Touching Lives,

IMPROVING LIFE.

ANNUAL REPORT **2023**

LYC HEALTHCARE SERVICES

CONFINEMENT

> **Helping Mom to**
> Embrace
> Motherhood

LYC Mother & Child Centre primarily features confinement care that incorporates traditional Chinese confinement methods and professional Western medical practice, which aims to help new mothers to recover from rigours of pregnancy, labour and birth.

Having been awarded one of the "Best Confinement Centre in Malaysia", we provide exclusive guidance and psychological support with the aim of helping mothers to regain good health whilst being capable of taking care of newborn when they return home. Further, mothers will be educated with all the information needed to prepare them for the imminent adjustment in their lives with a newborn. With our extensive experience in all the facets of confinement centre, our team is dedicated to ensure new mothers are able to smoothly ease into motherhood.

Currently, on top of our existing prime location for our confinement centres in TTDI, Puchong and Bukit Jalil, with 33-bedroom, 29-bedroom and 60-bedroom facilities respectively, we have extended our fourth confinement centre in Johor Bahru with 67-bedroom facility at M Suites Hotel. As at 31 December 2022, we had served more than 5,000 mothers and babies.

Postnatal therapy to get back in shape

Proper breastfeeding techniques

Meals by certified nutritionists

Bonding activities with their babies

Parenting workshop

Spacious & comfortable rooms

We had served more than
5,000
mothers and babies.

We are helping moms to embrace

MOTHERHOOD BY GIVING THEM.

LYC HEALTHCARE SERVICES

AQURATE

“ **We aim to improve** the quality of life across the Globe. ”

Aqurate Ingredients is an international player in supplying functional ingredients and providing innovative solutions to the food & beverage, nutraceutical, pharmaceutical and cosmeceutical industry. We believe, a satisfied customer is a repeat customer.

Our ability to spot and innovate within market trends stems from our decade long experience in the industry. As an international player, we take the efforts to study various market trends, keep abreast with the latest influences and market forces through our network of partners and media. We have also built a long and trusting relationship with the media. For example, our relationship with the Malaysia Media goes beyond press releases. We have been under the spotlight i.e. on the radio and television networks, and frequently being mentioned and prominently quoted in newspaper articles. Our presence in the media is not just about education, it brings recognition that greatly elevates our customers' business portfolio. Due to these measures, consumers buy with confidence.

OUR SERVICES

Step 1: Sourcing

Step 2: Buying

Step 3: Shipping

Step 4: Storing

Step 5: Distribution

FOODS AND HEALTH INGREDIENTS DISTRIBUTION

Aqurate Ingredients does sourcing from all over the globe, provides the best solutions and ingredients proven by science.

CUSTOMISED R&D PRIVATE LABEL AND RE-BRANDING/ POSITIONING

Aqurate Ingredients provides ONE-STOP SOLUTION specialise in food & health products, help you to develop your own brand.

1. **Research & Development**
We develop innovative concepts based on key global trends, providing customers convincing alternatives. We can modify your existing formulations or develop new custom formulations.

2. **Label & Packaging**
We provide custom design for packaging of the product, to help bring your product to market.

3. **Regulatory Compliance & Product Registration**
We ensure your product is comply with the rules and regulation, assist in product registration, allows our customers to better focus on other areas of product launch.

4. **Production & Manufacturing**
We partner with different contract manufacturers in Malaysia and overseas, with different facilities to accommodate the production for different kinds of products.

5. **Marketing & Training**
We provide tip-top, accurate, custom education materials and training, to support your business comprehensively.

LYC HEALTHCARE SERVICES

CHILDCARE

The Best Care
for your child

Located at Ground Floor of Plaza VADS, TTDI, LYC Childcare offers young children with a comfortable and stimulating positive learning environment to promote their holistic development wellbeing.

We are providing different type of programmes to infant care, toddler, and play group. Our curriculum is specifically designed to assist the child in developing the essential for early brain development through the concepts of attention, physical movement cognitive, language acquisition, physical activities, motor skills, and simple mathematical thinking.

OUR PROGRAMMES

INFANT CARE – BIRTH TO 12 MONTHS

Throughout the day, your infant will be exposed to different development domains with activities to set the foundation such as:

a) Language and Communication
b) Physical Movement Cognitive
c) Emotion
d) Social

TODDLER – 12 TO 24 MONTHS

Our curriculum is specifically designed to assist your toddler in developing the essentials for early brain development through the concepts of Attention, Bonding, and Communication.

a) Language Acquisition
b) Physical Activities
c) Fine & Gross Motor Skills
d) Cognitive Domain
e) Aesthetic & Affective Domains

PLAY GROUP – 24 MONTHS TO 3.5 YEARS OLD

Curriculum is designed for the developmental milestones and characteristics of children of this age group in mind. The unlimited nature of the early years' experiences will ensure a holistic development that will lay the foundation for later years' learning.

a) Language & Literacy
b) Self & Social Awareness
c) Fine & Gross Motor Development
d) Mathematical Thinking
e) Aesthetic & Creative
f) Environmental Awareness

LYC HEALTHCARE SERVICES

ORTHOPAEDIC & CHRONIC DISEASE

“**Giving you**
a Healthy
bone living”

Acquisitions of T & T Medical Group Pte. Ltd. ("T&T") and HC Orthopaedic Surgery Pte. Ltd. ("HCOS") were completed on 10 October 2022.

T&T operates a one-stop chronic disease center focusing on chronic degenerative joint diseases and spine, pain management and metabolic diseases like Diabetes Mellitus, hypertension and high cholesterol. T&T also provides general medical care under its family health clinic arm. T&T serves patients of all age groups. Being a one-stop chronic disease operator, it is able to provide integrated service/treatment offerings including Osteoporosis centre, X-Ray imaging including Bone Mineral Densitometry (BMD) and full-fledged physiotherapy center for chronic and acute cases, including sports injury and rehabilitation post-surgery. In 2022, T&T also set up a new imaging facility which includes CT and MRI machines to broaden our range of services.

Whereas for HCOS primarily serves patients requiring various orthopaedic specialist treatments, including surgeries. The range of HCOS's specialist treatments are generally catered towards management of adult and paediatric fractures and trauma, general orthopaedic, sports injuries with torn ligaments and meniscus, and degenerative spine conditions including prolapsed intervertebral discs (slipped discs).

10 COMMON CHRONIC CONDITIONS FOR ADULTS 65+

80% have at least 1 chronic condition

68% have 2 or more chronic conditions

- **58%** Hypertension (High blood pressure)
- **58%** High Cholesterol
- **31%** Arthritis
- **29%** Ischemic Heart Disease
- **27%** Diabetes
- **18%** Chronic Kidney Disease
- **14%** Heart Failure
- **14%** Depression
- **11%** Alzheimer's Disease and Dementia
- **11%** Chronic Obstructive Pulmonary Disease

Management Discussion and Analysis

Page 18

Table of Contents

Sustainability Statement

Page 50

Vision, Missions & Values

OUR VISION

To always be ranked among the top choice companies in the markets we serve.

OUR MISSIONS

a. We will deliver products, solutions and services that are superior.

b. We will only sell what we can value add to.

c. We will be efficient.

d. We will be transparent, ethical and fair in all our dealings.

OUR VALUES

a. Trustworthiness

Trust is the foundation for successful relationships with our customers, business partners, employees and suppliers. The motto we value is simple yet powerful: Say what you can do, and do what you say. These words hold within them the added values of Integrity, Honesty, Truth, Reliability and Consistency.

b. Team Spirit

The culture of mutual respect and consideration for each other, together with participation for the greater good of everyone is instilled in every employee. This inspires a sense of unity which we believe translates into delivering results.

c. Passion

We always remind ourselves that passion is the difference between mediocrity and excellence. It is the quality that transforms work into a labour of love which makes the difference between a satisfied customer and a delighted customer.

d. Resourcefulness

Being resourceful enables us to solve complex problems speedily and effectively in the fast-paced environment in which we operate. As the world becomes smaller and its borders blurred, one person or, for that matter, one company alone does not have all the answers to the growing complexity of business challenges. Resourcefulness is the will to collaborate and draw on resources and knowledge both within and without the Company to deliver the best solutions to our clients and customers.

e. Being Positive

We believe that a positive attitude towards work and life is the secret to achieving universal success. At LYC Healthcare, we create an environment that nurtures growth and encourages our employees to develop a “can do” spirit. We meet challenges head-on and seek to go beyond the client’s expectations in every job we do.

