



LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED
30 SEPTEMBER 2022**

LYC HEALTHCARE BERHAD
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The Board of Directors of LYC Healthcare Berhad (“LYC” or “Group”) hereby announce the following unaudited results which should be read in conjunction with the Audited Financial Statements of LYC for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
		30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	22,009	12,147	43,128	23,850
Cost of sales		(13,006)	(5,754)	(24,318)	(10,874)
Gross profit		9,003	6,393	18,810	12,976
Other operating income		345	917	726	1,658
Operating expenses		(8,595)	(7,060)	(17,544)	(14,319)
Profit from operations	B5	753	250	1,992	315
Interest income		67	32	118	(16)
Interest expense		(2,736)	(1,771)	(5,410)	(3,436)
Share of result of associate and joint venture, net of tax		(645)	-	(1,299)	-
Loss before tax		(2,561)	(1,489)	(4,599)	(3,137)
Taxation	B6	(619)	(213)	(1,559)	(544)
Loss for the financial period		(3,180)	(1,702)	(6,158)	(3,681)
Other comprehensive income					
Foreign currency translation		815	(31)	1,948	(31)
Total comprehensive loss for the financial period		(2,365)	(1,733)	(4,210)	(3,712)
Loss attributable to:					
Owners of the Company		(4,409)	(2,976)	(8,880)	(6,003)
Non-controlling interest		1,229	1,274	2,722	2,322
		(3,180)	(1,702)	(6,158)	(3,681)
Total Comprehensive loss attributable to:					
Owners of the Company		(3,600)	(2,993)	(7,120)	(6,020)
Non-controlling interest		1,235	1,260	2,910	2,308
		(2,365)	(1,733)	(4,210)	(3,712)
Loss per share attributable to Owners of the Company:					
Basic loss per share (sen)	B12(a)	(0.88)	(0.69)	(1.77)	(1.45)
Diluted loss per share (sen)	B12(b)	N/A	N/A	N/A	N/A

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	AS AT 30-Sep-22 (UNAUDITED) RM'000	AS AT 31-Mar-22 (AUDITED) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		25,704	26,467
Intangible assets		64,134	62,513
Right-of-use assets		43,312	34,937
Investment in associate and joint venture		7,038	7,266
Deferred tax assets		98	94
		<u>140,286</u>	<u>131,277</u>
Current assets			
Inventories		6,541	5,937
Trade and other receivables		14,837	14,184
Current tax assets		177	100
Non controlling shareholder/director of a subsidiary		10,364	9,824
Amount due from joint venture & associate		40	27
Cash and bank balances		35,688	21,832
		<u>67,647</u>	<u>51,904</u>
TOTAL ASSETS		<u>207,933</u>	<u>183,181</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		78,687	57,580
Other reserves		2,960	1,200
Accumulated losses		(40,077)	(31,197)
		<u>41,570</u>	<u>27,583</u>
Non-controlling interest		16,171	14,461
TOTAL EQUITY		<u>57,741</u>	<u>42,044</u>
Non-current liabilities			
Loan and borrowings	B8	85,483	85,193
Lease liabilities		39,159	33,705
Provision for restoration cost		940	1,250
Deferred tax liabilities		473	591
		<u>126,055</u>	<u>120,739</u>
Current liabilities			
Trade and other payables		11,278	10,311
Contract liabilities		3,943	2,811
Loan and borrowings	B8	200	459
Lease liabilities		6,586	4,511
Provision for restoration cost		348	348
Deferred income		97	-
Non controlling shareholder/director of a subsidiary		-	174
Current tax liabilities		1,685	1,784
		<u>24,137</u>	<u>20,398</u>
TOTAL LIABILITIES		<u>150,192</u>	<u>141,137</u>
TOTAL EQUITY AND LIABILITIES		<u>207,933</u>	<u>183,181</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.07</u>	<u>0.06</u>

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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

