



LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2023**

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
		30-Jun-23 RM'000	30-Jun-22 RM'000	30-Jun-23 RM'000	30-Jun-22 RM'000
Revenue	A8	26,630	21,119	26,630	21,119
Cost of sales		(12,827)	(11,312)	(12,827)	(11,312)
Gross profit		13,803	9,807	13,803	9,807
Other operating income		2,370	381	2,370	381
Operating expenses		(13,087)	(8,949)	(13,087)	(8,949)
Profit from operations	B5	3,086	1,239	3,086	1,239
Interest income		115	51	115	51
Interest expense		(2,388)	(2,674)	(2,388)	(2,674)
Share of result of associate and joint venture, net of tax		(404)	(654)	(404)	(654)
Profit/(Loss) before tax		409	(2,038)	409	(2,038)
Taxation	B6	(1,027)	(940)	(1,027)	(940)
Loss for the financial period		(618)	(2,978)	(618)	(2,978)
Other comprehensive income					
Foreign currency translation		(185)	1,133	(185)	1,133
Total comprehensive loss for the financial period		(803)	(1,845)	(803)	(1,845)
(Loss)/profit attributable to:					
Owners of the Company		(2,196)	(4,471)	(2,196)	(4,471)
Non-controlling interest		1,578	1,493	1,578	1,493
Total Comprehensive (loss)/profit attributable to:		(618)	(2,978)	(618)	(2,978)
Owners of the Company		(2,191)	(3,522)	(2,191)	(3,522)
Non-controlling interest		1,388	1,677	1,388	1,677
		(803)	(1,845)	(803)	(1,845)
Loss per share attributable to Owners of the Company:					
Basic loss per share (sen)	B12(a)	(0.34)	(0.91)	(0.34)	(0.91)
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 JUNE 2023**

	AS AT 30-Jun-23 (UNAUDITED) RM'000	AS AT 31-Mar-23 (AUDITED) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	33,669	29,007
Intangible assets	72,191	72,191
Right-of-use assets	41,007	41,960
Investment in an associate	913	935
Investment in joint venture	4,790	5,172
Deferred tax assets	81	124
	<u>152,651</u>	<u>149,389</u>
Current assets		
Inventories	7,868	7,781
Trade and other receivables	26,194	17,592
Current tax assets	434	475
Amount due from joint venture and associate	323	91
Contract assets	558	204
Cash and bank balances	29,084	40,204
	<u>64,461</u>	<u>66,347</u>
TOTAL ASSETS	<u>217,112</u>	<u>215,736</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	90,558	90,558
Other reserves	4,373	4,368
Accumulated losses	(50,212)	(48,016)
	<u>44,719</u>	<u>46,910</u>
Non-controlling interest	35,081	33,693
TOTAL EQUITY	<u>79,800</u>	<u>80,603</u>
Non-current liabilities		
Loan and borrowings	B8 60,086	57,119
Lease liabilities	36,631	37,899
Non controlling shareholder/director of a subsidiary	-	1,180
Provision for restoration cost	1,219	1,479
Deferred tax liabilities	407	574
	<u>98,343</u>	<u>98,251</u>
Current liabilities		
Trade and other payables	14,743	13,273
Contract liabilities	4,034	2,986
Loan and borrowings	B8 1,526	857
Lease liabilities	7,884	7,446
Provision for unutilised annual leave	288	288
Deferred income	291	-
Amount due to an associate	3	-
Non controlling shareholder/director of a subsidiary	8,430	10,715
Current tax liabilities	1,770	1,317
	<u>38,969</u>	<u>36,882</u>
TOTAL LIABILITIES	<u>137,312</u>	<u>135,133</u>
TOTAL EQUITY AND LIABILITIES	<u>217,112</u>	<u>215,736</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.07</u>	<u>0.06</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

Group	← Attributable to owners of the Company →				Equity attributable to owners of the Company	Non- controlling interests	Total equity
	Share capital RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	RM'000	RM'000	RM'000
At 1 April 2023	90,558	3,940	428	(48,016)	46,910	33,693	80,603
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	-	4	1	-	5	(190)	(185)
Other comprehensive income	-	4	1	-	5	(190)	(185)
Net loss for the financial period	-	-	-	(2,196)	(2,196)	1,578	(618)
Total comprehensive loss for the financial period	-	4	1	(2,196)	(2,191)	1,388	(803)
At 30 June 2023	90,558	3,944	429	(50,212)	44,719	35,081	79,800