Corporate Information

BOARD OF DIRECTORS

Dato' Seri Abdul Azim Bin Mohd Zabidi
(Chairman / Independent Non-Executive Director)

Mohd Khasan Bin Ahmad
(Independent Non-Executive Director)

Ms Poh Zuan Yin
(Independent Non-Executive Director)
(Appointed on 29 May 2023)

Sui Diong Hoe
(Managing Director cum Group Chief Executive Officer)

Dato' Muraly Daran A/L M Narayana Menon
(Independent Non-Executive Director)

Dr. Lim Geng Yan
(Non-Independent Non-Executive Director)
(Resigned on 29 November 2022)

AUDIT COMMITTEE

Dato' Muraly Daran A/L M Narayana Menon
(Chairman / Independent Non-Executive Director)

Mohd Khasan Bin Ahmad
(Independent Non-Executive Director)

Ms Poh Zuan Yin
(Independent Non-Executive Director)
(Appointed as Member on 29 May 2023)

Dato' Seri Abdul Azim Bin Mohd Zabidi
(Independent Non-Executive Director)
(Appointed as Member on 27 February 2023 and resigned as Member on 29 May 2023)

Dr. Lim Geng Yan
(Non-Independent Non-Executive Director)
(Resigned as Member on 29 November 2022)

NOMINATION COMMITTEE

Mohd Khasan Bin Ahmad
(Chairman / Independent Non-Executive Director)

Dato' Muraly Daran A/L M Narayana Menon
(Independent Non-Executive Director)

Ms Poh Zuan Yin
(Independent Non-Executive Director)
(Appointed as Member on 29 May 2023)

Dr. Lim Geng Yan
(Non-Independent Non-Executive Director)
(Resigned as Member on 29 November 2022)

REMUNERATION COMMITTEE

Mohd Khasan Bin Ahmad
(Chairman / Independent Non-Executive Director)

Dato' Muraly Daran A/L M Narayana Menon
(Independent Non-Executive Director)

Ms Poh Zuan Yin
(Independent Non-Executive Director)
(Appointed as Member on 29 May 2023)

Dr. Lim Geng Yan
(Non-Independent Non-Executive Director)
(Resigned as Member on 29 November 2022)

COMPANY SECRETARIES

Tan Ai Ning (MAICSA 7015852)
(SSM PC No. 202008000067)

Tai Yuen Ling (LS 0008513)
(SSM PC No. 202008001075)

REGISTERED OFFICE

Boardroom Corporate Services Sdn. Bhd.
Registration No. 196001000110 (3775-X)
12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel: (603) 7890 4800
Fax: (603) 7890 4650
Email address: boardroom-kl@boardroomlimited.com
Website: www.boardroomlimited.com

HEAD OFFICE

2nd & 3rd Floor, Podium Block,
Plaza VADS,
No.1, Jalan Tun Mohd Fuad,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur, Malaysia.
Tel: (603) 7733 9222
Fax: (603) 7733 4886
Email address: sales@lychealth.com
Website: www.lychealth.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Registration No.199601006647 (378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel: (603) 7890 4700
Fax: (603) 7890 4670
Email address: bsr.helpdesk@boardroomlimited.com
Website: www.boardroomlimited.com

AUDITORS

Baker Tilly Monteiro Heng PLT
Registration No. 201906000600 (LLP0019411-LCA) & AF 0117
Baker Tilly Tower,
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur, Malaysia.
Tel: (603) 2297 1000
Fax: (603) 2282 9980

PRINCIPAL BANKERS

CIMB Bank Berhad
Registration No. 197201001799 (13491-P)

RHB Bank Berhad
Registration No. 196501000373 (6171-M)

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad
Stock Name: LYC
Stock Code: 0075

Financial Highlights

	31.3.2019* RM mil	31.3.2020 RM mil	31.3.2021 RM mil (Restated)*	31.3.2022 RM mil	31.3.2023 RM mil
Revenue	7.6	12.4	26.4	64.6	**92.3**
Loss before tax					
- Continuing operations	(7.6)	(10.2)	(11.2)	(1.2)	**(11.9)**
- Discontinued operation	1.6	-	-	-	**-**
	(6.0)	(10.2)	(11.2)	(1.2)	**(11.9)**
Loss after tax & non-controlling interests					
- Continuing operations	(7.6)	(10.3)	(11.5)	(4.3)	**(14.8)**
- Discontinued operation	1.6	-	-	-	**-**
	(6.0)	(10.3)	(11.5)	(4.3)	**(14.8)**
Property and equipment	9.7	18.4	19.7	27.4	**29.0**
Current assets	15.0	8.1	30.1	51.9	**66.3**
Total assets	42.3	57.1	136.0	183.2	**215.7**
Share capital	59.2	67.4	77.7	57.6	**90.6**
Reserves	(36.3)	(46.0)	(58.0)	(30.0)	**(43.7)**
Shareholders' funds	22.9	21.4	19.7	27.6	**46.9**
(Loss)/Earnings per share (sen)					
- Continuing operations	(2.52)	(2.92)	(3.27)	(2.11)	**(3.48)**
- Discontinued operation	0.55	-	-	-	**-**
	(1.97)	(2.92)	(3.27)	(2.11)	**(3.48)**
Net assets per share (sen)	0.08	0.07	0.07	0.09	**0.12**

* Comparative figures have been restated due to the following:

1. arising from the purchase price allocation ("PPA") exercise carried out on the acquisition of T&T and HCOS as disclosed in Note 8;
2. under-recognition of revenue and finance costs in T&T and HCOS;
3. over-recognition of cost of sales, other operating income, administrative expenses, income and deferred tax expenses in T&T and HCOS;
4. reassessment of redeemable preference shares B to be a financial liability instead of an equity instrument; and
5. reclassification of amount due from an associate to investment in an associate as part of net investments.

Corporate Structure

LYC Healthcare Berhad
200401009170 (647673-A)

- 100% LYC MOTHER & CHILD CENTRE SDN. BHD.
  - 100% LYC CHILD CARE CENTRE SDN. BHD.
  - 51% LYC SOG MOTHER & CHILD SDN. BHD.
    - 100% LYC SOG MARKETING PTE. LTD.
- 100% MEXTER (M) SDN. BHD.
  - 100% LYC MARKETING AND TRADING PTE. LTD. (FKA MEXTER (S) PTE. LTD.)
  - 65% MEXTER DC SDN. BHD.
    - 100% JUNIPER DC SDN. BHD.
- 100% LYC MEDICARE SDN. BHD.
  - 30% SEL STEM SDN. BHD.
    - 65.2% ANOC MEDICAL CENTRE SDN. BHD.
  - 64.5% LYC MEDICARE SINGAPORE LIMITED
    - 100% HC ORTHOPAEDIC SURGERY PTE. LTD.
    - 100% T&T MEDICAL GROUP PTE. LTD.
    - 100% LYC NUTRIHEALTH SDN. BHD.
      - 70% MICROBIOME INTL (M) SDN. BHD.
      - 70% AQURATE INGREDIENTS INTL (M) SDN. BHD.
- 100% MEXTER MSC SDN. BHD.
- 100% TONEREX TECHNOLOGIES SDN. BHD.
- 100% MEXTER SUNOASIS SDN. BHD.

Corporate Structure

- 100% LYC DENTAL & AESTHETIC HOLDINGS SDN. BHD.
  - 70% LYC DENTAL GROUP SDN. BHD.
    - 100% KL DENTAL (CHERAS) SDN. BHD.
    - 100% KL DENTAL (CONNAUGHT) SDN. BHD.
    - 100% KL DENTAL SDN. BHD.
    - 100% KL DENTAL (KIARA) SDN. BHD.
  - 100% LYC MEDICAL CENTER SDN. BHD.
  - 60% LYC BEAUTY & WELLNESS SDN. BHD.
    - 100% TAO GLOBAL VENTURES SDN. BHD.
    - 100% LYC COSMETIC & AESTHETIC SDN. BHD.
- 100% LYC HEALTH MANUFACTURING (NS) SDN. BHD.
- 100% LYC HEALTH MANUFACTURING GROUP SDN. BHD.
- 100% LYC & CHUNG FERTILITY CENTRE SDN. BHD.
- 100% LYC LIVING SDN. BHD.
- 100% LYC SENIOR LIVING CARE CENTRE SDN. BHD.
- 100% LOCKTECH INTERNATIONAL SDN. BHD.
- 51% LYC DENTAL LABORATORY SDN. BHD. (FKA LYC OSTEOPOROSIS & CHRONIC DISEASE SDN. BHD.)
- 51% CVS RESEARCH SDN. BHD.

Directors' Profiles

Dato' Seri Abdul Azim Bin Mohd Zabidi

Chairman/Independent Non-Executive Director

aged 64
Malaysian
Male

Dato' Seri Abdul Azim Bin Mohd Zabidi was appointed to the Board of Directors on 23 February 2021. He is a Fellow Member of the Institute of Chartered Secretaries and Administrators, United Kingdom and holds a Masters in Business Law from London Metropolitan University, United Kingdom.