Group	Attributable to owners of the Company							Total equity RM'000	
	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	Redeemable Preference share RM'000		Non-controlling interests RM'000
At 1 April 2022	57,580	777	423	(31,197)	-	27,583	-	14,461	42,044
Other comprehensive income, net of tax									
Foreign currency translation differences for foreign operations	-	1,754	6	-	-	1,760	-	188	1,948
Other comprehensive income	-	1,754	6	-	-	1,760	-	188	1,948
Net loss for the financial period	-	-	-	(8,880)	-	(8,880)	-	2,722	(6,158)
Total comprehensive loss for the financial year	-	1,754	6	(8,880)	-	(7,120)	-	2,910	(4,210)
Transaction with owners:									
Issue of ordinary share pursuant to : - private placement	21,107	-	-	-	-	21,107	-	-	21,107
Dividend issued to non-controlling interest	-	-	-	-	-	-	-	(1,200)	(1,200)
Total transactions with owners	21,107	-	-	-	-	21,107	-	(1,200)	19,907
At 30 September 2022	78,687	2,531	429	(40,077)	-	41,570	-	16,171	57,741

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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAR 2022**

	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	Redeemable Preference share RM'000	Non-controlling interests RM'000	Total equity RM'000
Group (Restated)									
At 1 April 2021	77,661	136	228	(59,889)	1,387	19,523	6,072	6,044	31,639
Restatement	-	-	152	186	(157)	181	(6,072)	(155)	(6,046)
At 1 April 2021 (restated)	77,661	136	380	(59,703)	1,230	19,704	-	5,889	25,593
Other comprehensive income, net of tax									
Foreign currency translation differences for foreign operations	-	641	-	-	-	641	-	35	676
Surplus on revaluation of property, plant and equipment	-	-	43	-	-	43	-	19	62
Other comprehensive income	-	641	43	-	-	684	-	54	738
Net loss for the financial year	-	-	-	(9,227)	-	(9,227)	-	4,973	(4,254)
Total comprehensive loss for the financial year	-	641	43	(9,227)	-	(8,543)	-	5,027	(3,516)
Transaction with owners:									
Issue of ordinary share pursuant to : - private placement	17,791	-	-	-	-	17,791	-	-	17,791
Acquisition of shares from non-controlling interests	(37,410)	-	-	(1,231)	-	(1,231)	-	1,171	(60)
Capital Paid	-	-	-	37,410	-	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(2,256)	(2,256)
Transaction costs of share issue	(462)	-	-	-	-	(462)	-	-	(462)
Non controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	4,630	4,630
Total transactions with owners	(20,081)	-	-	36,179	-	16,098	-	3,545	19,643
Disposal of revalued assets	-	-	-	1,230	(1,230)	-	-	-	-
Realization in deferred tax	-	-	-	324	-	324	-	-	324
At 31 March 2022 (Restated)	57,580	777	423	(31,197)	-	27,583	-	14,461	42,044

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	30-Sep-22 (UNAUDITED) RM'000	31-Mar-22 (AUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(4,599)	(1,221)
Adjustments for:		
Non-cash items	4,978	2,414
Interest income	(118)	(107)
Interest expense	5,294	8,759
Operating profit before Working Capital Changes	5,555	9,845
Changes In Working Capital:		
Net change in current assets	(1,274)	(2,582)
Net change in current liabilities	2,296	(3,776)
Net Cash Outflow from Operations	6,577	3,487
Income tax refund	-	21
Income tax paid	(1,899)	(3,164)
Net Operating Cash Flows	4,678	344
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	118	107
Capital contribution to joint ventures	(1,070)	(2,500)
Advances to joint venture and associate	(13)	(19)
Advances to a non-controlling shareholder/director of subsidiary	-	(272)
Acquisition of subsidiaries, net of cash acquired	-	(31,635)
Acquisition of equity interest from non-controlling interest	-	(60)
Subscription of shares in joint venture and associate	-	(4,080)
Placement of deposits with a licensed bank	-	(550)
Proceeds from disposal of property and equipment and assets classified as held for sales	-	4,123
Purchase of property, plant and equipment	(537)	(2,883)
Real property gains tax paid	-	(28)
Net Investing Cash Flows	(1,502)	(37,797)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of private placement shares	21,107	17,791
Proceeds from the issuance of redeemable non-convertible preference share	-	42,000
Interest paid	(4,874)	(6,004)
Transactions costs paid for issuance of redeemable preference shares	-	(3)
Repayment of term loans	(367)	(968)
Repayment of liabilities related to assets classified as held for sale	-	(1,619)
Transaction costs paid for issuance of redeemable preference shares	-	(1,260)
Transaction cost paid	-	(462)
Payment on lease liabilities	(3,623)	(3,975)
Advances from a non-controlling shareholder/director of subsidiary	(295)	174
Dividend paid to non-controlling interest	(1,200)	(2,256)
Net Financing Cash Flows	10,748	43,418
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,924	5,965
Effects of foreign exchange rate changes	(68)	(45)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	21,282	15,362
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	35,138	21,282

