



LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 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 31 DECEMBER 2022**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	23,509	21,181	66,637	45,031
Cost of sales		(12,579)	(11,205)	(36,897)	(22,079)
Gross profit		10,930	9,976	29,740	22,952
Other operating income		305	1,895	1,031	3,553
Operating expenses		(9,771)	(10,313)	(27,315)	(24,632)
Profit from operations	B5	1,464	1,558	3,456	1,873
Interest income		54	58	172	42
Interest expense		(2,765)	(2,694)	(8,175)	(6,130)
Share of result of associate and joint venture, net of tax		(521)	-	(1,820)	-
Loss before tax		(1,768)	(1,078)	(6,367)	(4,215)
Taxation	B6	(975)	(376)	(2,534)	(920)
Loss for the financial period		(2,743)	(1,454)	(8,901)	(5,135)
Other comprehensive income					
Foreign currency translation		995	(15)	2,943	(46)
Total comprehensive loss for the financial period		(1,748)	(1,469)	(5,958)	(5,181)
Loss attributable to:					
Owners of the Company		(3,616)	(3,337)	(12,496)	(9,340)
Non-controlling interest		873	1,883	3,595	4,205
		(2,743)	(1,454)	(8,901)	(5,135)
Total Comprehensive loss attributable to:					
Owners of the Company		(2,728)	(3,356)	(9,848)	(9,376)
Non-controlling interest		980	1,887	3,890	4,195
		(1,748)	(1,469)	(5,958)	(5,181)
Loss per share attributable to Owners of the Company:					
Basic loss per share (sen)	B12(a)	(0.68)	(0.69)	(2.33)	(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 31 DECEMBER 2022**

	Note	AS AT 31-Dec-22 (UNAUDITED) RM'000	AS AT 31-Mar-22 (AUDITED) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		28,149	26,467
Intangible assets		71,101	62,513
Right-of-use assets		42,680	34,937
Investment in associate and joint venture		6,516	7,266
Deferred tax assets		99	94
		148,545	131,277
Current assets			
Inventories		7,756	5,937
Trade and other receivables		15,274	14,184
Current tax assets		332	100
Non controlling shareholder/director of a subsidiary		-	9,824
Amount due from joint venture & associate		70	27
Cash and bank balances		37,714	21,832
		61,146	51,904
TOTAL ASSETS		209,691	183,181
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		79,185	57,580
Other reserves		3,848	1,200
Accumulated losses		(41,939)	(31,197)
		41,094	27,583
Non-controlling interest		33,540	14,461
TOTAL EQUITY		74,634	42,044
Non-current liabilities			
Loan and borrowings	B8	55,628	85,193
Lease liabilities		38,298	33,705
Provision for restoration cost		956	1,250
Deferred tax liabilities		465	591
		95,347	120,739
Current liabilities			
Trade and other payables		12,116	10,311
Contract liabilities		3,637	2,811
Loan and borrowings	B8	200	459
Lease liabilities		8,262	4,511
Provision for restoration cost		348	348
Deferred income		(182)	-
Non controlling shareholder/director of a subsidiary		14,014	174
Current tax liabilities		1,315	1,784
		39,710	20,398
TOTAL LIABILITIES		135,057	141,137
TOTAL EQUITY AND LIABILITIES		209,691	183,181
Net assets per share attributable to owners of the Company (RM)		0.07	0.06

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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

Group	← 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	Redeemable Preference share RM'000	Non-controlling interests RM'000	Total equity 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	-	2,642	6	-	-	2,648	-	295	2,943
Other comprehensive income	-	2,642	6	-	-	2,648	-	295	2,943
Net loss for the financial period	-	-	-	(12,496)	-	(12,496)	-	3,595	(8,901)
Total comprehensive loss for the financial year	-	2,642	6	(12,496)	-	(9,848)	-	3,890	(5,958)
Transaction with owners:									
Issue of ordinary share pursuant to : - private placement	21,605	-	-	-	-	21,605	-	-	21,605
Acquisition of shares from non-controlling	-	-	-	(25,344)	-	(25,344)	-	1,373	(23,971)
Divestment	-	-	-	27,098	-	27,098	-	15,016	42,114
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(1,200)	(1,200)
Total transactions with owners	21,605	-	-	1,754	-	23,359	-	15,189	38,548
At 31 December 2022	79,185	3,419	429	(41,939)	-	41,094	-	33,540	74,634