He was a Chairman of Bank Simpanan Nasional ("BSN"), a Malaysia's National Savings Bank for the period from July 1999 until June 2009. Growing from his work with BSN, he also active in the work undertaken by the Brussels based World Savings Banks Institute ("WSBI"). In year 2000, he was appointed as President (Asia Pacific) for WSBI and in year 2003, he was elevated to its Board of Directors. In addition, he was elected as Vice President and Treasurer of WSBI from September 2006 until April 2009.

A long association with the unit trusts/mutual funds and fund management industry culminated in his election as President of the Federation of Malaysian Unit Trust Managers, a post held from year 1998 to year 2003. During this period, he was appointed as Member of the Steering Committee of the International Investment Funds Association ("IIFA"), Montreal, Canada, a post held by him until 2008. From year 2007 to year 2008, he was elected as a member of the Board of Directors and Chairman of the Audit Committee of IIFA.

He was also a member of the National Economic Consultative Council II, where he served on the Islamic Banking and Finance Committee. He was also selected by the Securities Commission to be a member of its Capital Market Advisory Council. He was invited by Bursa Malaysia Berhad to be a member of its Index Committee and Deputy Chairman of its Board of Advisors for the Malaysian Central Depository.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

He has attended seven (7) out of eight (8) Board of Directors' Meetings during the financial year ended 31 March 2023.

He currently sits on the Boards of XOX Berhad, Fintec Global Berhad and Seacera Group Berhad.

Sui Diong Hoe

Managing Director
cum Group Chief Executive Officer

aged 67
Malaysian
Male

Mr Sui Diong Hoe was appointed to the Board of Directors of LYC on 12 July 2016. He is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA") and member of Malaysian Institute of Accountants ("MIA"). He was a practicing accountant since 1983 by providing management, corporate and other related services. In January 2007, he was appointed as the Executive Director of Ralco Corporation Berhad and subsequently appointed as Managing Director in May 2008. He resigned as the Managing Director of Ralco Corporation Berhad on 9 July 2011 and retired as the Director of Ralco Corporation Berhad on 18 June 2012. He served as an Independent Non-Executive Director of Timberwell Berhad since year 2005 and retired on 12 May 2017.

He has no family relationship with any Director and/or major shareholder of the Company. He is deemed interested in 37,000,000 ordinary shares or 5.69% equity interest in the Company by virtue of his direct interest held in Suicap Venture Sdn. Bhd., a substantial shareholder of the Company.

He has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

He does not hold any directorships in any other public companies and listed issuers. He has attended all the eight (8) Board of Directors' Meetings during the financial year ended 31 March 2023.

Mohd Khasan Bin Ahmad

Independent Non-Executive Director

Board Committees:
- Chairman of Nomination Committee
- Chairman of Remuneration Committee
- Member of Audit Committee

aged 61
Malaysian
Male

Encik Mohd Khasan bin Ahmad was appointed to the Board of Directors of LYC on 29 November 2016. He graduated from Universiti Teknologi MARA with a degree in Accountancy. He is a member of the Malaysian Institute of Accountants ("MIA"). He served in Bank Negara Malaysia for a period of about 7 years from 1986, the last 2 years of which he was seconded to the Capital Issues Committee as its Principal Assistant Secretary. Subsequently, he joined the Securities Commission in 1993 for a period of about 5 years and his last capacity was an Assistant Manager in its Issues and Investment Division. During the tenure of his above appointments, he was involved in reviewing various corporate exercises, ranging from initial public offerings, mergers and acquisitions, reverse take-overs, issuance of bonds and other capital raising exercises.

He left the Securities Commission and joined the private sector in 1997. He currently sits on the Board of several other private limited companies.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

He has attended all the eight (8) Board of Directors' Meetings during the financial year ended 31 March 2023.

Dato' Muraly Daran A/L M Narayana Menon

Independent Non-Executive Director

Board Committees:
- Chairman of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

aged 71
Malaysian
Male

Dato' Muraly Daran was appointed to the Board of Directors as well as member of Board Committees i.e. Audit, Nomination and Remuneration Committees of LYC on 7 August 2020. He was subsequently re-designated as Chairman of Audit Committee on 25 November 2021. He is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA") and was the Chief Executive Officer of Amanah Raya Berhad from year 2000 to 2003. He served as Managing Director of UBB Amanah Berhad (formerly known as UBB (Malaysia) Trustee Berhad) for a period of about 9 years from September 2003. Prior to his appointment by Amanah Raya Berhad, Dato' Muraly Daran had served with the Malaysian Ministry of Finance as Senior Treasury Accountant.

Dato' Muraly Daran has over 40 years' experience in trustee services, financial management, investment portfolio management and accounting. During his service with the Government of Malaysia, he was bestowed with three titles, namely DPMP, PMP and AMN.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

He has attended all eight (8) Board of Directors' Meetings during the financial year ended 31 March 2023.

He is currently a Board member of Gabungan AQRS Berhad. He also holds directorships in several private limited companies.

POH ZUAN YIN

Independent Non-Executive Director

Board Committees:
- Member of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

aged 32
Malaysian
Female

Ms. Poh Zuan Yin was appointed to the Board of Directors of the Company on 29 May 2023. She holds a Bachelor of Laws ("LL.B.") degree from the University of Leeds and was called to the Malaysian Bar in 2014. Specialising in corporate and commercial law, she began her career at Rahmat Lim & Partners, an associated law firm of Allen & Gledhill LLP in Singapore, from 2013 to 2016. Subsequently, she joined Trowers & Hamlins LLP, the first United Kingdom-based Qualified Foreign Law Firm licensed by the Malaysia Bar Council. She worked as a lawyer there from 2016 to 2018, and during her employment, she was seconded to the Middle East offices of Trowers & Hamlins in the United Arab Emirates, Kingdom of Bahrain, and Sultanate of Oman. Currently, she serves as the Managing Partner in Lee & Poh Partnership since November 2020, for a period of approximately 3 years.

Drawing upon her knowledge and experience in the legal, compliance, and regulatory realms, she has honed her expertise in diverse fields such mergers and acquisitions, general commercial contracts, and corporate advisory work. Her proficiency and depth of experience have earned her well-deserved recognition, as she received nominations for the esteemed Woman Lawyer of the Year award at the Malaysia Law Awards for both 2022 and 2023, as bestowed by Asian Legal Business. Furthermore, her outstanding abilities led to her being honored as the ALB Malaysia Rising Star 2022 (40 under 40).

She does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. Furthermore, she has not been convicted of any offences (excluding traffic offences, if any) over the past five (5) years, and there are no public sanctions or penalties on her by any relevant regulatory bodies.

Since her appointment on 29 May 2023, she attended the Board of Directors' Meeting held on 29 May 2023 but has not attended any Board of Directors' Meeting during the financial year ended 31 March 2023. Additionally, she does not hold any directorships in any other public listed companies or listed issuers.

Key Senior Management Profiles

Sui Diong Hoe

Managing Director
cum Group Chief Executive Officer

aged 67
Malaysian
Male

His profile is disclosed in the Directors' Profiles on page 14 of this Annual Report.

Ahmad Rafique Bin Mat Tahir

Group Chief Operating Officer

aged 33
Malaysian
Male

Mr. Ahmad Rafique bin Mat Tahir ("Mr Rafique") began his career in CIMB Investment Bank ("CIMB") as Associate in Investment Banking Division in July 2011. In July 2014, he left CIMB and subsequently joined TAEL Partners Limited ("TAEL") as an Associate. During the tenure of his above appointments, he was involved in analysis on potential investee companies, formulating and structuring corporate finance transactions, conduct financial due diligence and generation of investment ideas. Mr Rafique left TAEL in November 2015 to join as a Senior Investment Manager in RM Capital Partners & Associates Sdn. Bhd. and was responsible in generating deals and leads for potential investment, structuring proposed investments and negotiating with the Promoters and coordinating the due-diligence process with external parties such as financial, legal and technical advisers.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

Cheah Sek Hon

Group Chief Financial Officer

aged 47
Malaysian
Male

Mr Cheah Sek Hon ("Mr Cheah") was appointed as the Chief Financial Officer of the Company on 8 June 2022. He has a Master of Business Administration from the University of Wales, United Kingdom. He is a member of the Malaysian Institute of Accountants ("MIA") and Association of Chartered Certified Accountants ("ACCA").

Prior to joining the Company, Mr Cheah started his career auditing private and public listed companies in the manufacturing, plantation and service sectors. He later progressed to handling public listed companies in the property development, manufacturing, healthcare and technology sectors. He is mainly responsible for the financial planning and reporting, as well as the enhancement of the financial processes and controls.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

Chow Lai Ngor

Senior Group Accountant

aged 55
Malaysian
Female

Ms Chow Lai Ngor ("Ms Chow") was appointed as the Senior Group Accountant of the Company on 2 November 2022. She is a member of the Malaysian Institute of Accountants ("MIA"), fellow member of Association of Chartered Certified Accountants ("ACCA") and also member of The Malaysian Institute of Certified Public Accountants ("MICPA").