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)

	30-Sep-22 (UNAUDITED) RM'000	31-Mar-22 (AUDITED) RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	27,804	12,571
Deposits placed with licensed banks	7,884	9,261
	<u>35,688</u>	<u>21,832</u>
Less: Non-short term deposits	(550)	(550)
Cash and bank balances	<u>35,138</u>	<u>21,282</u>

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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”) 134: Interim Financial Reporting.

This report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying explanatory notes. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 March 2022.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2022 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 31 March 2022. The adoption of these MFRSs does not have any material impact on the Group’s results and financial position.

A2 – Declaration on Audit Qualification

The latest audited financial statements for the financial year ended 31 March 2022 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 period 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 period under review.

A6 – Debt and Equity Securities

There were no other issuances, cancellation, repurchases, resales and repayment of debts and equity securities during the current financial period under review other than as disclosed in note B7 (VII).

Pursuant to Rule 6.44(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the effective date for the Share Grant Plan has been fixed on 19 September 2022.

There were no shares issued under the Company's share grant plan of up to 5% of the total number of issued shares of the Company (excluding treasury shares, if any).

A7 – Dividends

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

A8 – Segmental Information

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

- | | |
|---------------------------------------|---|
| i) Healthcare Services | Provision of mother and child care related services such as postnatal and postpartum care, post-delivery confinement care, and aesthetics, provision of senior nursing home care and related services, provision of healthcare related services, provision of cosmetics related services and medical aesthetic treatment, provision of child day care services, provision of medical and surgical advisory services, dealing in raw and finished, consumable and non-consumable food ingredients. |
| 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 and provision of management services. |

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A8 – Segmental Information (Cont’d)

a) Period ended 30 September 2022

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	41,204	3,774	4	-	44,982
Inter-segment revenue	(357)	(1,497)	-	-	(1,854)
	<u>40,847</u>	<u>2,277</u>	<u>4</u>	<u>-</u>	<u>43,128</u>
Revenue					
<i>Malaysia</i>	21,740	2,277	4	-	24,021
<i>Singapore</i>	19,107	-	-	-	19,107
	<u>40,847</u>	<u>2,277</u>	<u>4</u>	<u>-</u>	<u>43,128</u>
Results	11,380	(1,089)	(4,191)	-	6,100
Interest income	97	21	-	-	118
Interest expense	(5,381)	(8)	(21)	-	(5,410)
Share of result of associate and joint venture	(1,299)	-	-	-	(1,299)
Depreciation & amortisation	(3,959)	(15)	(134)	-	(4,108)
Profit/(Loss) before tax	838	(1,091)	(4,346)	-	(4,599)
Taxation	(1,559)	-	-	-	(1,559)
Segment results after tax	<u>(721)</u>	<u>(1,091)</u>	<u>(4,346)</u>	<u>-</u>	<u>(6,158)</u>
Segment results before tax					
<i>Malaysia</i>	(4,814)	197	(3,037)	-	(7,654)
<i>Singapore</i>	5,652	(1,288)	(1,309)	-	3,055
	<u>838</u>	<u>(1,091)</u>	<u>(4,346)</u>	<u>-</u>	<u>(4,599)</u>

b) Period ended 30 September 2021

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	21,535	2,315	-	-	23,850
Inter-segment revenue	-	-	-	-	-
	<u>21,535</u>	<u>2,315</u>	<u>-</u>	<u>-</u>	<u>23,850</u>
Revenue					
<i>Malaysia</i>	4,940	2,315	-	-	7,255
<i>Singapore</i>	16,595	-	-	-	16,595
	<u>21,535</u>	<u>2,315</u>	<u>-</u>	<u>-</u>	<u>23,850</u>
Result	8,232	(1,267)	(2,814)	-	4,151
Interest income	(31)	15	-	-	(16)
Interest expense	(3,390)	(46)	-	-	(3,436)
Depreciation & amortisation	(3,814)	(13)	(9)	-	(3,836)
Profit/(Loss) before tax	997	(1,311)	(2,823)	-	(3,137)
Taxation	(866)	322	-	-	(544)
Segment results after tax	<u>131</u>	<u>(989)</u>	<u>(2,823)</u>	<u>-</u>	<u>(3,681)</u>
Segment results before tax					
<i>Malaysia</i>	(4,792)	(1,311)	(2,823)	-	(8,926)
<i>Singapore</i>	5,789	-	-	-	5,789
	<u>997</u>	<u>(1,311)</u>	<u>(2,823)</u>	<u>-</u>	<u>(3,137)</u>

