



LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)

Incorporated in Malaysia

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

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

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 SEPTEMBER 2023**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
		30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	32,401	22,009	59,031	43,128
Cost of sales		(14,335)	(13,006)	(27,162)	(24,318)
Gross profit		18,066	9,003	31,869	18,810
Other operating income		1,389	345	3,759	726
Operating expenses		(18,842)	(8,595)	(31,929)	(17,544)
Profit from operations	B5	613	753	3,699	1,992
Interest income		107	67	222	118
Interest expense		(2,256)	(2,736)	(4,644)	(5,410)
Share of result of associate and joint venture, net of tax		(507)	(645)	(911)	(1,299)
Loss before tax		(2,043)	(2,561)	(1,634)	(4,599)
Taxation	B6	(970)	(619)	(1,997)	(1,559)
Loss for the financial period		(3,013)	(3,180)	(3,631)	(6,158)
Other comprehensive income					
Foreign currency translation		(8)	815	(193)	1,948
Total comprehensive loss for the financial period		(3,021)	(2,365)	(3,824)	(4,210)
Loss attributable to:					
Owners of the Company		(4,244)	(4,409)	(6,440)	(8,880)
Non-controlling interest		1,231	1,229	2,809	2,722
Total Comprehensive loss attributable to:		(3,013)	(3,180)	(3,631)	(6,158)
Loss attributable to:					
Owners of the Company		(4,249)	(3,598)	(6,440)	(7,120)
Non-controlling interest		1,228	1,233	2,616	2,910
		(3,021)	(2,365)	(3,824)	(4,210)
Loss per share attributable to Owners of the Company:					
Basic loss per share (sen)	B12(a)	(0.65)	(0.88)	(0.99)	(1.77)
Diluted loss per share (sen)	B12(b)	N/A	N/A	N/A	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	AS AT 30-Sep-23 (UNAUDITED) RM'000	AS AT 31-Mar-23 (AUDITED) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	38,609	29,007
Investment properties	3,258	-
Intangible assets	76,372	72,191
Right-of-use assets	42,741	41,960
Investment in an associate	853	935
Investment in joint venture	4,343	5,172
Deferred tax assets	81	124
	<u>166,257</u>	<u>149,389</u>
Current assets		
Inventories	9,359	7,781
Trade and other receivables	28,234	17,592
Current tax assets	434	475
Amount due from joint venture & associate	1,129	91
Contract assets	45	204
Cash and bank balances	26,588	40,204
	<u>65,789</u>	<u>66,347</u>
TOTAL ASSETS	<u>232,046</u>	<u>215,736</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	90,558	90,558
Other reserves	4,368	4,368
Accumulated losses	(54,456)	(48,016)
	<u>40,470</u>	<u>46,910</u>
Non-controlling interest	35,998	33,693
TOTAL EQUITY	<u>76,468</u>	<u>80,603</u>
Non-current liabilities		
Loan and borrowings	B8 61,635	57,119
Lease liabilities	37,867	37,899
Non controlling shareholder/director of a subsidiary	-	1,180
Provision for restoration cost	1,233	1,479
Deferred tax liabilities	578	574
	<u>101,313</u>	<u>98,251</u>
Current liabilities		
Trade and other payables	22,560	13,273
Contract liabilities	4,440	2,986
Loan and borrowings	B8 12,635	857
Lease liabilities	8,218	7,446
Provision for unutilised annual leave	288	288
Non controlling shareholder/director of a subsidiary	4,894	10,715
Current tax liabilities	1,230	1,317
	<u>54,265</u>	<u>36,882</u>
TOTAL LIABILITIES	<u>155,578</u>	<u>135,133</u>
TOTAL EQUITY AND LIABILITIES	<u>232,046</u>	<u>215,736</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.06</u>	<u>0.06</u>