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

Group	← Attributable to owners of the Company →				Equity attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000			
At 1 April 2022	57,580	772	428	(31,197)	27,583	14,461	42,044
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	-	3,168	-	-	3,168	261	3,429
Other comprehensive income	-	3,168	-	-	3,168	261	3,429
Net loss for the financial year	-	-	-	(19,187)	(19,187)	4,392	(14,795)
Total comprehensive loss for the financial year	-	3,168	-	(19,187)	(16,019)	4,653	(11,366)
Transaction with owners:							
Issue of ordinary share pursuant to : - private placement	33,365	-	-	-	33,365	-	33,365
Acquisition of shares from non-controlling interests	-	-	-	(45,429)	(45,429)	(10,735)	(56,164)
Change in ownership interests in subsidiaries	-	-	-	20,699	20,699	11,498	32,197
Divestment	-	-	-	27,098	27,098	15,016	42,114
Dividend paid to non-controlling interest	-	-	-	-	-	(1,200)	(1,200)
Transaction costs of share issue	(387)	-	-	-	(387)	-	(387)
Total transactions with owners	32,978	-	-	2,368	35,346	14,579	49,925
At 31 March 2023	90,558	3,940	428	(48,016)	46,910	33,693	80,603

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	30-Jun-23 (UNAUDITED) RM'000	31-Mar-23 (AUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	409	(11,864)
Adjustments for:		
Non-cash items	2,921	12,942
Interest income	(115)	(260)
Interest expense	2,332	11,222
Operating profit before Working Capital Changes	5,547	12,040
Changes In Working Capital:		
Net change in current assets	(8,592)	(4,988)
Net change in current liabilities	2,167	1,890
Net Cash Outflow from Operations	(878)	8,942
Income tax refund	-	160
Income tax paid	(604)	(4,110)
Net Operating Cash Flows	(1,482)	4,992
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	115	260
Advances to joint venture and associate	(229)	(64)
Repayment from a non-controlling shareholder/director of subsidiary	-	9,824
Acquisition of subsidiaries, net of cash acquired	-	(4,139)
Acquisition of equity interest from non-controlling interest	-	(26,525)
Subscription of shares in joint venture and associate	-	(1,070)
Placement of deposits with a licensed bank	-	(1)
Proceeds from disposal of property and equipment	-	2
Proceeds from divestment	-	12,114
Purchase of property, plant and equipment	(5,544)	(2,533)
Net Investing Cash Flows	(5,658)	(12,132)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of private placement shares	-	33,365
Interest paid	(2,123)	(10,442)
Repayment of term loans	(436)	(459)
Repayment of hire purchase payables	-	(244)
Transaction costs of share issue	-	(387)
Payment on lease liabilities	(1,887)	(5,706)
Advances from non-controlling shareholder/directors of subsidiaries	(3,465)	11,026
Dividend paid to non-controlling interest	-	(1,200)
Additional Borrowing	4,112	-
Net Financing Cash Flows	(3,799)	25,953
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,939)	18,813
Effects of foreign exchange rate changes	(180)	(442)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	39,653	21,282
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	28,534	39,653

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023 (Cont'd)

	30-Jun-23 (UNAUDITED)	31-Mar-23 (AUDITED)
	RM'000	RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	14,109	21,366
Deposits placed with licensed banks	14,975	18,838
	<u>29,084</u>	<u>40,204</u>
Less: Non-short term deposits	(550)	(551)
Cash and bank balances	<u>28,534</u>	<u>39,653</u>

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 2023 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 2023.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2023 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 31 March 2023. 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 2023 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 material 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.