A9 – Valuation of Property, Plant and Equipment

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

A10 – Changes in Composition of the Group

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

I. LYC Health Manufacturing Group Sdn. Bhd. (“LYCHMG”)

On 11 April 2022, LYC had 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.

II. LYC Health Manufacturing (NS) Sdn. Bhd. (“LYCHMNS”)

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.

III. LYC Dental & Aesthetic Sdn. Bhd. (“LYCDA”)

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.

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

III. LYC Dental & Aesthetic Sdn. Bhd. (“LYCDA”) (Cont’d)

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.

IV. KL Dental (Cheras) Sdn Bhd

On 31 October 2022, LYC Dental Group Sdn Bhd (“LYCD”), a seventy percent (70%) indirect-owned subsidiary, had incorporated a wholly-owned subsidiary known as KL Dental (Cheras) Sdn Bhd (“KL Dental Cheras”). The share capital of KL Dental Cheras as at the date of this announcement is Ringgit Malaysia One Thousand Only (RM1,000.00) comprising One Thousand (1,000) ordinary shares. LYCD holds One Thousand (1,000) shares for Ringgit Malaysia One Thousand Only (RM1,000.00), representing One Hundred percent (100%) shareholding of KL Dental Cheras.

The intended principal activities of KL Dental Cheras are dental and medical related business.

A11 – Material Subsequent Events

Except as stated in note B7, there were no material event subsequent to the end of the current financial period 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

There is no capital commitment to the end of the current financial period under review.

A14 –Related Party Transaction

There were no related party transactions to the end of the current financial period under review, except for the following:

	Quarter ended 30-Sep-22 RM'000	Quarter ended 30-Sep-21 RM'000
Transactions with a Company which a director of a subsidiary has substantial financial interest		
Sales	58	-
Purchases	(200)	-

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B1 – Financial Review of Performance

	Individual Period				Cumulative period				
	Current Quarter	Preceding Year	Changes		Current Quarter	Preceding Year	Changes		
	Ended	Corresponding			Ended	Corresponding			
30-Sep-22	Quarter Ended	30-Sep-21	RM'000	%	30-Sep-22	Quarter Ended	30-Sep-21	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	22,009	12,147	9,862	81%	43,128	23,850	19,278	81%	
Loss before tax (LBT)	(2,561)	(1,489)	(1,072)	72%	(4,599)	(3,137)	(1,462)	47%	
Loss after tax (LAT)	(3,180)	(1,702)	(1,478)	87%	(6,158)	(3,681)	(2,477)	67%	

Individual Period

The Group recorded a revenue of RM22.01 million for the second quarter ended 30 September 2022, compared to RM12.15 million recorded in the preceding year's corresponding quarter. The acquisition of Aqurate Ingredients Intl (M) Sdn Bhd ("Aqurate") which was completed in September 2021, contributed to the improvement in the Group's topline performance. The Group recorded higher losses before tax of RM2.56 million in the current quarter compared to a loss before tax of RM1.49 million in preceding year corresponding quarter. This was mainly due to higher interest expenses, share of losses of associate and joint venture and expenses incurred for the proposed initial public offer exercise in Singapore.

Malaysia

The Malaysia business generated a revenue of RM12.85 million in the current quarter ended 30 September 2022, representing an increase of total of RM9.56 million in comparison to RM3.29 million generated in the quarter ended 30 September 2021. The increase in revenue was primarily contributed by Aqurate which was acquired on 28 September 2021.

The loss before tax for the current quarter ended 30 September 2022 was RM3.53 million, which decreased by RM1.17 million as compared to the loss before tax of RM4.70 million reported in preceding year's corresponding quarter ended 30 September 2021. The profit before tax amounting to RM2.12 million from Aqurate was offset by higher interest expense of RM0.97 million and share of losses of joint venture and associate of RM0.65 million.