Ms Chow started her career auditing companies in various industries and sectors, her last position in audit was an audit manager. She later progressed to hold key finance positions in commercial companies which are involved in construction, financial, property development, investment holding companies, waste management disposal and services sectors. She is mainly responsible for the financial and tax reporting, as well as the improvements and enhancement of the financial processes and controls.

She has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. She has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

Key Senior Management Profiles

Lim Yan Tong

Chief Operating Officer of Confinement Centres

aged 28
Malaysian
Female

Ms. Lim Yan Tong ("Ms. Lim") graduated from King's College London, United Kingdom with Bachelor Degree of Economics and Management in 2017, and from University of Warwick, United Kingdom with a Master in Behavioural and Economic Sciences in 2018. She previously worked in the investment division of Khazanah Nasional Berhad, and was involved in the execution of multiple transactions and deals as well as monitoring and management of assets in the healthcare sector. She joined LYC as Chief Operating Officer of Confinement Centres in March 2021.

Ms. Lim is the daughter of Mr. Lim Yin Chow, who is the major shareholder of the Company.

Save for the above, she has no family relationship with any Director of the Company and has no conflict of interest with the Company. She has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

Soh Hoo Hong

Chief Executive Officer of Project Management Division

aged 70
Malaysian
Male

Mr. Soh Hoo Hong graduated from University of Kingston, London, United Kingdom with Bachelor of Arts Honours in Architecture and Doctor of Architecture in year 1980. He is also a member of the Architect's Registration Board of United Kingdom.

He started his career as an architect with Yorke Rosenberg Mardall International Architects in United Kingdom in 1981 and subsequently in Hong Kong in the same year. He joined Pavilion International Limited in 1999 as a Project Director. He gradually rose through the ranks and at the same time served under Malton Bhd. and Pan Asia Project Management Sdn. Bhd. under similar roles, eventually becoming the business development director of Pavilion, Malton and Pan Asia in 2005 until December 2018.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

Chong Siew Fong

Head of the ICT and Electronics Engineering Division

aged 55
Malaysian
Female

Mdm. Chong Siew Fong graduated from Stamford College with a Chartered Institute of Marketing. She has a total of thirty-three (33) years of experience in the IT, Industrial Semiconductor and Automation product distribution business. She joined Mexter (M) Sdn. Bhd. in 1994 as Marketing Executive and was promoted to Sales and Operations Manager in 2004. She has served Mexter (M) Sdn. Bhd., a wholly owned subsidiary of the Company for twenty-nine (29) years.

She has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. She has no convictions for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies.

Management Discussion and Analysis

THE BOARD IS PLEASED TO PRESENT THE MD&A FOR FINANCIAL YEAR ENDED 31 MARCH 2023, WHICH PROVIDES AN INSIGHT INTO THE GROUP'S BUSINESS OPERATIONS, STRATEGIES, FUTURE GROWTH AND EXPANSION PLANS, AS WELL AS FINANCIAL PERFORMANCE AND POSITION FOR FINANCIAL YEAR ENDED 31 MARCH 2023.

OUR BUSINESSES

LYC Healthcare Berhad ("the Group") is an investment holding company. Since 2017, the Group has undergone a significant transformation to diversify from computing and electronic service into healthcare business by providing mother and childcare related services such as postnatal and postpartum confinement care. Over the years, the Group has grown other healthcare businesses such as family clinic, childcare services, and cosmetic & aesthetic and have acquired specialized medical service providers focusing on orthopedic, osteoporosis and chronic diseases, nutraceutical industry and subsequently in the dental services.

OUR CONFINEMENT BUSINESS

LYC Mother & Child Centre primarily features confinement care that incorporates traditional Chinese confinement methods and professional Western medical practice, which aims to help new mothers to recover from rigours of pregnancy, labour and birth.

Having previously been awarded one of the "Best Confinement Centre in Malaysia", we provide exclusive guidance and psychological support with the aim of helping mothers recover their good health whilst being capable of taking care of newborn once they return home. Furthermore, mothers will be educated with all the information needed to prepare themselves for the imminent adjustment in their lives with a newborn in the family. With our extensive experience in all the facets of confinement care, our team is dedicated to ensure new mothers are able to smoothly ease into their motherhood journey.

Currently, on top of our existing prime location for confinement centres in TTDI, Puchong, and Bukit Jalil with 33-bedroom, 29-bedroom and 60-bedroom facilities respectively, we have added a fourth confinement centre in Johor Bahru with a 67-bedroom facility in Danga Bay. As at 31 December 2022, we had served more than 5,000 mothers and babies.

The Johor Bahru centre is a joint venture with SOG Health Pte Ltd. and will provide postpartum confinement care and related services catering to both Malaysian and Singaporean customers who wish to spend their post-childbirth confinement period in Johor. The renovations for the confinement centre in Johor have been completed in April 2022 with the capacity to operate 67 beds. The Group had the soft opening on 26 March 2022.

OUR FAMILY CLINIC BUSINESS

Located on the Ground Floor of Plaza VADS, TTDI, LYC Family Clinic is a licensed family practice clinic that offers a comprehensive range of primary healthcare services and medical suppliers for medical care and emergencies.

Aside from the ordinary family clinic services, we also provide child health services such as newborn jaundice screening, vaccination and immunisation, growth monitoring, development assessment, and breastfeeding counselling.

OUR CHILDCARE BUSINESS

Located on the Ground Floor of Plaza VADS, TTDI, LYC Child Care offers young children with a comfortable and stimulating positive learning environment to promote their holistic development wellbeing. We are providing different type of programmes for infant care, toddler, and play group aged between 2 months old to three years old. Our curriculum is specifically designed to assist the child in developing the essential for early brain development through the concepts of attention, physical movement cognitive, language acquisition, physical activities, motor skills, and simple mathematical thinking. The Child Care centre allows us to maximise the lifetime value of our confinement customers and generate additional cross selling / services from our Family Clinic business.

OUR COSMETIC & AESTHETIC BUSINESS

Our first cosmetic & aesthetic centre is located at Menara LifeCare, Bangsar South operating under the brand name "Dr D Clinic by LYC". We provide anti-aging treatments such as stem cell infusion, Botox injection, filler injection and laser anti-aging and other comprehensive treatment plans for body.

On 4 October 2022, LYC, via its 60% indirect owned subsidiary LYC Beauty & Wellness Sdn. Bhd. now has a 100% stake in Tao Global Ventures Sdn. Bhd. ("Tao Global"), which owns and operates a medical aesthetic clinic and beauty and wellness centre located in Bandar Sri Damansara known as Dr D Clinic and iBody by Dr D which was acquired for RM4.0 million.

With the inclusion of Dr D Clinic and iBody by Dr D, LYC is now able to provide a range of aesthetic services which covers facework, bodywork, hairwork and regenerative medicine as well as treatments that focus on body contouring and wellness for post pregnancy, urinary incontinence, sexual/intimacy wellness, Diastasis Recti treatment, non-invasive "butt-lift" and abdominal/core strengthening.

We are now seeking to expand the cosmetic & aesthetic platform through the opening of additional Dr D Clinic and iBody by Dr D outlets in new locations, subject to the satisfaction of our internal assessment of location suitability.

We intend to offer our cosmetic & aesthetic services to our confinement customers which are in the middle to upper income category and who wish to seek beautification services/treatments for themselves or their loved ones.

OUR NUTRACEUTICAL BUSINESS

On 28 September 2021, the Company completed the 70% acquisition of Aqurate Ingredient Intl (M) Sdn. Bhd. for a purchase consideration of RM36.4 million.

Aqurate is principally involved in product formulation, R&D and supply of functional food ingredients, and the provision of innovative solutions to the F&B, nutraceutical, pharmaceutical, healthcare and cosmeceutical industry. Aqurate commenced its business in 2012 when it first formulated and supply probiotic food supplement to a medical centre under an OEM arrangement. Since inception, Aqurate has conceptualized and launched various formulations designed on market specific needs for customers mainly within the F&B, nutraceutical, pharmaceutical, healthcare and cosmeceutical industry in Malaysia.

Over the years, Aqurate has developed and expanded its capabilities to offer a more comprehensive range of solutions to complement its provision of formulation and supply of functional food ingredients. Apart from being able to cater to customers under OEM and ODM arrangement, Aqurate can also support its customers to conceptualize product type/category, branding, market positioning and product launching, whereby the scope includes customized packaging design, product registration, regulatory compliance, marketing conference, media events, sales and technical product training.