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 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, provision of dental treatment and consultancy 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. |

A8 – Segmental Information (Cont’d)

a) Period ended 30 June 2023

	Healthcare Services RM’000	Computer Electronic Services RM’000	Others RM’000	Elimination RM’000	Total RM’000
Revenue	26,158	863	-	-	27,021
Inter-segment revenue	(360)	(31)	-	-	(391)
	<u>25,798</u>	<u>832</u>	<u>-</u>	<u>-</u>	<u>26,630</u>
Revenue					
Malaysia	13,175	832	-	-	14,007
Singapore	12,623	-	-	-	12,623
	<u>25,798</u>	<u>832</u>	<u>-</u>	<u>-</u>	<u>26,630</u>
Results	7,118	(62)	(1,248)	-	5,809
Interest income	101	14	-	-	115
Interest expense	(2,368)	(8)	(12)	-	(2,388)
Share of result of associate and joint venture	(404)	-	-	-	(404)
Depreciation & amortisation	(2,610)	(7)	(106)	-	(2,723)
Profit/(Loss) before tax	1,838	(63)	(1,366)	-	409
Taxation	(1,027)	-	-	-	(1,027)
Segment results after tax	<u>811</u>	<u>(63)</u>	<u>(1,366)</u>	<u>-</u>	<u>(618)</u>
Segment results before tax					
Malaysia	(1,867)	(56)	(1,398)	-	(3,321)
Singapore	3,705	(7)	32	-	3,730
	<u>1,838</u>	<u>(63)</u>	<u>(1,366)</u>	<u>-</u>	<u>409</u>

b) Period ended 30 June 2022

	Healthcare Services RM’000	Computer Electronic Services RM’000	Others RM’000	Elimination RM’000	Total RM’000
Revenue	20,190	1,433	2	-	21,625
Inter-segment revenue	(113)	(393)	-	-	(506)
	<u>20,077</u>	<u>1,040</u>	<u>2</u>	<u>-</u>	<u>21,119</u>
Revenue					
Malaysia	10,128	1,040	2	-	11,170
Singapore	9,949	-	-	-	9,949
	<u>20,077</u>	<u>1,040</u>	<u>2</u>	<u>-</u>	<u>21,119</u>
Result	5,467	(244)	(2,056)	-	3,167
Interest income	41	10	-	-	51
Interest expense	(2,665)	(4)	(5)	-	(2,674)
Share of result of associate and joint venture	(654)	-	-	-	(654)
Depreciation & amortisation	(1,884)	(8)	(36)	-	(1,928)
Profit/(Loss) before tax	305	(246)	(2,097)	-	(2,038)
Taxation	(940)	-	-	-	(940)
Segment results after tax	<u>(635)</u>	<u>(246)</u>	<u>(2,097)</u>	<u>-</u>	<u>(2,978)</u>
Segment results before tax					
Malaysia	(2,590)	79	(1,610)	-	(4,121)
Singapore	2,895	(325)	(487)	-	2,083
	<u>305</u>	<u>(246)</u>	<u>(2,097)</u>	<u>-</u>	<u>(2,038)</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 year under review save for the following:-

On 18 April 2023, LYC Dental Group Sdn. Bhd. (“LYCDG”), a seventy percent (70%) owned subsidiary of the Company, had incorporated a sixty percent (60%) subsidiary known as Sigma Dental Laboratory Sdn. Bhd. (“Sigma Dental”). The remaining forty percent (40%) shareholding are held by Lee Kok Yoong (“LKY”) holding twenty percent (20%), Dr Beh Wee Ren (“Dr Beh”) holding ten percent (10%) and Dr Dinesh A/L Kanasen (“Dr Dinesh”) holding ten percent (10%).

The intended principal activities of Sigma Dental are to operate a dental laboratory business and its related services.

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.

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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 LYCMS Shares (representing 25% equity interest in LYCMS) 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 LYCMS 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 the LYCMS 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	337

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-Jun-23 RM'000	Quarter ended 30-Jun-22 RM'000
Transactions with a Company which a director of a subsidiary has substantial financial interest		
Sales	1	58
Purchases	-	(100)
Transaction with a firm which a director is a sole proprietor		
Professional Fees	3	-

B1 – Financial Review of Performance

	Individual Period				Cumulative period			
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Changes		Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Changes	
	30-Jun-23	30-Jun-22	RM'000	%	30-Jun-23	30-Jun-22	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	26,630	21,119	5,511	26%	26,630	21,119	5,511	26%
Profit / (Loss) before tax (PBT)/(LBT))	409	(2,038)	2,447	-120%	409	(2,038)	2,447	-120%
Loss after tax (LAT)	(618)	(2,978)	2,360	-79%	(618)	(2,978)	2,360	-79%

Individual Period

The Group recorded a revenue of RM26.63 million for the first quarter ended 30 June 2023, compared to RM21.12 million recorded in the preceding year's corresponding quarter. The Group recorded profit before tax of RM0.41 million in the current quarter compared to a loss before tax of RM2.04 million in preceding year corresponding quarter. The results were partially due to better performance and profit guarantee contribution of RM1.79 million.