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

Group	← Attributable to owners of the Company →				→	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	Equity attributable to owners of the Company 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	-	(1)	1	-	-	(193)	(193)
Other comprehensive income	-	(1)	1	-	-	(193)	(193)
Net loss for the financial period	-	-	-	(6,440)	(6,440)	2,809	(3,631)
Total comprehensive loss for the financial period	-	(1)	1	(6,440)	(6,440)	2,616	(3,824)
Transaction with owners:							
Issue of ordinary share pursuant to :							
Dividend paid to non-controlling interest	-	-	-	-	-	(1,200)	(1,200)
NCI arising from acquisition of subsidiaries	-	-	-	-	-	889	889
Total transactions with owners	-	-	-	-	-	(311)	(311)
At 30 September 2023	90,558	3,939	429	(54,456)	40,470	35,998	76,468

**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 SEPTEMBER 2023**

	30-Sep-23 (UNAUDITED) RM'000	31-Mar-23 (AUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,634)	(11,864)
Adjustments for:		
Non-cash items	6,790	12,942
Interest income	(222)	(260)
Interest expense	4,530	11,222
Operating profit before Working Capital Changes	9,464	12,040
Changes In Working Capital:		
Net change in current assets	(10,479)	(4,988)
Net change in current liabilities	3,337	1,890
Net Cash Outflow from Operations	2,322	8,942
Income tax refund	-	160
Income tax paid	(604)	(4,110)
Net Operating Cash Flows	1,718	4,992
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	222	260
Advances to joint venture and associate	(1,038)	(64)
Repayment from a non-controlling shareholder/director of subsidiary	-	9,824
Acquisition of subsidiaries, net of cash acquired	(4,098)	(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	136	2
Proceeds from divestment	-	12,114
Purchase of property, plant and equipment	(3,805)	(2,533)
Purchase of Investment Properties	(3,263)	-
Net Investing Cash Flows	(11,846)	(12,132)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of private placement shares	-	33,365
Interest paid	(4,113)	(10,442)
Repayment of term loans	(1,149)	(459)
Repayment of hire purchase payables	-	(244)
Transaction costs of share issue	-	(387)
Payment on lease liabilities	(4,515)	(5,706)
Advances from non-controlling shareholder/directors of subsidiaries	(7,001)	11,026
Dividend paid to non-controlling interest	(1,200)	(1,200)
Drawdown of bank borrowings	5,622	-
Net Financing Cash Flows	(12,356)	25,953
NET CHANGE IN CASH AND CASH EQUIVALENTS	(22,484)	18,813
Effects of foreign exchange rate changes	(183)	(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	16,986	39,653

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

	30-Sep-23 (UNAUDITED)	31-Mar-23 (AUDITED)
	RM'000	RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	14,788	21,366
Deposits placed with licensed banks	11,800	18,838
	<u>26,588</u>	<u>40,204</u>
Bank Overdraft	(9,051)	-
Less: Non-short term deposits	(551)	(551)
Cash and bank balances	<u>16,986</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, provision of prostate cancer treatment, 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. |

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

A8 – Segmental Information (Cont’d)

a) Period ended 30 September 2023

	Healthcare Services RM'000	Computer Electronic Services RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	58,136	1,811	147	-	60,094
Inter-segment revenue	(999)	(64)	-	-	(1,063)
	<u>57,137</u>	<u>1,747</u>	<u>147</u>	<u>-</u>	<u>59,031</u>
Revenue					
Malaysia	31,769	1,747	147	-	33,663
Singapore	25,368	-	-	-	25,368
	<u>57,137</u>	<u>1,747</u>	<u>147</u>	<u>-</u>	<u>59,031</u>
Results	14,755	(198)	(4,694)	-	9,863
Interest income	129	93	-	-	222
Interest expense	(4,602)	(8)	(34)	-	(4,644)
Share of result of associate and joint venture	(911)	-	-	-	(911)
Depreciation & amortisation	(5,893)	(15)	(256)	-	(6,164)
Profit/(Loss) before tax	3,478	(128)	(4,984)	-	(1,634)
Taxation	(1,997)	-	-	-	(1,997)
Segment results after tax	<u>1,481</u>	<u>(128)</u>	<u>(4,984)</u>	<u>-</u>	<u>(3,631)</u>
Segment results before tax					
Malaysia	(3,548)	(111)	(3,173)	-	(6,832)
Singapore	7,026	(17)	(1,811)	-	5,198
	<u>3,478</u>	<u>(128)</u>	<u>(4,984)</u>	<u>-</u>	<u>(1,634)</u>

b) Period ended 30 September 2022

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

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:-

I. Sigma Dental Laboratory Sdn. Bhd. (“Sigma Dental”)

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.