With the acquisition of Aqurate, we can capture the growing demand for supplements and a renewed focus on preventive healthcare due to the COVID-19 pandemic. The venture into Nutraceutical Business, which falls within the overall scheme of its healthcare business objectives and direction, would provide LYC Group an avenue for future growth potential through the expansion of its range of healthcare service offering, deriving business synergy with the complementary nutraceutical segment, and potential enhancement to its income stream going forward.

Since the completion of the acquisition of Aqurate, we have through their assistance developed our own range of in-house supplements under the LYC brand which we intend to use to target our customer base within the mother and child platform and the senior care platform.

Management Discussion and Analysis

OUR DENTAL BUSINESS

On 4 October 2022, LYC via its 70% indirect owned subsidiary, LYC Dental Group Sdn. Bhd. ("LYC Dental Group") had acquired three KL Dental clinics which are strategically located in prime areas such as Kiara 163, SS15 Courtyard in Subang Jaya and Taman Connaught in Cheras, for a total purchase consideration of RM3.2 million. The Group is in the midst of finalising the opening of an additional KL Dental branch in Sunway Velocity, Cheras, which is expected to be operational by mid-2023.

LYC Dental Group intends to further expand its presence to the opening of additional dental clinics under the "KL Dental" brand in high traffic locations, subject to the satisfaction of our internal assessment of location suitability.

Driven by rising affluence and a growing population, the Group believes the demand for dental services will continue to rise.

VENTURE INTO HEALTHCARE BUSINESS IN SINGAPORE

On 23 September 2020, we received shareholder's approval for the proposed acquisition of 51% shareholding of T&T Medical Group Pte. Ltd. ("T&T") and 51% shareholding of HC Orthopedic Surgery Pte. Ltd. ("HCOS") for a total purchase consideration of SGD14.23 million. The acquisitions of T&T and HCOS were completed on 13 November 2020 and 2 December 2020 respectively.

On 10 October 2022, LYC had completed the acquisition of an additional 49% shareholding in T&T and HCOS, via its 64.5% indirect owned subsidiary, LYC Medicare Singapore Limited ("LYC Singapore") for a total purchase consideration of SGD8.1 million and SGD9.2 million respectively. The above acquisitions will allow LYC Singapore to recognise 100% financial results contribution from T&T and HCOS, which will ultimately benefit the financial performance of the Group.

T&T operates a one-stop chronic disease center focusing on chronic degenerative joint diseases and spine, and pain management, and metabolic diseases like Diabetes Mellitus, hypertension and high cholesterol. T&T also provides general medical care under its family health clinic arm. T&T serves patients of all age groups. Being a one-stop chronic disease operator, it is able to provide integrated service/treatment offerings including Osteoporosis centre (in collaboration with Amgen Inc., an American multinational biopharmaceutical company headquartered in Thousand Oaks, California), X-Ray imaging including Bone Mineral Densitometry (BMD), and full-fledged physiotherapy center for chronic and acute cases, including sports injury and rehabilitation post-surgery. In 2022, T&T also set up a new imaging facility which includes CT and MRI machines to broaden our range of services.

Meanwhile, HCOS primarily serves patients requiring various orthopaedic specialist treatments, including surgeries. The range of HCOS's specialist treatments are generally catered towards management of adult and paediatric fractures and trauma, general orthopaedic, sports injuries with torn ligaments and meniscus, and degenerative spine conditions including prolapsed intervertebral discs (slipped discs).

In 2023, the Group had opened its third HCOS specialist clinic located in Mount Elizabeth Novena. This is expected to broaden our reach to our customers and is expected to boost our topline figures. We expect to hire an additional senior surgeon under HCOS in April 2023, which would reduce our dependency on a single orthopaedic surgeon.

By being discerning in our acquisitions and greenfield projects via the geographical cluster strategy to pursue growth, we can focus on assets that complement and are synergistic to our portfolio to achieve higher returns for the business.

OUR IT BUSINESS, COMPUTING & ELECTRONICS SERVICES

The Group provides a one-stop shop service to source, supply, implement and maintain IT hardware including servers, desktop workstations, laptops, barcode and printing equipment, storage, network equipment, electronic and security products. In addition, the Group also provides electronics manufacturing services to a range of established manufacturers. This entails custom designing, fabricating, assembling and testing special purpose printed circuit boards and electronic components.

GROUP FINANCIAL PERFORMANCE

The Group recorded a revenue of RM92.28 million and a loss before tax of RM11.86 million in FY 2023 compared to a revenue of RM64.60 million and a loss before tax of RM1.22 million in FY 2022.

In FY 2023, the Healthcare division accounted for 96% of the overall Group's revenue with approximately 4% by the IT Business, Computing & Electronic and other divisions accounting for the rest. We expect this trend to continue as we continue to grow our healthcare business through organic and inorganic expansions.

SEGMENTAL FINANCIAL PERFORMANCE

	FYE 2023		FYE 2022		Variances	
	RM'000	%	RM'000	%	RM'000	%
Revenue						
- Healthcare	**88,468**	**96**	60,172	93	28,296	47
- IT	**3,802**	**4**	4,421	7	(619)	(14)
- Other	**12**	**0**	4	0	8	200
Total	**92,282**	**100**	**64,597**	**100**	**27,685**	**43**
PBT/(LBT)						
- Healthcare	**399**	**(3)**	5,536	(453)	(5,137)	(93)
- IT	**116**	**(1)**	461	(38)	(345)	(75)
- Other	**(12,379)**	**104**	(7,218)	591	(5,161)	72
Total	**(11,864)**	**100**	**(1,221)**	**100**	**(10,643)**	**872**

HEALTHCARE SEGMENT

The Healthcare division reported a revenue of RM88.47 million and a profit before tax of RM0.40 million in FY 2023 compared to a revenue of RM60.17 million and a profit before tax of RM5.54 million in FY 2022, representing an increase in revenue of 47% and reduction in profit before tax of 93%. The improvement in revenue performance in the current year was due to the acquisitions of Tao Global Ventures Sdn. Bhd. and three dental clinics, namely KL Dental (Kiara) Sdn. Bhd. ("KLDK"), KL Dental Sdn. Bhd. ("KLD"), and KL Dental (Connaught) Sdn. Bhd. ("KLDC") which were consolidated in December 2022 and November 2022 respectively.

On its profit before tax performance, the healthcare division recorded a profit before tax of RM0.40 million in FY 2023 compared to a profit of RM5.54 million in FY2022, representing a reduction of RM5.14 million. This was mainly due to impairment loss of property and equipment and right-of-use assets of RM1.02 million and the absence of a gain from the waiver of redeemable preference share in LYC Medicare Sdn. Bhd. of RM4.70 million in FY 2022.

IT SEGMENT

The IT segment reported a revenue of RM3.80 million and a profit before tax of RM0.12 million in FY 2023 compared to a revenue of RM4.42 million and a profit before tax of RM0.46 million in FY 2022. The drop in revenue was mainly due to the lower demand for electronic components.

OTHER SEGMENT

The other segment reported a loss before tax of RM12.38 million in FY 2023 compared to a loss before tax of RM7.22 million in FY 2022. The loss before tax was higher mainly due to professional fees in relation to the proposed listing of our healthcare business on the Catalist board of the Singapore Stock Exchange.

Management Discussion and Analysis

GROUP FINANCIAL POSITION

The Group's total assets increased from RM183.18 million on 31 March 2022 to RM215.74 million on 31 March 2023, mainly due to the private placement proceeds and the consolidation of Tao Global Ventures Sdn. Bhd. and three dental clinics (KLD, KLDK, KLDC).

The Group's total liabilities decreased from RM141.14 million on 31 March 2022 to RM135.13 million on 31 March 2023 mainly due to the repayment of redeemable preference shares, which was treated as loans and borrowings.

The total shareholders' equity increased from RM42.04 million on 31 March 2022 to RM80.60 million on 31 March 2023. This was mainly due to the issuance of ordinary shares, which amounted to RM33.37 million pursuant to the private placement exercise during the financial year.

GROUP CASH FLOW

Operating Activities

Net cash generated from operating activities was RM4.99 million in FY 2023 compared to RM0.34 million in FY 2022.

Investing Activities

The Group utilised RM12.13 million for investing activities in FY 2023 compared to utilisation of RM37.80 million in the preceding year. The amount used in the current year was mainly due to acquisition of non-controlling interest in T&T and HCOS.

Financing Activities

Net cash generated from financing activities of RM43.42 million in FY 2022 compared to RM25.95 million net cash from in FY 2023. This was mainly due to the proceeds from issuance of ordinary shares.

As at 31 March 2023, the cash and cash equivalents stood at RM39.65 million, compared to the preceding year's balance of RM21.28 million.

CAPITAL MANAGEMENT

Our core capital management strategy involves maintaining a robust financial position to secure favorable financing terms to support the Group's businesses. In addition, the Group ensures that the sources of borrowings are well diversified and appropriately structured in terms of maturity to mitigate interest rate and liquidity risks. The Group implements a centralised treasury operation that actively monitors and manages these risks.

