash Flows	(33,857)	(36,061)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,054)	(1,648)
Transaction cost on share issue	(462)	-
Repayment of term loans	(2,636)	(336)
Dividend paid to non-controlling interest	(2,254)	-
Proceeds from the issuance of redeemable non-convertible preference share	42,000	45,000
Proceeds from the issuance of private placement shares	17,791	10,290
Subscription of shares by non-controlling interest	-	-
Transactions costs paid for issuance of redeemable preference shares	(3)	(1,800)
Payment on lease liabilities	(7,883)	(2,300)
Net Financing Cash Flows	45,499	49,206
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>5,829</b>	<b>11,344</b>
Effects of foreign exchange rate changes	640	(5)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<b>15,362</b>	<b>4,023</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR</b>	<b>21,831</b>	<b>15,362</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022 (Cont'd)**

	<b>AS AT 31-Mar-22 (UNAUDITED) RM'000</b>	<b>AS AT 31-Mar-21 (AUDITED) RM'000</b>
<b>CASH AND BANK BALANCES</b>		
Cash on hand and at banks	21,831	8,846
Deposits placed with licensed banks	-	6,516
	21,831	15,362
Less: Non-short term deposit placed with licensed bank	-	-

**Note (a) – Acquisition of Subsidiary Companies**

(i) Completion of Purchase Price Allocation

During the current financial period, the Group has completed the Purchase Price Allocation ("PPA") exercise to determine the fair value of the net assets of T&T & HCOS, an indirect 51% owned subsidiary companies, within the stipulated period, twelve months from the respective acquisition date, in accordance with MFRS 3, Business Combinations.

Based on fair value of net assets of T&T and HCOS, the intangible assets have recorded as SGD 11.67 million after determining the fair value of the consideration of the redeemable preference shares to SGD 1.54 million from SGD 1.98 million.

**Consolidated Statement of Financial Position**

	As Previously Stated RM'000	Adjustment RM'000	After Adjustment RM'000
<u>Non-current assets</u>			
Intangible assets	37,052	341	37,393
<u>Shareholder Equity</u>			
Accumulated losses	59,889	(185)	59,704
Non-controlling Interest	6,044	(155)	5,889

**Note (a) – Acquisition of Subsidiary Companies (Cont’d)**

(ii) Acquisition of Aqurate Ingredients Intl (M) Sdn. Bhd. (“Aqurate”) and Microbiome Intl Sdn. Bhd. (“Microbiome”)

Details of net assets and net cash outflow arising from acquisition of the subsidiaries of are as follows:

	Aqurate RM'000	Microbiome RM'000	Total RM'000
Book value of net assets acquired	(15,303)	(130)	(15,433)
Non-controlling interest	4,591	39	4,630
Goodwill arising from acquisition	(25,688)	(189)	(25,877)
Less : Cash and cash equivalent of subsidiaries acquired	4,931	114	5,046
Net cash outflow on acquisition	<u>(31,469)</u>	<u>(166)</u>	<u>(31,634)</u>

The acquisition relates to the Group’s acquisitions of 70% equity interest in Aqurate and Microbiome 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 as allowed under MFRS 3.

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## **PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING AND IAS 34 : INTERIM FINANCIAL REPORTING**

### **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 International Accounting Standard (“IAS”) 34: Interim Financial Reporting.

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 2021 except for the adoption of the following:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16

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 2021 was not subject to any qualification.

### **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 – 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 current financial year under review.

### **A5 – Changes in Estimates**

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

The Company has issued a total 73,000,000 new shares with total gross proceeds of RM17,791,000 during the current financial period under review. The details of issuance were as follow,

- a) Issuance of 40,000,000 new ordinary shares at RM0.241 per share to several places arising from the private placement on 23 June 2021.
- b) Issuance of 33,000,000 new ordinary shares at RM0.247 per share to several places arising from the private placement on 05 Nov 2021.

## **A7 – Dividends**

No dividends have been declared or paid during the current financial year under review.

## **A8 – Segmental Information**

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

- |                                       |  |
|---------------------------------------|--|
| i) Healthcare division                | Provide mother and childcare related services such as postnatal and postpartum care, post-delivery confinement care, and aesthetics, provide senior nursing home care, nutraceutical products and related services.  |
| ii) Computing and Electronic Services | Performing research and development, and the provision of e-manufacturing solutions and IT outsourcing service, dealers of computers and 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 electronics 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 2022 (Unaudited)**