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

Group (Restated)	Share capital RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Reserves related	Equity	Redeemable Preference share RM'000	Non-controlling interests RM'000	Total equity RM'000
					to assets classified as held for sale RM'000	attributable to owners of the Company RM'000			
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	-	-	-	(1,231)	-	(1,231)	-	1,171	(60)
Capital Paid	(37,410)	-	-	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 31 DECEMBER 2022**

	31-Dec-22 (UNAUDITED) RM'000	31-Mar-22 (AUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(6,367)	(1,221)
Adjustments for:		
Non-cash items	7,905	2,414
Interest income	(172)	(107)
Interest expense	8,056	8,759
Operating profit before Working Capital Changes	9,422	9,845
Changes In Working Capital:		
Net change in current assets	8,182	(2,582)
Net change in current liabilities	1,354	(3,776)
Net Cash Outflow from Operations	18,958	3,487
Income tax refund	-	21
Income tax paid	(3,333)	(3,164)
Net Operating Cash Flows	15,625	344
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	172	107
Capital contribution to joint ventures	(1,070)	(2,500)
Advances to joint venture and associate	(43)	(19)
Advances to a non-controlling shareholder/director of subsidiary	-	(272)
Acquisition of subsidiaries, net of cash acquired	(30,667)	(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	(1,213)	(2,883)
Real property gains tax paid	-	(28)
Net Investing Cash Flows	(32,821)	(37,797)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of private placement shares	21,605	17,791
Proceeds from the issuance of redeemable non-convertible preference share	-	42,000
Proceeds from divestment	42,114	-
Interest paid	(7,412)	(6,004)
Transactions costs paid for issuance of redeemable preference shares	-	(3)
Redemption of Preference Shares	(30,000)	-
Repayment of term loans	(433)	(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	(5,341)	(3,975)
Advances from directors of subsidiaries	13,415	174
Dividend paid to non-controlling interest	(1,200)	(2,256)
Net Financing Cash Flows	32,748	43,418
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,552	5,965
Effects of foreign exchange rate changes	330	(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	37,164	21,282

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

	31-Dec-22 (UNAUDITED) RM'000	31-Mar-22 (AUDITED) RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	20,852	12,571
Deposits placed with licensed banks	<u>16,862</u>	<u>9,261</u>
	37,714	21,832
Less: Non-short term deposits	<u>(550)</u>	<u>(550)</u>
Cash and bank balances	<u>37,164</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 (VI).

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 31 December 2022

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	63,890	5,495	6	-	69,391
Inter-segment revenue	(481)	(2,273)	-	-	(2,754)
	<u>63,409</u>	<u>3,222</u>	<u>6</u>	<u>-</u>	<u>66,637</u>
Revenue					
Malaysia	34,218	3,222	6	-	37,446
Singapore	29,191	-	-	-	29,191
	<u>63,409</u>	<u>3,222</u>	<u>6</u>	<u>-</u>	<u>66,637</u>
Results	17,974	(1,919)	(6,137)	-	9,919
Interest income	136	31	5	-	172
Interest expense	(8,128)	(12)	(35)	-	(8,175)
Share of result of associate and joint venture	(1,820)	-	-	-	(1,820)
Depreciation & amortisation	(6,204)	(23)	(234)	-	(6,461)
Profit/(Loss) before tax	1,958	(1,923)	(6,402)	-	(6,367)
Taxation	(2,534)	-	-	-	(2,534)
Segment results after tax	<u>(576)</u>	<u>(1,923)</u>	<u>(6,402)</u>	<u>-</u>	<u>(8,901)</u>
Segment results before tax					
Malaysia	(6,825)	224	(4,279)	-	(10,880)
Singapore	8,783	(2,147)	(2,123)	-	4,513
	<u>1,958</u>	<u>(1,923)</u>	<u>(6,402)</u>	<u>-</u>	<u>(6,367)</u>