LYC practices prudent financial management with an efficient capital structure that accords the Group a level of flexibility to ensure optimal operational performance and liquidity to fund the Group's investment requirements.

We continue to build investor, creditor and market trust and confidence by showing our resilience and flexibility as we align our resources to mitigate risks, seize opportunities and support growth in all areas of our business.

Management Discussion and Analysis

OUTLOOK AND PROSPECT

Malaysia

The Group plans to continue with our confinement network expansions in locations where there is demand, and new developments in greenfield areas, as part of our plan to maintain our leadership position in Malaysia.

With opening of the Johor Confinement Centre, we will increase the number of beds, from 122 to 189 beds which will be managed by LYC via a 51% joint venture with SOG. LYC, via its wholly-owned subsidiary LYC Mother & Child Centre Sdn. Bhd. ("LYCMC") will hold 51% shareholding while SOG will hold 49% in the Johor Confinement Centre ("Johor Joint Venture").

In this Johor Joint Venture, LYCMC will utilise its expertise in establishing, setting up and running the day-to-day business of the Johor Confinement Centre; while SOG will leverage on its extensive healthcare experience particularly in the field of Obstetrics and Gynecology, to provide advice to LYCMC in relation to the operations and applicable regulatory matters concerning the Johor Confinement Centre.

The location of the Johor Confinement Centre is near the Malaysia - Singapore border to target both the Malaysians and Singaporeans who wish to carry out their confinement in Johor. The Johor Joint Venture also seeks to establish similar centres in Malaysia as may be agreed by the Parties from time to time.

For our nutraceutical business, our 70% shareholding in Aqurate Ingredients Intl (M) Sdn. Bhd. ("AQ") continues to perform strongly riding on demand for pharmaceutical and nutraceutical related products. In the recent COVID-19 pandemic, we find that more and more Malaysians are increasingly turning to natural and clinically proven supplements such as Probiotics to strengthen their immune system and Complete Nutrition to fulfil their daily nutrient intake. As the consumer learns how to appreciate functional foods, AQ will grow in tandem by making and supplying the functional food ingredients into the healthcare and wellness industry.

We plan to grow our nutraceutical business by expanding our warehouse and office facility to cater for higher demand in the future. The expansion is expected to double their storage capacity and workstation for additional manpower. AQ also generates savings from the reduction of external warehouse storage costs from this proposed expansion.

To ensure a sustainable pipeline of leadership talent to support the management of our expanded and enhanced healthcare network, we will be focusing on effective succession development planning. The Group's talent management strategies are to ensure that we are able to attract and retain the best people in the sector, will continue to focus on building, nurturing and sustaining a performance driven culture, in line with our business objectives. To remain as employer of choice, we aim to bring about a holistic employee experience, within a diverse, talented and engaged workforce, whilst embedding a culture of innovation groupwide.

Singapore

LYC's presence in Singapore is mainly via its 64.5% indirectly owned subsidiary via LYCMS, which wholly owns T&T and HCOS. Both companies are well established in Singapore and have good operating and financial track records.

Singapore is internationally recognized as one of the most efficient healthcare systems in the world. Singapore's medical tourism industry has experienced extensive growth in recent years driven by a rise in quality and greater cross-mobility among the region's population. As Singapore is facing an ageing population and becomes increasingly conscious of personal health, patients will seek earlier diagnoses to enable preventive care.

LYC intends to continue with the existing healthcare operations and business directions of T&T and HCOS together with the respective stakeholders involved. The acquisitions allow LYC Group to mark its foray into the Singapore healthcare sector, which is generally renowned as one of the leading healthcare service hub in the Asia Pacific region. By expanding into Singapore, the Group may attain a wider market presence and marketability for its range of healthcare services.

We remain optimistic that our focused efforts in line with our strategy will keep us on track to achieve our goal of long-term sustainable growth for the business.

Management Discussion and Analysis

UPCOMING

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.

To facilitate the proposed listing, on 24 December 2021, the Company and both its wholly-owned subsidiaries, LYC Medicare Sdn. Bhd. ("LYCM" or the "Vendor") and LYC Medicare Singapore Limited ("LYCMS" or the "Purchaser") had entered into share swap agreements ("SSAs") with each other, in relation to the undertaking of an internal reorganisation exercise within the Company and its subsidiaries ("LYC Group").

On 26 January 2022, the Company announced that the Internal Reorganisation has completed.

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

II. Proposed Share Grant Plan of 5% shares of the Company

The Company proposed the establishment of an 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").

III. 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.

IV. 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 (collectively referred to as the "Vendors I") 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 the terms and conditions contained in the SSA ("Purchase Consideration I") ("Proposed Acquisition of NHISB").

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 II") 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 and LYCNS 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.

V. Proposed Acquisition of 100% Equity Interest in Clinical Nutrition Intl (M) Sdn. Bhd.

On 8 November 2022, LYC Nutrihealth Sdn. Bhd. ("LYCN" 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 LYCN 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 LYCN 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").

LYCN 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.

LYCN 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 LYCN 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.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of LYC Healthcare Berhad ("LYC" or "the Company") recognises the importance of good corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") are observed and practised throughout the Company and its subsidiaries (collectively referred to as "the Group") so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

This statement outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in the MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years:-

- **Principle A:** Board Leadership and Effectiveness
- **Principle B:** Effective Audit and Risk Management
- **Principle C:** Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

In making this Corporate Governance ("CG") Overview Statement, the Company is guided by Guidance Note 11 of ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the CG Guide (4th edition) issued by Bursa Malaysia Berhad. This statement provides an overview of the Company's application of the three principles set out in the MCCG and is to be read together with a CG Report, which is available on the Company's website, www.lychealth.com, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board's roles and responsibilities

The Board is accountable and responsible for the performance and affairs of the Group by overseeing and appraising the Group's strategies, policies and performance.

All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board assumes, amongst others, the following duties and responsibilities:-

1) Together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.

2) Reviewing, challenging and deciding on Management's proposals for the Group, and monitor its implementation by Management.

3) Ensuring that the overall corporate strategic plans of the Group support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.

4) Supervising and assessing Management performance to determine whether the business is being properly managed.

5) Ensuring there is a sound framework for Internal Controls and Risk Management.

6) Understanding the principal risk of the Group's business and recognising that business decisions involve the taking of appropriate risks.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

1. Board's roles and responsibilities (Continued)

7) Setting the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate Risk Management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.

8) Ensuring that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management.

9) Ensuring that the Group has in place procedures to enable effective communication with stakeholders.

10) Ensuring the integrity of the Group's financial and non-financial reporting.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, employee or other person subject to ultimate responsibility of the directors under the Companies Act 2016.

2. Separation of positions of the Chairman and Managing Director

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Managing Director of the Company are distinct and separate to engender accountability and facilitate clear division of responsibilities for ensuring there is a balance of power and authority in the Company. The segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman encourages active and effective engagement, participation and contribution from all Directors and facilitates constructive relations between Board and Management. The Managing Director is responsible for executing the Company's strategies, policies and day-to-day management of the business with powers, discretions and delegations authorised from time to time by the Board. The details of the responsibilities of the Chairman and Managing Director is clearly set out in the Board Charter.

During the financial year under review, Dato' Seri Abdul Azim Bin Mohd Zabidi was the Independent Non-Executive Chairman of the Board who provides strong leadership and is responsible for ensuring the adequacy and effectiveness of the Board's governance process. The Chairman's key responsibility, amongst others, includes the following:-

1) Providing leadership for the Board so that the Board can perform its responsibilities effectively.

2) Leading Board meetings and discussions.

3) Encouraging active participation and allowing dissenting views to be freely expressed.

4) Managing the interface between Board and Management.

5) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

6) Leading the Board in establishing and monitoring good corporate governance practices in the Group.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

2. Separation of positions of the Chairman and Managing Director (Continued)

The Managing Director, Mr. Sui Diong Hoe, oversees the day-to-day operations to ensure the smooth and effective running of the Group. He is assisted and supported by the Management team. The Managing Director also implements the policies, strategies, decisions adopted by the Board, monitors the operating financial results against plans and budgets and acts as a conduit between the Board and Management in ensuring the success of the Group's governance and Management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Managing Director arrange informal meetings and events from time to time to build constructive relationships between the Board members.

3. Company Secretary

The Board is supported by two (2) qualified and competent Company Secretaries. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and knowledgeable on new statutory and regulatory requirements, and the resultant implications to the Group and the Directors in relation to their duties and responsibilities. In this respect, the Company Secretaries play an advisory role to the Board, particularly with regard to the Company's Constitution, Board policies and procedures, and its compliance with regulatory requirements, corporate governance and legislations. The Company Secretaries, who oversee adherence with Board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries also keep the Directors and Principal Officers informed of the closed period for trading in the Company's shares.