	<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>
Revenue	60,170	4,421	5	-	64,596
Inter-segment revenue	-	-	-	-	-
	<b>60,170</b>	<b>4,421</b>	<b>5</b>	<b>-</b>	<b>64,596</b>
Revenue					
<i>Malaysia</i>	26,052	4,421	5	-	30,477
<i>Singapore</i>	34,119	-	-	-	34,119
	<b>60,170</b>	<b>4,421</b>	<b>5</b>	<b>-</b>	<b>64,596</b>
Result					
Interest income	97	21	-	-	119
Interest expense	(8,661)	(56)	-	-	(8,717)
Depreciation & amortisation	(7,508)	(27)	(19)	-	(7,554)
Segment results before tax	2,800	623	(4,503)	-	(1,081)
Taxation	(3,008)	(27)	-	-	(3,035)
Segment results after tax	(208)	596	(4,503)	-	(4,116)
Segment results before tax					
<i>Malaysia</i>	(7,075)	623	(4,503)	-	(10,956)
<i>Singapore</i>	9,875	-	-	-	9,875
	<b>2,800</b>	<b>623</b>	<b>(4,503)</b>	<b>-</b>	<b>(1,081)</b>

**b) Period ended 31 March 2021 (Unaudited)**

	<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>
Revenue	23,010	3,096	4	-	26,109
Inter-segment revenue	-	-	-	-	-
	<b>23,010</b>	<b>3,096</b>	<b>4</b>	<b>-</b>	<b>26,109</b>
Revenue					
<i>Malaysia</i>	13,352	3,096	4	-	16,452
<i>Singapore</i>	9,658	-	-	-	9,658
	<b>23,010</b>	<b>3,096</b>	<b>4</b>	<b>-</b>	<b>26,110</b>
Result					
Interest income	-	45	1	-	46
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					
<i>Malaysia</i>	(9,917)	792	(4,151)	-	(13,276)
<i>Singapore</i>	2,255	-	-	-	2,255
	<b>(7,663)</b>	<b>792</b>	<b>(4,151)</b>	<b>-</b>	<b>(11,022)</b>

## **A9 – Valuation of Property, Plant and Equipment**

There was a revaluation gain after tax on land and building recognized for RM0.40 million during current financial year under review. The fair value has been determined by the valuation performed by a registered independent valuer having appropriate recognized professional qualification and recent experience in the location and category of properties being valued.

## **A10 – Changes in Composition of the Group**

There were no other changes to the composition of the Group during the current year under review save for the following:

### **I. LYC SOG Mother & Child Centre Sdn. Bhd. (“LYCSOG”)**

On 13 April 2021, LYC 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”) for a cash consideration of Ringgit Malaysia Fifty One only (RM51.00). The remaining Forty-Nine percent (49%) shareholding is held by SOG Mummy & Baby Centre Pte. Ltd.

On 26 July 2021, LYCMC subscribed for an additional Two Million Thirty-Nine Thousand Nine Hundred and Forty-Nine (2,039,949) new ordinary shares in the share capital of LYC SOG Mother & Child Sdn Bhd. for a total cash consideration of Ringgit Malaysia Two Million Thirty-Nine Thousand Nine Hundred and Forty-Nine (RM2,039,949.00) only.

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

### **II. 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.

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

### **III. Aqurate Ingredient Intl (M) Sdn. Bhd. (“Aqurate”)**

On 19 May 2021, LYC Nutrihealth Sdn Bhd. (“LYCN”), an indirect wholly owned subsidiary of the Company had entered into a conditional share sale agreement (“SSA”) with Ong Kee Leong, Ong Say Kiong, Woo Keng Mun and Ong Kee Fong (collectively, the “Vendors”) for the proposed acquisition of a 70% equity interest in Aqurate Ingredients Intl (M) Sdn Bhd (“Aqurate”) for a purchase consideration of RM36,400,000 to be satisfied entirely in cash, on the terms and conditions contained in the SSA.

On 28 September 2021, all the conditions precedent under the SSA have been fulfilled along with the full settlement of the purchase consideration.

On 26 January 2022, the company had completed the transfer of LYC Medicare Sdn. Bhd.’s entire 100% equity interest in LYC Nutrihealth Sdn Bhd to LYC Medicare (Singapore) Pte. Ltd. Consequently, Aqurate became an indirect 70% owned subsidiary of the Group.

### **IV. Juniper DC Sdn. Bhd. (“JDC”)**

On 10 September 2021, Mexter (M) Sdn Bhd (“MM”), a wholly owned subsidiary company of the Company, through its Sixty-Five percent (65%) owned subsidiary, Mexter DC Sdn Bhd (“MDC”) had incorporated a wholly owned subsidiary known as Juniper DC Sdn Bhd (“JDC”). The remaining Thirty-Five percent (35%) shareholding in MDC is held by Cloud Asia Sdn. Bhd. (“CA”).

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

### **V. LYC SOG Marketing Pte. Ltd. (“LYCSOGM”)**

On 15 October 2021, LYC SOG Mother & Child Sdn Bhd (“LYCSOG”), a fifty-one percent (51%) owned sub-sub-subsidiary of the Company had incorporated a wholly owned-sub-subsidiary in Singapore known as LYC SOG Marketing Pte. Ltd. (“LYCSOGM”).

The share capital of LYCSOGM is Singapore Dollar One Thousand Only (RM1,000.00) comprising One Thousand (1,000) ordinary shares. LYCSOG holds One Thousand (1,000) shares for Singapore Dollar One Thousand only (SGD 1,000.00), representing One Hundred percent (100%) shareholding of LYC SOG Marketing.