b) Period ended 31 December 2021

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	41,694	3,333	4	-	45,031
Inter-segment revenue	-	-	-	-	-
	<u>41,694</u>	<u>3,333</u>	<u>4</u>	<u>-</u>	<u>45,031</u>
Revenue					
Malaysia	16,975	3,333	4	-	20,312
Singapore	24,719	-	-	-	24,719
	<u>41,694</u>	<u>3,333</u>	<u>4</u>	<u>-</u>	<u>45,031</u>
Result	12,236	1,485	(6,360)	-	7,361
Interest income	27	15	-	-	42
Interest expense	(6,079)	(52)	-	-	(6,131)
Depreciation & amortisation	(5,454)	(20)	(13)	-	(5,487)
Profit/(Loss) before tax	730	1,428	(6,373)	-	(4,215)
Taxation	(1,242)	322	-	-	(920)
Segment results after tax	<u>(512)</u>	<u>1,750</u>	<u>(6,373)</u>	<u>-</u>	<u>(5,135)</u>
Segment results before tax					
Malaysia	(7,525)	1,428	(6,373)	-	(12,470)
Singapore	8,255	-	-	-	8,255
	<u>730</u>	<u>1,428</u>	<u>(6,373)</u>	<u>-</u>	<u>(4,215)</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.

V. 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”) (“TGVS Share(s)”), representing 100% equity interest in TGVS, 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 (“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.

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

VI. 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".

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.

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

VII. 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 Orthopedic 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.

VIII. LYC Medical Center Sdn Bhd

On 29 December 2022, LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCD&A"), a wholly-owned subsidiary of the Company, had incorporated a wholly-owned subsidiary known as LYC Medical Center Sdn. Bhd. ("LYC Medical Center"). The share capital of LYC Medical Center as at the date of announcement is Ringgit Malaysia One Thousand Only (RM1,000.00) comprising One Thousand (1,000) ordinary shares. LYCD&A holds One Thousand (1,000) shares for Ringgit Malaysia One Thousand only (RM1,000.00), representing One Hundred percent (100%) shareholding of LYC Medical Center.

The intended principal activities of LYC Medical Center are to carry on the business of consultation and treatment in the field of specialist medicine by medical specialist and surgeons.

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, except for as follows:-

Specific indemnity pursuant to the share purchase agreement dated 1 March 2022 entered into between LYCM and KIB in respect of the divestment by LYCM of 6,532,500 LYCSG Shares (representing 25% equity interest in LYCSG) for a disposal consideration of SGD12,918,466 ("Disposal Consideration") ("SPA KIB").

Pursuant to the SPA KIB, LYCM unconditionally and irrevocably undertakes to KIB that in the event of an Qualifying IPO (i.e. listing of LYCSG Shares on the Catalist Board), if KIB elects (at its sole and absolute discretion) to sell or otherwise dispose, whether in the open market or through a private placement sale, in a single tranche or a series of tranches of sales or otherwise, all of of the LYCSG Shares held by KIB as at the date of the put notice or in the event of an Qualifying IPO ("Option Shares") at any time within 24 calendar months from the Qualifying IPO approval date, LYCM shall, on demand, indemnify and reimburse KIB fully for any shortfall, i.e. Agreed Return less each and every sale price of the options shares received by LYCM. "Agreed Return" means the aggregate of (a) the Disposal Consideration, (b) 6% of the Disposal Consideration, and (c) in the event that the Option Shares are sold to LYCM, any and all brokerage fees and charges.

A13 – Capital Commitment

There is no capital commitment to the end of the current financial period under review, except for as follows:-

	RM'000
Contracted but not provided for	489

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 31-Dec-22 RM'000	Quarter ended 31-Dec-21 RM'000
Transactions with a Company which a director of a subsidiary has substantial financial interest		
Sales	57	-
Purchases	<u>(200)</u>	<u>-</u>
Transaction with a firm which a director is a sole proprietor		
Professional Fees	<u>(3)</u>	<u>(3)</u>

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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		
31-Dec-22	31-Dec-21	RM'000	%	31-Dec-22	31-Dec-21	RM'000	%	
Revenue	23,509	21,181	2,328	11%	66,637	45,031	21,606	48%
Loss before tax (LBT)	(1,768)	(1,078)	(690)	64%	(6,367)	(4,215)	(2,152)	51%
Loss after tax (LAT)	(2,743)	(1,454)	(1,289)	89%	(8,901)	(5,135)	(3,766)	73%

Individual Period

The Group recorded a revenue of RM23.51 million for the third quarter ended 31 December 2022, compared to RM21.18 million recorded in the preceding year's corresponding quarter. The Group recorded higher losses before tax of RM1.77 million in the current quarter compared to a loss before tax of RM1.08 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 RM13.43 million in the current quarter ended 31 December 2022, representing an increase of total of RM0.37 million in comparison to RM13.06 million generated in the quarter ended 31 December 2021, which was mainly contributed by the confinement business.