II. Elite Dental Team Sdn. Bhd. (“EDT”)

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.

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

There were no other changes to the composition of the Group during the current year under review save for the following (Cont’):-

III. LYC Prostate Centre Sdn. Bhd. (“LYC Prostate”)

On 7 September 2023, LYC Dental & Aesthetic Holdings Sdn. Bhd. (“LYC D&A”), a wholly owned subsidiary of the Company, had incorporated a wholly owned subsidiary known as LYC Prostate Centre Sdn. Bhd. (“LYC Prostate”). The share capital of LYC Prostate as at the date of this announcement is Ringgit Malaysia One Thousand Only (RM1,000.00) comprising One Thousand (1,000) ordinary shares. LYCDA holds One Thousand (1,000) shares for Ringgit Malaysia One Thousand only (RM1,000.00), representing One Hundred percent (100%) shareholding of LYC Prostate.

The intended principal activities of LYC Prostate are the specialised prostate cancer treatment, personalized care and related medical services to enhance patient wellbeing.

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 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	3,485
	3,485

A14 –Related Party Transaction

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

	Period ended 30-Sep-23 RM'000	Period ended 30-Sep-22 RM'000
Transactions with a Company which a director of a subsidiary has substantial financial interest		
Sales	4	58
Purchases	-	(200)
	-	(200)
Transaction with a firm which a director is a sole proprietor		
Professional Fees	6	-
	6	-

LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)

Incorporated in Malaysia

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-Sep-23	30-Sep-22	RM'000	%	30-Sep-23	30-Sep-22	RM'000	%
Revenue	32,401	22,009	10,392	47%	59,031	43,128	15,903	37%
Loss before tax (LBT)	(2,043)	(2,561)	518	-20%	(1,634)	(4,599)	2,965	-64%
Loss after tax (LAT)	(3,013)	(3,180)	167	-5%	(3,631)	(6,158)	2,527	-41%

Individual Period

The Group recorded a revenue of RM32.40 million for the second quarter ended 30 September 2023, compared to RM22.01 million recorded in the preceding year's corresponding quarter. The Group recorded loss before tax of RM2.04 million in the current quarter compared to a loss before tax of RM2.56 million in preceding year corresponding quarter. The improved results were mainly due to better performance from the Singapore segment and contribution from the newly acquired dental group.

Malaysia

The Malaysia segment generated a revenue of RM19.66 million in the current quarter ended 30 September 2023 compared to RM12.85 million in the quarter ended 30 September 2022, which was mainly contributed by the newly acquired dental group.

The loss before tax for the current quarter ended 30 September 2023 was RM3.51 million compared to the loss before tax of RM3.53 million reported in preceding year's corresponding quarter ended 30 September 2022. This was mainly due to lower interest incurred and contribution from the newly acquired dental group.

Singapore

Singapore's business generated a revenue of RM12.74 million and a profit before tax of RM1.47 million in the current quarter ended 30 September 2023 as compared to RM9.16 million and RM0.97 million respectively in preceding year's corresponding quarter ended 30 September 2022. The improved profit before tax was mainly due to the higher revenues from T&T and HCOS.

Cumulative Period

The Group recorded a revenue of RM59.03 million for the period ended 30 September 2023, compared to RM43.13 million recorded in the preceding year's corresponding period. The Group recorded loss before tax of RM1.63 million in the current period compared to a loss before tax of RM4.60 million in preceding year corresponding period. The improved results were mainly due to better performance from the Singapore segment and contribution from the newly acquired dental group.

Malaysia

The Malaysia business generated a revenue of RM33.66 million in the current period ended 30 September 2023 compared to RM24.02 million generated in the period ended 30 September 2022, which was mainly contributed by the newly acquired dental group.

The loss before tax for the current period ended 30 September 2023 was RM6.83 million compared to the loss before tax of RM7.66 million reported in preceding year's corresponding period ended 30 September 2022. This was mainly due to lower interest incurred and contribution from the newly acquired dental group.