The intended principal activity of LYC SOG Marketing is provision of marketing and promotional services related to the confinement centres and mother and child care centres.

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

**VI. LYC Dental Group Sdn. Bhd. (“LYCDG”)**

On 28 December 2021, the Company had subscribed one thousand (1,000) ordinary shares in LYC Dental Group Sdn. Bhd. (“LYCDG”) for a cash consideration of Ringgit Malaysia One Thousand only (RM1,000.00), representing 100% shareholding of LYCDG. Consequently, LYCDG became a direct wholly owned subsidiary of company of the Group.

The intended principal activities of LYCDG are dental and medical related business and as an investment holding company.

**VII. LYC Beauty & Wellness Sdn. Bhd. (“LYBW”)**

On 17 March 2022, the Company had subscribed one thousand (1,000) ordinary shares in LYC Beauty & Wellness Sdn. Bhd. (“LYCBW”) for a cash consideration of Ringgit Malaysia One Thousand only (RM1,000.00), representing 100% shareholding of LYCDG. Consequently, LYCBW became a direct wholly owned subsidiary of company of the Group.

The intended principal activities of LYCBW are on the business of cosmetics and all kind of cosmetics, personal care and wellness related products & services.

**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-22 RM’000	As at 31-Mar-21 RM’000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	2,490	-

**A14 –Related Party Transaction**

There were no related party transactions to the end of the current financial year under review.

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## B1 – Financial Review of Performance

	Individual Period				Cumulative period			
	Current Quarter Ended 31-Mar-22	Preceding Year Corresponding Quarter Ended 31-Mar-21	Changes		Current Quarter Ended 31-Mar-22	Preceding Year Corresponding Quarter Ended 31-Mar-21	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	19,565	13,079	6,486	50%	64,596	26,109	38,487	147%
Profit/(Loss) before tax (LBT)	3,134	(973)	4,107	422%	(1,081)	(11,022)	9,941	90%
Loss after tax (LAT)	1,019	(1,053)	2,072	197%	(4,116)	(11,351)	7,235	64%

### Individual Period

The Group recorded a revenue of RM19.56 million for the fourth quarter ended 31 March 2022, compared to RM13.08 million recorded in the preceding year's corresponding quarter. The Group recorded a profit before tax of RM3.13 million in the current quarter. The acquisitions of the three subsidiaries of the Company, namely T&T Medical Group Pte. Ltd. ("T&T"), HC Orthopaedic Surgery Pte. Ltd. ("HCOS") and Aqurate Ingredients Intl (M) Sdn. Bhd. ("Aqurate") which were completed on November 2020, December 2020 and September 2021 respectively, largely contributed to the improvement in the Group's topline performance.

### **Malaysia**

The Malaysia business generated a revenue of RM10.16 million in the current quarter ended 31 March 2022, representing an increase of total of RM4.72 million in comparison to RM5.44 million generated in the quarter ended 31 March 2021. The increase in revenue was primarily due to the contribution from Aqurate of RM6.53 million which was acquired on 28 September 2021. Nevertheless, this was offset by the reduction in the other healthcare businesses by RM1.83 million due to the impact of Covid 19 and the movement restrictions.

Meanwhile, the profit before tax for the current quarter ended 31 March 2022 was RM1.51 million, which improved by RM4.20 million as compared to the loss before tax of RM2.69 million reported in prior quarter ended 31 March 2021. The reduction in the Malaysia's segment loss before tax is mainly driven by the capitalization of transaction costs on shares issued of RM0.46 million and a one-off gain of RM4.70 million on the redemption of RPS which was issued to the vendor of T&T. However, this was offset by the higher interest expense of RM0.97 million in relation to the issuance of the redeemable preference shares to fund the acquisition of T&T, HCOS, and Aqurate.



## **B1 – Financial Review of Performance (Cont’d)**

### **Individual Period**

#### **Singapore**

Singapore’s business generated a revenue of RM9.40 million and a profit before tax of RM1.62 million in the current quarter ended 31 March 2022 as compared to RM7.63 million and RM1.72 million respectively in quarter ended 31 March 2021, due to the impact of the Covid 19 movement restrictions in Singapore. The Group started to consolidate the results of the Singapore subsidiaries upon the completion of the acquisitions of T&T and HCOS in the period of December 2020.

### **Cumulative Period**

The Group recorded a revenue of RM64.60 million for the year ended 31 March 2022, compared to RM26.11 million recorded in the preceding year’s corresponding period. The Group recorded a loss before tax of RM1.08 million for the year ended 31 March 2022. The acquisitions of the three subsidiaries of the Company, namely T&T Medical Group Pte. Ltd. (“T&T”), HC Orthopaedic Surgery Pte. Ltd. (“HCOS”) and Aqurate Ingredients Intl (M) Sdn. Bhd. (“Aqurate”) which were completed in November 2020, December 2020 and September 2021 respectively, largely contributed to the improvement in the Group’s performance.