Malaysia

The Malaysia business generated a revenue of RM14.01 million in the current quarter ended 30 June 2023, representing an increase of total of RM2.84 million in comparison to RM11.17 million generated in the quarter ended 30 June 2022, which was mainly contributed by the improvement in confinement business, acquisitions of Tao Global Ventures Sdn Bhd and KL Dental Group.

The loss before tax for the current quarter ended 30 June 2023 was RM3.32 million, which decreased by RM0.80 million as compared to the loss before tax of RM4.12 million reported in preceding year's corresponding quarter ended 30 June 2022. This was mainly contributed by an improvement in the confinement business and lower interest incurred.

Singapore

Singapore's business generated a revenue of RM12.62 million and a profit before tax of RM3.73 million in the current quarter ended 30 June 2023 as compared to RM9.95 million and RM2.08 million respectively in preceding year's corresponding quarter ended 30 June 2022. The profit before tax was higher mainly due to the increase in revenue of T&T and HCOS and profit guarantee contribution of RM1.79 million.

B2 – Comparison with Preceding Quarter’s Results

	Current Quarter Ended 30-Jun-23	Preceding Quarter Ended 31-Mar-23	Changes	
	RM'000	RM'000	RM'000	%

Continuing operations

Revenue	26,630	25,645	985	4%
Profit / (Loss) before tax (PBT)/(LBT)	409	(5,497)	5,906	-107%
Loss after tax (LAT)	(618)	(5,894)	5,276	-90%

On a quarter-on-quarter basis, the Group’s revenue stood at RM26.63 million, which was 4% or RM0.98 million higher compared to its immediate preceding quarter of RM25.65 million. The overall increase in revenue was mainly attributed to the higher contribution from Healthcare segment in Singapore.

In the current quarter ended 30 June 2023, the profit before tax was RM0.40 million compared to loss before tax of RM5.49 million recorded in the preceding quarter. The higher profit before tax in the current quarter were mainly due to income recognised of RM1.79 million in relation to the profit guarantee, improved results of T&T, HCOS, confinement business and absence of impairment loss of plant and equipment and right-of-use assets of RM1.02 million.

B3 – Current Year Prospects

The acquisitions of T&T Medical Group Pte Ltd (T&T), HC Orthopedic Surgery Pte Ltd (HCOS) and Aqurate had 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 and are proposed to be listed on the Catalist board of the Singapore Exchange (SGX).

For long term growth, the Group will continue to actively pursue its development and expansion plans both domestically and abroad. 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-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(2,723)	(1,928)	(2,723)	(1,928)
Net reversal for slow moving inventories	(4)	(2)	(4)	(2)
Net unrealized foreign exchange loss	(201)	(12)	(201)	(12)
Unwinding up discount on provision for restoration cost	(12)	(11)	(12)	(11)

There were no gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives and exception items.

B6 – Taxation

	Current Quarter 30-Jun-23 RM'000	Cumulative Quarters 30-Jun-23 RM'000
Income tax:-		
- Current year	1,027	1,027

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 (“LYCMS”), a subsidiary of LYC, on the Catalist Board of the SGX-ST (“Catalist Board”) (“Proposed Listing”).

ZICO Capital Pte. Ltd. (“ZICO Capital”) is the Sponsor and Issue Manager appointed by LYCMS for the Proposed Listing. ZICO Capital will, on behalf of LYCMS, 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 LYCMS, 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 LYCMS, 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)

I. Proposed Listing of LYC Healthcare Berhad on Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) (Cont’d)

On 17 March 2023, ZICO Capital, the Sponsor and Issue Manager appointed by LYCMS for the Proposed Listing had, submitted the pre-admission notification in respect of the Proposed Listing to the SGX-ST.

LYCMS, has lodged its preliminary offer document with SGX-ST on 30 June 2023, acting as agent on behalf of the Monetary Authority of Singapore ("MAS"), in connection with the proposed initial public offering (the "IPO") and listing of the ordinary shares (the "Shares") in the capital of the Company on Catalist of the SGX-ST.