Singapore

Singapore's business generated a revenue of RM9.16 million and a profit before tax of RM0.97 million in the current quarter ended 30 September 2022 as compared to RM8.85 million and RM3.22 million respectively in preceding year's corresponding quarter ended 30 September 2021. Revenue increased as a result of recovery from the impact of the Covid 19 movement restrictions in Singapore in 2021. The profit before tax was lower mainly due to higher marketing costs and expenses incurred for the proposed initial public offer exercise in Singapore.

Cumulative Period

The Group recorded a revenue of RM43.13 million for the period ended 30 September 2022, compared to RM23.85 million recorded in the preceding year's corresponding period. The acquisition of Aqurate Ingredients Intl (M) Sdn Bhd ("Aqurate") which was completed in September 2021, contributed to the improvement in the Group's topline performance. The Group recorded higher losses before tax of RM4.60 million in the current period compared to a loss before tax of RM3.14 million in preceding year corresponding period. This was mainly due to higher interest expenses, share of losses of associate and joint venture and expenses incurred for the proposed initial public offer exercise in Singapore.

Malaysia

The Malaysia business generated a revenue of RM24.02 million in the current period ended 30 September 2022, representing an increase of total of RM16.76 million in comparison to RM7.26 million generated in the period ended 30 September 2021. The increase in revenue was primarily contributed by Aqurate which was acquired on 28 September 2021.

The loss before tax for the current period ended 30 September 2022 was RM7.65 million, which decreased by RM1.28 million as compared to the loss before tax of RM8.93 million reported in preceding year's corresponding period ended 30 September 2021. The profit before tax amounting to RM4.32 million from Aqurate was offset by higher interest expense of RM1.97 million and share of losses of joint venture and associate of RM1.30 million.

Singapore

Singapore's business generated a revenue of RM19.11 million and a profit before tax of RM3.06 million in the current period ended 30 September 2022 as compared to RM16.60 million and RM5.79 million respectively in preceding year's corresponding period ended 30 September 2021. Revenue increased as a result of recovery from the impact of the Covid 19 movement restrictions in Singapore in 2021. The profit before tax was lower mainly due to higher marketing costs and expenses incurred for the proposed initial public offer exercise in Singapore.

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B2 – Comparison with Preceding Quarter’s Results

	Current Quarter Ended 30-Sep-22	Preceding Quarter Ended 30-Jun-22	Changes	
	RM’000	RM’000	RM’000	%
Continuing operations				
Revenue	22,009	21,119	890	4%
Loss before tax (LBT)	(2,561)	(2,038)	(523)	26%
Loss after tax (LAT)	(3,180)	(2,978)	(202)	7%

On a quarter-on-quarter basis, the Group’s revenue stood at RM22.01 million, which was 4% or RM0.89 million higher compared to its immediate preceding quarter of RM21.12 million. The overall increase in revenue was mainly attributed to the higher contribution from Aqurate and the Healthcare segment in Singapore.

In the current quarter ended 30 September 2022, the loss before tax was RM2.56 million compared to RM2.04 million recorded in the preceding quarter. The higher losses before tax in the current quarter was mainly due to the higher operating expenses incurred in relation to professional fees for the listing exercise.

B3 – Current Year Prospects

The acquisitions of T&T Medical Group Pte Ltd (T&T), HC Orthopedic Surgery Pte Ltd (HCOS) and Aqurate has complemented and expanded LYC Group's healthcare service offerings and network presence by leveraging on their expertise and experience in the healthcare field. The Group expects to enrich business synergies within its healthcare business with nutraceutical by complementing resources to develop new pharmaceutical and/ or nutraceutical products (comprising in-house brands and/or external brands), as well as cross-selling opportunities through the introduction of nutraceutical product range to the Group's existing healthcare multi sub-segments customers.

The Group had completed the acquisition of the remaining 49% shareholding in T&T and HCOS on 10 October 2022. These two companies, together with Aqurate, are grouped under LYC Medicare (Singapore) Pte Ltd, to list on the Catalist board of the Singapore Exchange (SGX). The Group is undergoing due diligence. The proposed listing will enable the Group to gain access to the capital market in Singapore for capital raising and financial flexibility for future expansion and growth.