#### **Malaysia**

Malaysia’s business generated a revenue of RM30.46 million for the year ended 31 March 2022, representing a RM14.01 million increase in comparison to RM16.45 million for the year ended 31 March 21. The increase in revenue was primarily due to the contribution from Aqurate of RM15.53 million which was acquired on 28 September 2021. The Computer Electric Segment recorded a higher revenue of RM1.33 million, which is mainly attributed to the stronger demand from the semiconductor equipment customers. Nevertheless, this was offset by the reduction in the other existing healthcare businesses such as confinement business, family clinic and senior living by a total of RM2.85 million due to elevated Covid 19 cases during the period.

Meanwhile, the loss before tax for the year ended 31 March 22 was RM10.95 million, which was reduced by RM2.34 million as compared to RM13.27 million reported for the year ended 31 March 2021. The decrease in the Malaysia segment’s loss before tax was mainly due to the earnings contribution from Aqurate and the capitalization of transaction costs on shares issued of RM0.46 million. Additionally, the Company recognized a one of gain on the redemption of RPS which was issued to the vendor of T&T of RM4.70 million. The gain was however offset by the higher interest expense of RM3.89 million in relation to the issuance of the redeemable preference shares to fund the shareholding acquisition of T&T, HCOS, and Aqurate and a share of losses on joint venture and associate companies of RM0.51 million.

By comparison, the company recorded an impairment of RM2.18 million due to lower revenue contributions from Senior Living, Cosmetic, and Family Clinic for the year ended 31 March 2021.

## B1 – Financial Review of Performance (Cont’d)

### Cumulative Period

#### Singapore

Singapore’s business generated a revenue of RM34.12 million and a profit before tax of RM9.87 million in the for the year ended 31 March 2022 as compared to RM9.65 million and RM2.25 million respectively for the year ended 31 March 2021. The Group had only started to consolidate the full year results of the Singapore subsidiaries upon the completion of the acquisitions of T&T and HCOS in December 2020.

## B2 – Comparison with Preceding Quarter’s Results

	Current Quarter Ended 31-Mar-22	Preceding Quarter Ended 31-Dec-21	Changes	
	RM’000	RM’000	RM’000	%
<b>Continuing operations</b>				
Revenue	19,565	21,181	(1,616)	-8%
Profit/(Loss) before tax (LBT)	3,134	(1,078)	4,212	391%
Loss after tax (LAT)	1,019	(1,454)	2,473	170%

On a quarter-on-quarter basis, the Group’s revenue stood at RM19.57 million, which was 8% or RM1.61 million lower compared to its immediate preceding quarter of RM21.18 million. The overall decrease in revenues was mainly attributed to the lower contribution from Aqurate by RM2.45 million and the lower sales by the other Healthcare segment in Malaysia, which recorded a decrease of RM0.51 million but was offset by the increase in the Healthcare segment in Singapore and the Computer Electronic segment in Malaysia of RM1.27 million and RM0.01 million respectively.

The decrease in revenue translated to a lower gross margin for the period. However, the overall decrease in revenues was partly offset by a one of gain on the redemption of RPS which was issued to vendor of T&T of RM4.70 million. As a result, the financial performance had turned from a loss before tax for the current quarter of RM1.08 million to a profit before tax of RM3.13 million.

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### **B3 – Current Year Prospects**

Bank Negara Malaysia (BNM) projected Malaysia's economy to grow by between 5.3% and 6.3% in 2022. This is slightly lower than the government's official forecast of a 5.5% to 6.5% growth in the nation's gross domestic product (GDP) for the year. This is underpinned by several factors including continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. (Source: The Edge, 30 March 2022).

The acquisitions of 51% stake in the Singapore medical firm T&T Medical Group Pte. Ltd. ("T&T") and HC Orthopaedic Surgery Pte. Ltd. ("HCOS") were completed on November 2020 and December 2020 respectively and the acquisitions have contributed 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 across Malaysia and Singapore after the Covid 19 travel restriction are lifted.

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 71 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 has officially opened the confinement centre on 26 March 2022.

The Group has also completed the acquisitions of 70% stake in Aqurate Ingredients Intl (M) Sdn. Bhd. ("Aqurate") and Microbiome Intl Sdn. Bhd. ('Microbiome') on 28 September 2021, with all the conditions precedent under the SSA have been fulfilled along with the full settlement of the purchase consideration.

The acquisition of Aqurate would complement and expand LYC Group's healthcare service offerings and network presence by leveraging on Aqurate's expertise and experience in the nutraceutical field. The Group expects to reap business synergies between its healthcare arm and the new nutraceutical segment, such as being able to complement one another's knowledge and resources to develop new pharmaceutical and/ or nutraceutical products (which may consist in-house brands and/ or external brands), as well as creating cross-selling opportunities through the introduction of nutraceutical product range to the Group's healthcare customers in the Group's various healthcare sub-segments.