II. Multi Proposals:

i. Proposed Divestment of 25% Ordinary Shares in LYCMS

ii. Proposed Employees’ Share Grant Plan

iii. Proposed Private Placement of 30% Shares of LYC Healthcare Berhad

I. On 1 March 2022, LYCM, 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 LYCMS (representing 25% equity interest in LYCMS), a wholly-owned subsidiary of LYCM, 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");

Divestment Proceeds

Purpose	Proceed Raised (RM'000)	Actual Utilisation (RM'000)	Remaining Balance (RM'000)	Intended Timeframe
a. Partial redemption of the outstanding redeemable non-cumulative preference shares ("RPS")	30,000	30,000	-	within 6 months
b. To part or fully finance business expansion/future viable investment	11,588	11,588	-	within 24 months
c. Estimated expenditures in relation to the Proposals	526	526	-	within 12 months
Total	42,114	42,114	-	

B7 – Corporate Proposals (Cont'd)

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

III. Multi Proposals:

i. Proposed Divestment of 25% Ordinary Shares in LYCMS

ii. Proposed Employees' Share Grant Plan

iii. Proposed Private Placement of 30% Shares of LYC Healthcare Berhad (Cont'd)

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"). Refer note IV(A).

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

IV. Private Placements

A. 30% of the Total Number of Issued Shares

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)").

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

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.

On 28 March 2023, 56,000,000 Placement Shares issued pursuant to the Private Placement at price of RM0.21 per unit.

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. Private Placements (Cont’)

A. 30% of the Total Number of Issued Shares (Cont’)

Purpose	Proceed Raised (RM'000)	Actual Utilisation (RM'000)	Remaining Balance (RM'000)	Intended Timeframe
Partial redemption of the outstanding redeemable non-cumulative preference shares ("RPS")	10,000	-	10,000	within 36 months
To part or fully finance business expansion/future viable investment	6,689	6,689	-	within 24 months
Working Capital	6,689	6,689	-	within 12 months
Total	23,378	13,378	10,000	

B. 10% of the Total Number of Issued Shares

On 17 May 2023, the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of LYC at an issue price to be determined and announced later.

V. 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.

All the conditions precedent under the SSA have been fulfilled, and that the purchase consideration in accordance with the terms of the SSA has been satisfied to-date. Accordingly, the completion of the Proposed Acquisition has taken place on 3 May 2023.

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 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.

On 28 March 2023, LYCHM had entered into following agreements: -

- (a) a supplemental agreement ("Supplemental SSA") with Vendors I to amend, modify, supplement and further clarify certain terms of the SSA); and
- (b) a supplemental agreement ("Supplemental BSA") with Vendors II to amend, modify, supplement and further clarify certain terms of the BSA.

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

VII. 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)

VIII. 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.

On 12 July 2023, LYC Nutrihealth had entered into a supplemental agreement with the Vendors to extend the Completion Date to 31 August 2023

IX. Memorandum of Understanding entered between Aqurate Ingredients Intl (M) Sdn Bhd, Bereum Co Ltd and Hyundai C Square Co Ltd

On 9 August 2023, Aqurate Ingredients Intl (M) Sdn Bhd ("Aqurate"), a subsidiary of the Company had entered into a Memorandum of Understanding ("MOU") with Bereum Co Ltd ("Bereum") and Hyundai C Square Co Ltd ("HCSC") (collectively referred to as the "Parties") with the intention to confirm the mutual understandings among the Parties with regard to the postbiotics distribution and product development while expressing the Parties' common aim of reaching definitive agreements for the benefit of the Parties through mutual cooperation.

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)	1,526	60,086

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 period under review.

B11 – Trade Receivables

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

	30-Jun-23 (RM'000)
Not past due	136
Past due	
- less than 3 months	7,628
- 3 to 6 months	2,054
- over 6 months	1,426
	11,108
	11,244

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-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
(Loss)/profit for the period attributable to owners of company (RM'000)	(2,196)	(4,471)	(2,196)	(4,471)
Weighted average number of ordinary shares in issue ('000)	649,978	491,070	649,978	491,070
Basic (LPS)/EPS (sen)	(0.34)	(0.91)	(0.34)	(0.91)

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.