The loss before tax for the current quarter ended 31 December 2022 was RM3.23 million, which decreased by RM0.32 million as compared to the loss before tax of RM3.55 million reported in preceding year's corresponding quarter ended 31 December 2021, which was mainly contributed by the confinement business.

Singapore

Singapore's business generated a revenue of RM10.08 million and a profit before tax of RM1.46 million in the current quarter ended 31 December 2022 as compared to RM8.12 million and RM2.47 million respectively in preceding year's corresponding quarter ended 31 December 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 in Singapore.

B1 – Financial Review of Performance (Cont'd)

Cumulative Period

The Group recorded a revenue of RM66.64 million for the period ended 31 December 2022, compared to RM45.03 million recorded in the preceding year's corresponding period. The Group recorded higher losses before tax of RM6.34 million in the current period compared to a loss before tax of RM4.22 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 RM37.45 million in the current period ended 31 December 2022, representing an increase of total of RM17.14 million in comparison to RM20.31 million generated in the period ended 31 December 2021.

The loss before tax for the current period ended 31 December 2022 was RM10.88 million, which decreased by RM1.59 million as compared to the loss before tax of RM12.47 million reported in preceding year's corresponding period ended 31 December 2021, which was mainly due to improved performance in the confinement business.

Singapore

Singapore's business generated a revenue of RM29.19 million and a profit before tax of RM4.51 million in the current period ended 31 December 2022 as compared to RM24.72 million and RM8.26 million respectively in preceding year's corresponding period ended 31 December 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 incurred in Singapore.

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B2 – Comparison with Preceding Quarter’s Results

	Current Quarter Ended 31-Dec-22	Preceding Quarter Ended 30-Sep-22	Changes	
	RM'000	RM'000	RM'000	%
Continuing operations				
Revenue	23,509	22,009	1,500	7%
Loss before tax (LBT)	(1,768)	(2,561)	793	-31%
Loss after tax (LAT)	(2,743)	(3,180)	437	-14%

On a quarter-on-quarter basis, the Group’s revenue stood at RM23.51 million, which was 7% or RM1.50 million higher compared to its immediate preceding quarter of RM22.01 million. The overall increase in revenue was mainly attributed to the higher contribution from Healthcare segment in Singapore.

In the current quarter ended 31 December 2022, the loss before tax was RM1.77 million compared to RM2.56 million recorded in the preceding quarter. The lower losses before tax in the current quarter were mainly due to improved performance in the confinement business.

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 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	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(2,353)	(1,883)	(6,461)	(5,719)
Loss on disposal revalued assets property	-	-	-	(125)
Loss on disposal plant and equipment	-	-	(2)	-
Net reversal for slow moving inventories	7	-	7	19
Net unrealized foreign exchange loss	54	8	(29)	(46)
Unwinding up discount on provision for restoration cost	(12)	(15)	(34)	(27)

There were no provisions 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 31-Dec-22 RM'000	Cumulative Quarters 31-Dec-22 RM'000
Income tax:-		
- Current year	975	2,534

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.

On 27 January 2023, the following announcement were made:-

(i) Proposed Listing

The Board had announced further details of the proposed listing of LYC Medicare (Singapore) Pte Ltd ("LYCSG"), a subsidiary of LYC, on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Board") ("Proposed Listing").

ZICO Capital Pte. Ltd. ("ZICO Capital") is the Sponsor and Issue Manager appointed by LYCSG for the Proposed Listing. ZICO Capital will, on behalf of LYCSG, be submitting the pre-admission notification in respect of the Proposed Listing to the SGX-ST in due course. Accordingly, the Board proposes to seek approval from the shareholders of LYC for the Proposed Listing pursuant to Rule 8.26 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