On 26 August 2021, the Company had announced it is exploring the possibility of the listing of its healthcare business on the Catalist board of the SGX-ST and the company is undergoing the process of due diligence with the appointment of the relevant advisors. The Company believes the proposed listing will enable the healthcare business of LYC Group to gain access to the capital market in Singapore for capital raising and to provide the Group with financial flexibility for future expansion and growth. On 26 January 2022, the Company completed its internal reorganization exercises within the group and subsidiaries with a view to facilitate the proposed listing of some of its healthcare businesses on the Catalist board of the SGX-ST.

The Group remains cautiously optimistic that the Malaysian economy will find its optimum recovery pace soon, but risks remain ominous in the immediate term. However, we are still looking forward to further improve our positioning in the growing healthcare markets and we will continue to deliver good performance in coming years through dedication and commitment to the Group.

#### **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)

	<b>Current Quarter</b>		<b>Cumulative Quarters</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation	(2,067)	(1,620)	(7,555)	(6,299)
Interest income	86	9	119	47
Interest expenses	(2,587)	(2,893)	(8,717)	(3,934)
Impairment loss on property, plant and equipment	-	(1,403)	-	(1,403)
Impairment loss on right-of-use assets	-	(779)	-	(779)
Net reversal /(allowance) for slow moving inventories	7	20	18	30
Net unrealized foreign exchange (loss)/ gain	409	36	404	8
Unwinding up discount on provision for restoration cost	(15)	(4)	(36)	(28)

#### **B6 – Taxation**

	<b>Current Quarter</b>	<b>Cumulative Quarters</b>
	<b>31-Mar-22</b>	<b>31-Mar-22</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax:-		
- Current year	1,710	3,099
-Over provision in prior year	(1)	(59)
	<u>1,709</u>	<u>3,040</u>
Deferred taxation:		
- Reversal of temporary differences	406	(5)
	<u>2,115</u>	<u>3,035</u>

## **B7 – Corporate Proposals**

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

### **I. 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, had approved the listing and quotation of up to 107,205,222 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 3 August 2021, the Company submitted the application to Bursa Malaysia Securities Berhad to seek its approval for an extension of time for the Company to implement and complete the Proposed Private Placement. On 19 August 2021, Bursa Malaysia Securities Berhad had granted the Company a further extension of time of 6 months from 27 August 2021 until 26 February 2022 to complete the implementation of the Proposed Private Placement.

The details of share issuance are as follow: -

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
6th tranche	23-Jun-21	40,000,000	0.2410	9,640,000
7th tranche	5-Nov-21	33,000,000	0.2470	8,151,000
		<u>107,175,000</u>		<u>27,325,572</u>

On 19 June 2021, the proposed variation to the utilisation of proceeds from the private placement was duly passed by the shareholders at the EGM of the Company held on 19 June 2021.

## **B7 – Corporate Proposals (Cont’d)**

Save as disclosed below, there were no other corporate proposals announced or outstanding as at the date of this report. (Cont’d)

### **I. Private Placement of 10% the Total Number of Issued Shares (Cont’d)**

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 proposed Acquisition and business expansion	32,297	22,000	7,700	6,090	1,610	within 24 months
b. Working capital	7,441	18,235	19,123	17,800	1,323	within 18 months
c. Estimated expenses in relation to acquisition and private placement, i.e professional fee	1,000	503	503	503	-	within 12 months
<b>Total</b>	<b>40,738</b>	<b>40,738</b>	<b>27,326</b>	<b>24,393</b>	<b>2,933</b>	

### **II. Proposed Share Capital Reduction**

On 19 April 2021, the Group announced the proposal to undertake a share capital reduction pursuant to Section 116 of the Companies Act, 2016 (“Act”) (“Proposed Share Capital Reduction”).

The Proposed Share 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.

The shareholders of the Company had on 19 June 2021 approved the proposal of share capital.

On 21 October 2021, an office copy of the sealed order of the High Court confirming the Capital Reduction has been lodged with the Registrar of Companies on 21 October 2021. Pursuant thereto, the Capital Reduction shall therefore take effect and be deemed completed on 21 October 2021.

## **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)

### **III. 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 the tenancy agreements on the Properties in favor of the Purchaser for 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 had 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. The Disposal was completed on 5<sup>th</sup> April 2021.

### **IV. Distribution Agreement with YTB Healthcare Sdn. Bhd., for Covid-19 Inactivated Vaccine (“Covid-19 Distribution Agreement”)**

On 21 June 2021, LYC Medicare Sdn. Bhd. (“LYCM”), a wholly owned subsidiary of the Company, had entered into a Covid-19 Distribution Agreement with YTB Healthcare Sdn. Bhd. (“YTBH”), a 70% owned subsidiary company of Yong Tai Berhad.

Under this Covid-19 Distribution Agreement, LYCM is appointed by YTBH to be one of its distributors of the Vaccine and shall be allowed to market and distribute the said Vaccine in West Malaysia.