The Company Secretaries ensure that deliberations at Board and Board Committee Meetings are well documented, and subsequently communicated to the relevant Management for appropriate actions.

4. Access to Information

The Board recognises that the decision-making process is highly dependent on the quality of information furnished.

In furtherance to this, every Director has access to all information within the Group. The Directors have access to information through the following means:

- members of Senior Management attend Board and Committee meetings by invitation to report areas of the business within their responsibility including financial, operational, corporate, regulatory, business development, audit matters and information technology updates, for the Board's informal decision making and effective discharge of the Board's responsibilities;
- the Board and Committees' papers are prepared and issued to the Directors or Committee Members at least five (5) business days before the Board and Committees meetings to enable the Board or Committee Members receive the information in a timely manner; and
- the Audit Committee Chairman meets with the Management, Internal Auditors and External Auditors regularly to review the reports regarding internal control system, financial reporting and Risk Management.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

4. Access to Information (Continued)

Besides direct access to the Management, Directors can obtain independent professional advice at the Company's expense and service via Audit Committee on the implementation of Risk Management system during the year under review in accordance with established procedures set out in the Board Charter in furtherance of their duties. The Directors also consulted the Chairman and other Board members prior to seeking any independent advice.

To facilitate robust Board discussions, all Board meetings are furnished with proper agenda with due notice issued and board papers and reports are prepared by the Management to provide updates on financial, operational, legal and circulated prior to the meetings to all Directors with sufficient time to review them for effective discussions and decision making during the meetings.

5. Board Charter

The Board has established a Board Charter to promote high standards of corporate governance and is designed for providing the guidance and clarity for the Directors and Management with regard to the roles, functions, composition, operation and processes of the Board, having regard to the principles of good corporate governance and requirements of AMLR of Bursa Securities. The Board Charter further defines the matters that are reserved for the Board and its Committees as well as the roles and responsibilities of the Chairman and the Managing Director.

The Board Charter is reviewed from time to time by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

The Board Charter is published on the Company's website at www.lychealth.com.

6. Code of Conduct and Ethics

The Company has established a Code of Conduct and Ethics to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Conduct and Ethics is based on the principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Group. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies. Ongoing training is provided to staff on the Code of Conduct and Ethics and general workplace behaviour to ensure they continuously uphold high standard of conduct when performing their duties.

The Board is provided guidance on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted.

A copy of the Code of Conduct and Ethics can be found in the Company's website at www.lychealth.com.

Corporate Governance Overview Statement

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

7. Whistleblowing Policy and Procedures

As part of the Board's focus areas on corporate governance, the Company is committed to the highest standard of integrity, openness and accountability in the conduct of its business and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. Recognizing these values, the Company provides avenue for all employees and members of the public to disclose any improper conduct or irregularities within the Group with assurance that they will be protected from possible reprisals or victimisation.

The Policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the Managing Director or the Chairman of the Audit Committee.

The Whistleblowing Policy and Procedures can be found on the Company's website at www.lychealth.com.

II. Board Composition

1. Board Composition and Balance

During the financial year under review, the Board has four (4) Directors, comprising the Chairman (Independent Non-Executive), two (2) Independent Non-Executive Directors and one (1) Executive Director. The Company fulfills Rule 15.02(1) of the AMLR of Bursa Securities which stipulates that at least two (2) Directors or one third (1/3) of the Board, whichever is the higher, are Independent Directors. The Company also meets the requirements of MCCG to have majority Independent Directors to allow more effective oversight of Management.

On 29 November 2022, Dr. Lim Geng Yan resigned as the Non-Independent Non-Executive Director and Ms. Poh Zuan Yin was appointed as the Independent Non-Executive Director on 29 May 2023. The Board is satisfied that the composition of Directors provides the appropriate balance and size in the Board necessary to promote all shareholders' interests and to govern the Group effectively. It also fairly represents the ownership structure of the Group, with appropriate representations of minority interests through the Independent Non-Executive Directors. The Independent Directors fulfills a pivotal role in providing unbiased and independent views, advice and judgment, taking into account the interest not only of the Group but also shareholders, employees, customers and communities in which the Group conducts business.

The profile of each Director is set out on page 14 to page 15 of this Annual Report.

2. Gender Diversity

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

The Board currently does not have a gender diversity policy and target in place. Nonetheless, the Board has one (1) female Director, which contributes 20.0% of the Board composition. Ms. Poh Zuan Yin was appointed to the Board as Independent Non-Executive Director on 29 May 2023. With the current Board composition, the Board is of the view that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. Board Composition (Continued)

3. Board Independence

The Board is aware on the importance of independence and objectivity in its decision-making process in line with MCCG which is one of its focus areas on corporate governance.

The Independent Directors play a vital role in corporate accountability and provide unbiased views to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all the stakeholders.

The tenure of the Independent Directors has yet to exceed a cumulative term of nine (9) years. Nonetheless, if such Independent Directors exceeded a cumulative term of nine (9) years, the Board would justify and seek annual shareholders' approval. Once an Independent Director has served a cumulative term of his/her twelfth (12^{th}) year, he/she will either be re-designated as a Non-Independent Non-Executive Director or retire as Director of the Company. As at the date of this Statement, none of the Independent Directors has reached nine (9) years of service since their appointments.

The Board, via Nomination Committee assesses each Director's independence to ensure ongoing compliance with this requirement annually. The Nomination Committee is satisfied that the Independent Directors are independent of Management and free of any business or other relationship that could interfere with the exercise of independent judgment, taking into account the best interest, not only of the Group but also of shareholders, employees, customers and communities in which the Group conducts business.

During the financial year under review, the Board assessed the independence of its Independent Non-Executive Directors and confirmed that they are to be independent and objective during Board's deliberations.

4. Board Committees

In order to discharge the responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide it with recommendations and advice:-

1. Audit Committee;
2. Nomination Committee; and
3. Remuneration Committee.

Each Board Committee operates in accordance with the written Terms of Reference which approved by the Board. The Board reviews the Terms of Reference of the Board Committees from time to time. The terms of office and performance of the Audit Committee is reviewed on annual basis by the Nomination Committee. The Board approves the appointments of the members and the Chairman of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved Terms of Reference or guidelines and are formed whenever required.

The Terms of Reference of the Board Committees are published on the Company's website at www.lychealth.com.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. Board Composition (Continued)

4. Board Committees (Continued)

Audit Committee ("AC")

The AC is serves as a focal point for communication between audit committee, Directors, External Auditors, Internal Auditors and the Management. The Audit Committee also assists the Board in discharging the fiduciary responsibilities and to maintain the integrity of financial reporting.

The AC Report is set out on page 41 to page 43 of this Annual Report.

Nomination Committee ("NC")

The NC of the Company is to assist the Board in relation to the nomination of new Directors, annually review the mix of skills, experience and other requisite qualities of the Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominate them for approval by the Board.

The Company's NC comprised exclusively of Non-Executive Directors a majority of whom are independent and at least three (3) members in total. The composition of the NC is as follows:

Director	Designation
Encik Mohd Khasan Bin Ahmad	Chairman (Independent Non-Executive Director)
Dato' Muraly Daran A/L M Narayana Menon	Member (Independent Non-Executive Director)
Dr. Lim Geng Yan (Resigned on 29 November 2022)	Member (Non-Independent Non-Executive Director)
Ms. Poh Zuan Yin (Appointed on 29 May 2023)	Member (Independent Non-Executive Director)

Subsequent to the resignation of Dr. Lim Geng Yan as Non-Independent Non-Executive Director of the Company, he ceased to be the Member of the NC on 29 November 2022. On 29 May 2023, Ms. Poh Zuan Yin was appointed as Member of the NC following to her appointment to the Board of the Company on the same day.

During the financial year ended 31 March 2023, the NC held one (1) meeting. Below is a summary of the key activities undertaken by the NC in discharging of its duty:-

a. Determined the Directors whom are subject to re-election by rotation;
b. Annual assessment of the Board, the Board Committees and the individual Directors;
c. Reviewed the performance and term of office of AC;
d. Identified and discussed suitable Directors' training programmes for continuous development of Directors;
e. Assessed the level of independence of Independent Directors;
f. Assessed the composition of the Board and Board Committees;
g. Assessed the suitability of candidate to be appointed as Director of the Company with due regard for diversity in skills, experience, age, background of the candidate;
h. Identified appropriate trainings, seminars and courses for continuous development of Directors;
i. Reviewed and recommended the adoption of the Fit and Proper Policy of the Company to the Board for approval; and
j. Assessed the fit and properness of the Director who is due for retirement by rotation and recommended Directors who are eligible to stand for re-election to the Board for recommendation to the shareholders for approval at the Annual General Meeting.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. Board Composition (Continued)

4. Board Committees (Continued)

Nomination Committee ("NC") (Continued)

The NC is responsible to assess and recommend the most appropriate Board size composition to the Board. In making the recommendations to the Board, the NC develops certain criteria used in the recruitment process and annual assessment of Directors. In evaluating the suitability of candidates, the NC considers the following factors, the details are stated in the Terms of Reference of the NC which is available on the Company's website at www.lychealth.com.