(ii) Proposed T&T Waiver

Entails a proposed waiver of the profit guarantee from Ting Choon Meng ("TCM") totalling to a cumulative profit after taxation ("PAT") of SGD3,900,000 for the 3 financial years ending 31 March 2022, 31 March 2023 and 31 March 2024 ("T&T Profit Guarantee") and certain guarantee and obligation as contained in the terms of the share sale agreement dated 4 May 2020 ("T&T SSA") and share swap agreement dated 24 December 2021 ("T&T Swap Agreement") through the execution of a deed of settlement dated 27 January 2023 between LYCSG, LYC Medicare Sdn Bhd ("LYCM"), LYC and TCM ("Proposed T&T Waiver"); and

(iii) Proposed HCOS Waiver

Entails a proposed waiver of the profit guarantee from Chan Ying Ho ("CYH") totalling to a cumulative PAT of SGD5,100,000 for the 3 financial years ending 31 March 2022, 31 March 2023 and 31 March 2024 ("HCOS Profit Guarantee") and certain guarantee and obligation as contained in the terms of the share sale agreement dated 28 May 2020 ("HCOS SSA") and share swap agreement dated 24 December 2021 ("HCOS Swap Agreement") through the execution of a deed of settlement dated 27 January 2023 between LYCSG, LYCM, LYC, CYH and Beyond Wellness Group Pte Ltd ("BWG") ("Proposed HCOS Waiver").

"T&T" and "HCOS" are abbreviated as T&T Medical Group Pte Ltd and HC Orthopaedic Surgery Pte Ltd, respectively.

B7 – Corporate Proposals (Cont'd)

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

II. 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 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	5,809	5,809	-	within 24 months
Working Capital	5,809	5,809	-	within 12 months
Total	11,618	11,618	-	

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

Bursa Securities had, vide its letter dated 10 January 2023, resolved to grant the Company an extension of time of 6 months from 30 November 2022 to 30 May 2023 to complete the implementation of the 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)

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 (“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”).

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”).

On 22 December 2022, the Purchaser and the Vendors had entered into a supplemental agreement (“Supplemental SSA”) to supplement certain terms and conditions of the SSA as well as to extend the cut-off date for the parties to fulfil/rectify the conditions precedent, further details as set out in the ensuing sections.

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

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. 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 100% Equity Interest in Clinical Nutrition Intl (M) Sdn Bhd

On 8 November 2022, LYC Nutrihealth Sdn Bhd ("LYC Nutrihealth" or the "Purchaser"), a subsidiary of LYC, entered into a conditional share sale agreement ("SSA 1") 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 1 ("Purchase Consideration") ("Proposed Acquisition").

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)

X. Proposed Acquisition of 100% Equity Interest in Clinical Nutrition Intl (M) Sdn Bhd (Cont'd)

LYC Nutrihealth had on 9 February 2023 entered into a supplemental agreement ("Supplemental SSA") with the Vendors to amend, modify, supplement and further clarify certain terms of the SSA 1.

LYC Nutrihealth had on 9 February 2023 entered into a share sale agreement ("SSA 2") with Ong Kee Leong to acquire the remaining 30,000 CNI Shares, representing the remaining 30% equity interest in CNI subject to the terms and conditions contained in the SSA 2. In consideration of the SSA 2, the parties have agreed to revoke the Put Option agreement between LYC Nutrihealth and Ong Kee Leong, which in turn serves to formalise the parties' agreement to transact the sale and purchase of the remaining 30% equity interest in CNI in lieu of the original put option arrangement.

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

XI. Exclusive Distribution Agreement with Curalife Spain S.L.U.

On 30 November 2022, LYC Nutrihealth Sdn Bhd ("LYC Nutri"), a wholly-owned subsidiary of LYC, had entered into exclusive distribution agreements ("EDA") with Curalife Spain S.L.U. ("Curalife"), to appoint LYC Nutri as the exclusive distributor with the exclusive right to resell and distribute Curalife's herbal dietary supplement in Malaysia and Singapore ("Territory").

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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	55,628

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: -

	31.12.2022 (RM'000)
Not past due	538
Past due	
- less than 3 months	5,711
- 3 to 6 months	768
- over 6 months	1,691
	8,170
	8,708

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	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Loss for the period attributable to owners of company (RM'000)	(3,616)	(3,337)	(12,496)	(9,340)
Weighted average number of ordinary shares in issue ('000)	535,616	431,526	535,616	413,384
Basic LPS (sen)	(0.68)	(0.77)	(2.33)	(2.26)

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.