Singapore

Singapore's business generated a revenue of RM25.37 million and a profit before tax of RM5.20 million in the current period ended 30 September 2023 as compared to RM19.11 million and RM3.06 million respectively in preceding year's corresponding period ended 30 September 2022. The profit before tax was higher mainly due to the better performance by HCOS and profit guarantee contribution.

B2 – Comparison with Preceding Quarter's Results

	Current Quarter Ended 30-Sep-23	Preceding Quarter Ended 30-Jun-23	Changes	
	RM'000	RM'000	RM'000	%
Continuing operations				
Revenue	32,401	26,630	5,771	22%
(Loss)/Profit before tax ((LBT)/PBT)	(2,043)	409	(2,452)	-599%
Loss after tax (LAT)	(3,013)	(618)	(2,395)	387%

On a quarter-on-quarter basis, the Group's revenue stood at RM32.40 million compared to its immediate preceding quarter of RM26.63 million, which was mainly contributed by the newly acquired dental group.

In the current quarter ended 30 September 2023, the loss before tax was RM2.04 million compared to profit before tax of RM0.41 million recorded in the preceding quarter. The loss before tax incurred in the current quarter were mainly due to lower occupancy rate for the confinement business and absence of profit guarantee contribution.

LYC HEALTHCARE BERHAD

Registration No: 200401009170 (647673-A)

Incorporated in Malaysia

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 after crediting/(charging):-

	Current Quarter		Cumulative Quarters	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(3,441)	(2,180)	(6,164)	(4,108)
Loss on disposal plant and equipment	-	(2)	-	(2)
Net reversal for slow moving inventories	(1)	2	(4)	-
Net unrealized foreign exchange loss	18	(71)	(183)	(83)
Unwinding up discount on provision for restoration cost	(14)	(12)	(26)	(23)

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-Sep-23 RM'000	Cumulative Quarters 30-Sep-23 RM'000
Income tax:-		
- Current year	970	1,997

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 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.

On 30th October 2023, LYCMS and ZICO Capital, the Sponsor and Issue Manager for the Proposed Listing have agreed to discontinue ZICO Capital's services as the Sponsor and Issue Manager for the Proposed Listing. LYCMS has appointed Evolve Capital Advisory Private Limited as the new Sponsor for the Proposed Listing.

II. 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.

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)

II. 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.

On 30 May 2023, the application pursuant to the proposed private placement has been submitted to Bursa Securities and additional information regarding the Group’s financial position and steps to improve the Group’s financial condition has been announced on 9 June 2023.

Bursa Securities had, vide its letter dated 13 June 2023, resolved to approve the listing of and quotation for up to 64,997,824 Placement Shares to be issued pursuant to the Private Placement, on the ACE Market of Bursa Securities subject to few conditions as stated in the announcement 13 June 2023.

III. 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.

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. Acquisition of 75% Equity Interest in Nutrogreen Health Industries Sdn Bhd and business acquisition of Kitta Enterprise (Cont’)

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.

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 acquisition has taken place on 4 October 2023.

IV. 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”).

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.

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)

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

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.

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

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 acquisition has taken place on 29 September 2023.

V. 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.

VI. Memorandum of Understanding entered between LYC and LYC Wellness Sdn Bhd

On 29 September 2023, LYC had entered into a MOU with LYC Wellness Sdn Bhd with the intention to negotiate in good faith towards finalising and entering into a formal agreement with regards to the intention to lease part of the Medical and or Wellness Assets.

B8 – Borrowings

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

	Current	Non-current
	RM'000	RM'000
Overdraft	9,051	-
Term loan (Secured)	3,584	61,635
	12,635	61,635

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-Sep-23
	(RM'000)
Not past due	487
Past due	
- less than 3 months	8,281
- 3 to 6 months	1,411
- over 6 months	2,331
	12,023
	12,510

Receivables that are past due but not impaired

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

B12 – Loss per Share (“LPS”)

	Current Quarter Ended		Cumulative Quarters Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Loss for the period attributable to owners of company (RM'000)	(4,244)	(4,409)	(6,440)	(8,880)
Weighted average number of ordinary shares in issue ('000)	649,978	501,079	649,978	501,079
Basic LPS (sen)	(0.65)	(0.88)	(0.99)	(1.77)

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.