### **V. Service & Collaboration Agreement with Jasper Life Sdn. Bhd. (“Service Collaboration Agreement”)**

On 21 June 2021, LYC Senior Living Care Centre Sdn. Bhd. (“LYCSL”) a wholly-owned subsidiary of the company, had entered into a Service & Collaboration Agreement with Jasper Life Sdn Bhd to manage and operate the business of LYCSL at 12 & 14, Jalan Gallagher, Taman Duta, 50480 Kuala Lumpur, namely “LYC Senior Living @ Kenny Hills” (“Bukit Tunku Centres”). The Bukit Tunku Centres consists of two (2) bungalows converted for the use of senior living centres and to cater up to sixty (60) beds.

On 23 December 2021, as a result of the early termination of the tenancy agreements by the landlord of the Bukit Tunku Centres, LYCSL and Jasper Life Sdn Bhd have mutually agreed to terminate the Service Collaboration Agreement.

## **B7 – Corporate Proposals (Cont’d)**

Save as disclosed below, there were no other corporate proposals announced or outstanding as at the date of this report. (Cont’d)

### **VI. Proposed Listing of LYC Healthcare Berhad on Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”)**

On 26 August 2021, the Company announced that it is considering listing its healthcare business on the Catalist board of the SGX-ST. The Company is still undergoing due diligence process and have appointed the relevant advisors to perform the relevant assessments.

On 24 December 2021, the Company and both its wholly-owned subsidiaries, LYC Medicare Sdn Bhd ("LYC Malaysia" or the "Vendor") and LYC Medicare (Singapore) Pte Ltd ("LYC Singapore" or the "Purchaser"), had entered into share swap agreements ("SSAs") with each other, in relation to the undertaking of an internal reorganization exercise within the Company and its subsidiaries ("LYC Group").

On 26 January 2022, the company announced that the Company had completed the following,

- i. Transfer of LYC Malaysia’s entire 51% equity interest in HC Orthopaedic Surgery Pte Ltd to LYC Singapore on 21 January 2022;
- ii. Transfer of LYC Malaysia’s entire 51% equity interest in T&T Medical Group Pte Ltd to LYC Singapore on 21 January 2022; and
- iii. Transfer of LYC Malaysia’s entire 100% equity interest in LYC Nutrihealth Sdn Bhd to LYC Singapore on 26 January 2022.

Based on the above, the Internal Reorganization is therefore completed.

### **VII. Development of In-house Health and Food Based Supplements under LYC Healthcare Brand**

On 10 September 2021, LYC Nutrihealth Sdn Bhd, an indirect wholly owned subsidiary of the company, intends to develop its own range of in-house food and health-based supplements to cater to consumers, retailers or wholesalers. LYC Nutrihealth Sdn Bhd is currently preparing the relevant documentations to submit to the authorities for the approval of the said products and expect to launch them within the next twelve (12) months.

### **VIII. Proposed Issuance of 42,000,000 New Redeemable Preference Share (“RPS”)**

On 23 September 2021, LYC Medicare Sdn. Bhd. (“LYCM”), a wholly owned subsidiary of the Company, had issued 42,000,000 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 23 September 2021.



## **B7 – Corporate Proposals (Cont'd)**

Save as disclosed below, there were no other corporate proposals announced or outstanding as at the date of this report. (Cont'd)

### **IX. Early Termination of Tenancy Agreement for LYC Senior Living Care Centre Sdn. Bhd.**

On 22 December 2021, LYC Senior Living Care Centre Sdn Bhd ("LYCSL"), a wholly-owned subsidiary of Company, had accepted the offer to early terminate its tenancy agreement for its senior living operations located at No. 12 & 14, Jalan Gallagher, Taman Duta, 50480 Kuala Lumpur ("Bukit Tunku Centres") with its new landlord, Mindmat Mansion Sdn Bhd for a settlement sum of Ringgit Malaysia Three Hundred Thousand (RM300,000.00) ("Settlement Sum") for the renovation costs incurred earlier. The Bukit Tunku Centres consists of two (2) bungalows converted for the use of senior living centres and are able to cater up to sixty (60) beds.

After the acceptance of the Settlement Sum and the early termination notice, LYCSL had notified and relocated its customers at the Bukit Tunku Centres and have ceased its senior living operations until further notice.

## **X. Multi Proposals:**

### **I . Proposed Divestment of 25% Ordinary Shares in LYC Medicare Singapore Pte. Ltd**

### **II. Proposed Employees' Share Grant Plan**

### **III . Proposed Private Placement of 30% Shares of LYC Healthcare Berhad**

I. On 1 March 2022, LYC Medicare Sdn Bhd ("LYC MY" or the "Vendor"), a wholly-owned subsidiary of LYC, had entered into a conditional sale and purchase agreement ("SPA") with Kenanga Investors Berhad ("KIB" or the "Purchaser") for the divestment of 6,532,500 ordinary shares in LYC Medicare (Singapore) Pte Ltd ("LYC SG") (representing 25% equity interest in LYC SG), a wholly-owned subsidiary of LYC MY, for a disposal consideration of SGD12,918,466 (equivalent to RM39,930,978) ("Disposal Consideration") to be satisfied entirely via cash, on terms and conditions contained in the SPA ("Proposed Divestment");

II. Proposed establishment of the Company's employees' share grant plan of up to 5% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the plan for eligible executive directors and employees of the Company and its subsidiaries, excluding subsidiaries which are dormant, if any, who fulfil the criteria for eligibility which will be stipulated in the by-laws governing the plan ("Proposed SGP"); and

III. Proposed private placement of up to 30% of the total number of issued shares of LYC at an issue price to be determined and announced later ("Proposed Private Placement").