In view of continuous pipeline for long term future growth, the Group will continue to actively pursue its domestic development and expansion plan overseas. The Group remains confident in its longer-term growth by improving our positioning in the growing healthcare markets and we will continue delivering encouraging performance in coming years through consolidation and execution of our committed business plans.

B4 – Profit Forecast

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

B5 – Profit from operations

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

	Current Quarter		Cumulative Quarters	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(2,180)	(1,898)	(4,108)	(3,836)
Loss on disposal revalued assets property	-	(125)	-	(125)
Loss on disposal plant and equipment	(2)	-	(2)	-
Net reversal for slow moving inventories	2	-	-	11
Net unrealized foreign exchange loss	(71)	8	(83)	(31)
Unwinding up discount on provision for restoration cost	(12)	(31)	(23)	(6)

There were no provision for and write off of receivables, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exception items.

B6 – Taxation

	Current Quarter 30-Sep-22 RM'000	Cumulative Quarters 30-Sep-22 RM'000
Income tax:-		
- Current year	619	1,559

The above tax has arisen in absence of group tax relief.

B7 – Corporate Proposals

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

I. 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.

II. 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 has received approval for some of its food and health-based supplements and will begin establishing its marketing and its distribution channels.

III. 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").

The proposals were duly passed by the shareholders at the EGM of the Company held on 23 June 2022.

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)

IV. 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").

The proposals were duly passed by the shareholders at the EGM of the Company held on 23 June 2022. LYC SG had on 10 October 2022 completed the acquisition of the remaining 49% shares in T&T and HCOS respectively.

V. 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");

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)

V. Acquisition of Three (3) Dental Clinics (Cont'd)

- 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".

All the conditions precedent under the share sales agreement ("SSA") have been fulfilled, and with the receipt of all relevant undertaking and indemnity provided by the Vendor(s) in favour of the Purchaser pursuant to or arising from the SSA to-date as well as with the full settlement of the purchase consideration in accordance with the terms of the SSA, the completion of the acquisition had taken place on 4 October 2022.

VI. 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")

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 Private Placement (Cont’d)

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.

Purpose	Proceed Raised (RM'000)	Actual Utilisation (RM'000)	Remaining Balance (RM'000)	Intended Timeframe
To partly or fully finance business expansion / future liable investments	5,061	5,061	-	within 24 months
Working capital	4,849	4,849	-	within 12 months
Estimated expenses in relation to the General Mandate Placement	77	77	-	Upon receipt of placement funds
Total	9,987	9,987	-	

On 8 June 2022, the Company had proposed to undertake a private placement of up to 30% of the total number of issued shares of LYC (“LYC Share(s)” or “Share(s)”).

As at the LPD, the total issued share capital of LYC is approximately RM79,185,096 comprising 593,978,240 LYC Shares. For avoidance of doubt, LYC does not have any outstanding convertible securities and does not hold any treasury shares as at the LPD.

On 19 September 2022, 80,000,000 Placement Shares issued pursuant to the Private Placement at price of RM0.1390 per unit.

Purpose	Proceed Raised (RM'000)	Actual Utilisation (RM'000)	Remaining Balance (RM'000)	Intended Timeframe
To part or fully finance business expansion/future viable investment	5,560	-	5,560	within 24 months
Working Capital	5,560	2,000	3,560	within 12 months
Total	11,120	2,000	9,120	

On 3 October 2022, 3,000,000 Placement Shares issued pursuant to the Private Placement at price of RM0.166 per unit.

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)

VII. 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 (“TGVSBS”) (“TGVSBS Share(s)”), representing 100% equity interest in TGVSBS, 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 TGVSBS (“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”).

All the conditions precedent under the share sales agreement (“SSA”) have been fulfilled, and with the receipt of all relevant undertaking and indemnity provided by the Vendor(s) in favour of the Purchaser pursuant to or arising from the SSA to-date as well as with the full settlement of the purchase consideration in accordance with the terms of the SSA, the completion of the acquisition had taken place on 4 October 2022

VIII. Proposed Acquisition of 55% Equity Interest in Elite Dental Team Sdn Bhd

On 4 July 2022, the Group, via its wholly-owned subsidiary LYC Dental & Aesthetic Holdings Sdn Bhd (“LYC D&A”) had entered into a conditional share purchase agreement (“SPA EDTSB”) with Dr Kenneth Wong Pak Ken, Dr Wong Chew Weng, Dr Carmen Yuen Chia-Wen, Dr Yee Xin Le and Dr Sylvia Lim Sze Wei (collectively referred to as the “Vendors”) for the proposed acquisition by LYC D&A of 178,200 ordinary shares in Elite Dental Team Sdn Bhd (“EDTSB”), representing 55% equity interest in EDTSB, for a purchase consideration of RM5,500,000 to be satisfied entirely via cash (“Proposed Acquisition of EDTSB”).