**B7 – Corporate Proposals (Cont'd)**

Save as disclosed below, there were no other corporate proposals announced or outstanding as at the date of this report. (Cont'd)

**XI. Proposed Acquisition of Remaining 49% Shares in T&T Medical Group Pte Ltd and HC Orthopaedic Surgery Pte Ltd**

On 16 March 2022, LYC Medicare (Singapore) Pte Ltd ("LYC SG" or the "Purchaser"), a wholly-owned subsidiary of LYC Medicare Sdn Bhd ("LYC MY"), a wholly-owned subsidiary of LYC, had entered into a conditional share purchase agreement ("SPA T&T") with Ting Choon Meng ("TCM" or "T&T Vendor") for the proposed acquisition by LYC SG of the remaining 49% equity interest in T&T Medical Group Pte Ltd ("T&T") at a purchase consideration of SGD8,100,000 (equivalent to RM24,955,290) to be satisfied via a combination as follows,

- (a) cash amounting to SGD4,600,000 (equivalent to RM14,172,140); and
- (b) issuance of 1,633,708 ordinary shares in LYC SG ("LYC SG Share(s)" or "Consideration Share(s)") amounting to SGD3,500,000 (equivalent to RM10,783,150), on the terms and conditions contained in the SPA T&T ("Proposed Acquisition of T&T"); and

LYC SG, had on 16 March 2022 entered into a conditional share purchase agreement ("SPA HCOS") with Chan Ying Ho ("CYH" or "HCOS Vendor") for the proposed acquisition by LYC SG of the remaining 49% equity interest in HC Orthopaedic Surgery Pte Ltd ("HCOS") at a purchase consideration of SGD9,163,000 (equivalent to RM28,230,287) to be satisfied via a combination as follows,

- (a) cash amounting to SGD3,553,000 (equivalent to RM10,946,438); and
- (b) issuance of 2,618,600 Consideration Shares amounting to SGD5,610,000 (equivalent to RM17,283,849), on the terms and conditions contained in the SPA HCOS ("Proposed Acquisition of HCOS").

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## **B7 – Corporate Proposals (Cont'd)**

Save as disclosed below, there were no other corporate proposals announced or outstanding as at the date of this report. (Cont'd)

### **XII. Proposed Acquisition of Three (3) Dental Clinics**

On 23 March 2022, LYC Dental Group Sdn Bhd ("LYC Dental" or the "Purchaser"), a wholly-owned subsidiary of LYC, entered into the following agreements:-

- i. a conditional share sale agreement ("SSA Kiara") with Beh Wee Ren ("Dr Beh") for the proposed acquisition by LYC Dental of the entire equity interest in KL Dental (Kiara) Sdn Bhd ("Dental Kiara") at a purchase consideration of RM887,890 to be satisfied via a combination of (a) cash amounting to RM449,325 and (b) issuance of 13% shares which equivalent to 414,052 ordinary shares in LYC Dental ("LYC Dental Share(s)" or "Consideration Share(s)") deemed valued at RM438,565, on the terms and conditions contained in the SSA Kiara ("Proposed Acquisition of Dental Kiara");
- ii. a conditional share sale agreement ("SSA Connaught") with Dr Beh and Andy Ooi Yet Lee ("Dr Andy") for the proposed acquisition by LYC Dental of the entire equity interest in KL Dental (Connaught) Sdn Bhd ("Dental Connaught") at a purchase consideration of RM1,250,000 to be satisfied entirely via cash, on the terms and conditions contained in the SSA Connaught ("Proposed Acquisition of Dental Connaught"); and
- iii. a conditional share sale agreement ("SSA Courtyard") with Dr Beh for the proposed acquisition by LYC Dental of the entire equity interest in KL Dental Sdn Bhd ("Dental Courtyard") at a purchase consideration of RM1,045,692 to be satisfied via a combination of (a) cash amounting to RM529,182 and (b) issuance of 17% shares which equivalent to 541,452 LYC Dental Shares deemed valued at RM516,510, on the terms and conditions contained in the SSA Courtyard ("Proposed Acquisition of Dental Courtyard"),

collectively referred to as the "Agreements".

### **XIII. Incorporation of Wholly Owned Subsidiary, LYC Health Manufacturing Sdn. Bhd.**

On 11 April 2022, incorporated a wholly owned subsidiary known as LYC Health Manufacturing Group Sdn. Bhd. ("LYC Health Manufacturing Group").