The acquisition is pending fulfilment of certain conditions precedent prior to its completion.

IX. Proposed Acquisition of 75% Equity Interest in Nutrogreen Health Industries Sdn Bhd and business acquisition of Kitta Enterprise

On 15 July 2022, the Group, via its wholly owned subsidiary LYC Health Manufacturing Group Sdn Bhd ("LYCHM") entered into a share sale agreement ("SSA") with Lim Lee Ping, Tan Sook Yong and Goh Kok Neng for the proposed acquisition by LYCHM of 450,000 ordinary shares in Nutrogreen Health Industries Sdn Bhd ("NHISB"), representing 75% equity interest in NHISB, for a purchase consideration of RM525,000 to be satisfied entirely via cash.

On an even date, the Group, via its wholly-owned subsidiary LYC Health Manufacturing (NS) Sdn Bhd ("LYCNS") entered into a business sale agreement ("BSA") with Wong See Kit and Wong Looi Cheng @ Wong Chin See (collectively referred to as the "Vendors") for the proposed acquisition by LYCNS of all the goodwill, assets, benefits, rights and interests in the business of trading and manufacturing in all kinds of food products and food supplement product conducted by Kitta Enterprise including the specified assets under the Kitta Enterprise partnership for a purchase consideration of RM1,000,000 to be satisfied via a combination of (a) cash amounting to RM600,000 payable to the Vendors, of which RM500,000 is payable to Wong Looi Cheng @ Wong Chin See and RM100,000 payable to Wong See Kit and (b) the issuance of 40% shares which is equivalent to 400,000 ordinary shares in LYCNS valued at RM400,000 in favour of Wong See Kit.

The acquisition is pending fulfilment of certain conditions precedent prior to its completion.

X. Proposed Acquisition of 70% Equity Interest in Clinical Nutrition Intl (M) Sdn Bhd

On an even date, LYC Nutrihealth Sdn Bhd ("LYC Nutrihealth" or the "Purchaser"), a wholly-owned subsidiary of LYC, had on 8 November 2022, entered into a conditional share sale agreement ("SSA") with Ong Kee Leong and Ong Kee Fong (collectively referred to as the "Vendors") for the proposed acquisition by LYC Nutrihealth of 70,000 ordinary shares in Clinical Nutrition Intl (M) Sdn Bhd ("CNI") ("CNI Share(s)"), representing 70% equity interest in CNI, for a purchase consideration of RM2,240,000 to be satisfied entirely via cash, with a put option granted by LYC Nutrihealth to Ong Kee Leong for the sale of the remaining 30,000 CNI Shares ("Put Option"), representing the remaining 30% equity interest in CNI, subject to the terms and conditions contained in the SSA ("Purchase Consideration") ("Proposed Acquisition").

The acquisition is pending fulfilment of certain conditions precedent prior to its completion.

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)	200	85,483

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 – Trade Receivables

The ageing analysis of the Group's trade receivables is as follows: -

	30.09.2022 (RM'000)
Not past due	1,990
Past due	
- less than 3 months	5,421
- 3 to 6 months	1,647
- over 6 months	1,306
	<u>8,374</u>
	<u>10,364</u>

Receivables that are past due but not impaired

The Group believes that no further impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

B12 – Loss per Share (“LPS”)

	Current Quarter Ended		Cumulative Quarters Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Loss for the period attributable to owners of company (RM'000)	(4,409)	(2,976)	(8,880)	(6,003)
Weighted average number of ordinary shares in issue ('000)	501,079	431,526	501,079	413,384
Basic LPS (sen)	(0.88)	(0.69)	(1.77)	(1.45)

a) Basic loss per share

Basic LPS of the Group is calculated by dividing the loss 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 LPS

The Company does not have any convertible shares or convertible financial instruments for the current financial quarter and financial period to date.

B13 – Approval for the Release of Quarterly Results

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