The share capital of LYC Health Manufacturing Group as at the date of announcement is Ringgit Malaysia One Thousand Only (RM1,000.00) comprising One Thousand (1,000) ordinary shares. LYC holds One Thousand (1,000) shares for Ringgit Malaysia One Thousand only (RM1,000.00), representing One Hundred percent (100%) shareholding of LYC Health Manufacturing Group.

The intended principal activities of LYC Health Manufacturing Group are manufacturing of food and health supplements and investment holding company.

## **B7 – Corporate Proposals (Cont'd)**

Save as disclosed below, there were no other corporate proposals announced or outstanding as at the date of this report. (Cont'd)

### **XIV. Incorporation of Wholly Owned Subsidiary, LYC Health Manufacturing (NS) Sdn. Bhd.**

On 11 April 2022, LYC had incorporated a wholly owned subsidiary known as LYC Health Manufacturing (NS) Sdn. Bhd. (“LYC Health Manufacturing (NS)”). The share capital of LYC Health Manufacturing (NS) as at the date of announcement is Ringgit Malaysia One Thousand Only (RM1,000.00) comprising One Thousand (1,000) ordinary shares. LYC holds One Thousand (1,000) shares for Ringgit Malaysia One Thousand only (RM1,000.00), representing One Hundred percent (100%) shareholding of LYC Health Manufacturing (NS).

The intended principal activities of LYC Health Manufacturing (NS) are manufacturing of food and health supplements and investment holding company.

### **XV. Proposed Private Placement**

On 12 April 2022, the Company had proposed to undertake a private placement of up to 10% of the total number of issued shares of LYC (“LYC Share(s)” or “Share(s)”) (excluding treasury shares) to third party investor(s) to be identified later at an issue price to be determined later in accordance with the general mandate pursuant to Section 76 of the Companies Act, 2016 (“Act”) (“Proposed Private Placement”)

On 10 May 2022, the Company had announced that 46,452,500 new LYC Shares had been issued pursuant to the Private Placement at price of RM0.2150 per unit.

### **XVI. Incorporation of Wholly Owned Subsidiary, LYC Dental & Aesthetic Sdn. Bhd.**

On 21 April 2022, the Company had incorporated a wholly owned subsidiary known as LYC Dental & Aesthetic Holdings Sdn. Bhd. (“LYC Dental & Aesthetic”). The share capital of LYC Dental & Aesthetic as at the date of announcement is Ringgit Malaysia One Thousand Only (RM1,000.00) comprising One Thousand (1,000) ordinary shares. LYC holds One Thousand (1,000) shares for Ringgit Malaysia One Thousand only (RM1,000.00), representing One Hundred percent (100%) shareholding of LYC Dental & Aesthetic.

The intended principal activities of LYC Dental & Aesthetic are on the business of dental, cosmetics and all kind of cosmetics, personal care and wellness related products & services and investment holding company

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**B7 – Corporate Proposals (Cont’d)**

Save as disclosed below, there were no other corporate proposals announced or outstanding as at the date of this report. (Cont’d)

**XVII. Proposed Acquisition of 100% Equity Interest in Tao Global Ventures Sdn. Bhd.**

On 21 April 2022, LYC Beauty & Wellness Sdn. Bhd. (“LYCBW”), a wholly-owned subsidiary of LYC, had entered into a conditional share sale agreement (“SSA”) and supplemental agreement (“First Addendum”) with Dinesh A/L Kanasen (“Dr Dinesh” or “Vendor 1”) and Sarahanna A/P Selvarajah (“Dr Sarahanna” or “Vendor 2”) (collectively referred to as the “Vendors”) for the proposed acquisition by LYC B&W of 150,002 ordinary shares in Tao Global Ventures Sdn Bhd (“TGVS B”) (“TGVS B Share(s)”), representing 100% equity interest in TGVS B, at a purchase consideration of RM4,000,000 to be satisfied via a combination of following,

(a) cash amounting to RM2,400,000 payable to the Vendors in proportion of their shareholdings in TGVS B (“Cash Consideration”); and

(b) issuance of 40% shares which is equivalent to 1,600,000 ordinary shares in LYC B&W (“LYC B&W Share(s)” or “Consideration Share(s)”) valued at RM1,600,000 in favour of the Vendor 1, on the terms and conditions contained in the SSA (“Proposed Acquisition”).

**B8 – Borrowings**

The Group’s borrowings as at the end of the current financial period were as follows: -

	Current RM’000	Non-current RM’000
Term loan (Secured)	2,484	85,193

**B9 – Material Litigations**

There are no pending material litigations as at the date of this report.

**B10 – Dividends**

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

### B11 –Earnings / (Loss) per Share

	Current Quarter Ended		Cumulative Quarters Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Loss for the period attributable to owners of company (RM'000)	251	(1,671)	(9,089)	(11,669)
Weighted average number of ordinary shares in issue ('000)	570,759	369,758	435,720	361,944
Basic EPS (sen)	0.04	(0.45)	(2.09)	(3.22)

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.

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 period under review.

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

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