- skills, knowledge, expertise and experience;
- commitment (including time commitment) and contribution;
- professionalism and integrity;
- boardroom diversity;
- background, character and competence; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions which are expected from Independent Non-Executive Directors.

The Board may appoint an individual to be a Director by having selection process for new appointees as recommended by the NC to the Board. The appointed individual will stand for election at the next Annual General Meeting ("AGM") in accordance with the Constitution of the Company. The Board did not engage any independent sources to identify suitably qualified candidates during the year. The suitable candidate to be considered for the appointment as Director is facilitated through recommendations from the Directors, Management and shareholders of the Company and the NC will assess and consider the suitability of the candidates based on the criteria set before recommending to the Board for appointment.

Remuneration Committee ("RC")

The RC was established on 27 February 2007 and is responsible for recommending the remuneration framework and policy as well as the remuneration package of the Executive Directors and Senior Management to ensure rewards commensurate with their contributions to the profit and growth of the Group. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

The RC of the Company comprises wholly Non-Executive Directors, a majority of whom are independent and at least three (3) members in total.

The RC consists of the following members:-

Director	Designation
Encik Mohd Khasan Bin Ahmad	Chairman (Independent Non-Executive Director)
Dato' Muraly Daran A/L M Narayana Menon	Member (Independent Non-Executive Director)
Dr. Lim Geng Yan (Resigned on 29 November 2022)	Member (Non-Independent Non-Executive Director)
Ms. Poh Zuan Yin (Appointed on 29 May 2023)	Member (Independent Non-Executive Director)

Ms. Poh Zuan Yin was appointed as a Member of RC on 29 May 2023 subsequent to the resignation of Dr. Lim Geng Yan as the Non-Independent Non-Executive Director and ceased as a Member of RC on 29 November 2022.

Corporate Governance Overview Statement

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. Board Composition (Continued)

4. Board Committees (Continued)

<u>Remuneration Committee ("RC")</u> (Continued)

During the financial year ended 31 March 2023, the RC held two (2) meetings. Below is a summary of the key activities undertaken by the RC in discharging of its duty:-

a. Reviewed, assessed and recommended the remuneration packages of the Managing Director and Senior Management;
b. Reviewed the remuneration packages of Non-Executive Directors and their Meeting Allowances; and
c. Reviewed and recommended the benefit payable for the Directors of the Company.

A copy of the RC's Terms of Reference can be found in the Company's website at www.lychealth.com.

5. Directors' Commitment

The Directors are aware of the time commitment expected to attend to matters of the Group in general, including attending meetings of the Company in discharging of their roles and responsibilities. The Directors endeavors to meet at least four (4) times a year, at quarterly intervals which are scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention from the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Management and circulated to all Directors prior to the meetings.

The Board is satisfied with the level of commitment given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company as most of the Directors had attended all the Board Meetings under the financial year review.

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.

The Board met eight (8) times during the financial year under review. The details of Directors' attendance are set out as follows:-

Name of Directors	Number of meetings attended	%
Dato' Seri Abdul Azim Bin Mohd Zabidi *Independent Non-Executive Director*	7/8	88
Mr. Sui Diong Hoe *Managing Director cum Group Chief Executive Officer*	8/8	100
Encik Mohd Khasan Bin Ahmad *Independent Non-Executive Director*	8/8	100
Dato' Muraly Daran A/L M Narayana Menon *Independent Non-Executive Director*	8/8	100
Ms. Poh Zuan Yin *Independent Non-Executive Director* *(Appointed on 29 May 2023)*	N/A	N/A
Dr. Lim Geng Yan *Non-Independent Non-Executive Director* *(Resigned on 29 November 2022)*	5/5	100

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. Board Composition (Continued)

5. Directors' Commitment (Continued)

It is the Board's policy for Directors to notify the Chairman before accepting any new directorship notwithstanding that the Rule 15.06 of Bursa Securities AMLR allows a Director to sit on the Board of not more than five (5) Listed Issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

In order to enable Directors to sustain active participation in Board deliberations, the Directors have access to continuing education programmes. The Directors have devoted sufficient time to update their knowledge and enhance their skills by attending trainings, details as set out in page 36 of this Statement.

6. Board Assessment and Annual Evaluation

The NC is responsible to review and evaluate the required mix of skills and experience of the Directors; effectiveness of the Board as a whole; succession plans and boardroom diversity, including gender, age, ethnicity, diversity, training courses for Directors and other qualities of the Board, including core-competencies which Non-Executive Directors should bring to the Board on a yearly basis.

The evaluation process is led by the NC's Chairman and assisted by the Company Secretary via the questionnaires. The NC reviews the outcome of the assessment and recommends to the Board as well as recommends the relevant Directors for re-election at the AGM.

The principles used in the assessment of Board and individual Directors are including the required mix of skill and experience, Board diversity, size and experience of the Board, core competencies and contribution of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The evaluation of the suitability of candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. The assessment and comments by Directors are summarised in a questionnaire regarding the effectiveness of the Board and its Board Committees and discussed at the NC meeting and reported at the Board Meeting by the NC Chairman. All assessments and evaluations carried out by the NC in the discharge of its functions are properly documented.

During the financial year under review, the NC had held one (1) meeting to review and assess the mix of skills, expertise, composition, size and experience of the Board, including the core competencies of both Executive and Non-Executive Directors, the contribution of each individual Director (including the Managing Director), effectiveness of the Board as a whole and the Board Committees; and the changes to the Board's composition.

In line with the AMLR, the Board has on 1 July 2022 adopted the Directors' Fit & Proper Policy to provide guidance and transparent process for the appointment and re-election of Directors of the Company and its subsidiaries. This policy shall be reviewed by the Board at any time as it may deem necessary in accordance with the needs of the Company. The Fit & Proper Policy can be downloaded from the Company's website at www.lychealth.com.

7. Re-election to the Board

The NC reviewed the Directors' re-election to the Board on 29 May 2023. In accordance with the Company's Constitution, the following Directors are standing for retirement by rotation and subject to re-election at the forthcoming AGM:-

Director(s)	Designation(s)	Clause(s) of the Constitution
Dato' Muraly Daran A/L M Narayana Menon	Independent Non-Executive Director	Clause 104(1)
Ms. Poh Zuan Yin	Independent Non-Executive Director	Clause 111

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. Board Composition (Continued)

8. Directors' Training

The Board, via the NC, continues to identify for the Directors to attend appropriate briefings, seminars, conferences and courses to keep abreast with changes in legislations and regulations affecting the Group.

Save for Ms. Poh Zuan Yin who is newly appointed to the Board and has registered to attend the Mandatory Accreditation Programme ("MAP") Part I in September 2023, all Directors have completed the MAP Part I. All the Directors will endeavors to attend MAP Part II within the stipulated timeline given by Bursa Securities. The Directors are mindful that they would continue to enhance their skills and knowledge to maximise their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually being updated on the Group's business and regulatory requirements.

During the financial year, the Board had attended collectively and individually conference(s), seminar(s), forum(s) and training(s) to continuously upgrade their skills and to keep abreast with current developments as follows:

Directors	Briefing/Conference/Forum/Seminar/Training attended
Dato' Seri Abdul Azim Bin Mohd Zabidi	• Asia Talks by Tawfik Tun Dr Ismail – "Malaysia First", a concept he is championing as Malaysia heads to the GE15 • Overview of the Malaysian Employment Act • Transaction and RPT Rules, Simplified • Malaysian Branch of the Royal Asiatic Society (MBRAS)
Encik Mohd Khasan Bin Ahmad	• Values as a Source of Competitive Advantage • Conversation with Audit Committees – Session 1
Mr. Sui Diong Hoe	• BDO Tax Webinar: Transfer Pricing of Intra-group Financing • Issuance and Redemption of Preference Shares • Role and Rights of Shareholders • Key Amendments to Listing Requirements 2022 • Tax Audit and Investigations - A legal and practical approach • Assessable Income and Exclusions, Allowable Deductions and Restrictions and Capital Allowances • Employment (Amendment) Act 2022 - Applications and Implications
Dato' Muraly Daran A/L M Narayana Menon	• Board Financial and Risk Oversight • AOB conversion with Audit Committees

All the Directors will continue to attend relevant training and education programmes and events in order to keep themselves abreast of the latest economic, technological, commercial and industry-related developments with a view to continuing to discharge their duties and responsibilities effectively.

The Board encourages its Directors to attend talks, seminars, workshops, events and conferences to enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities.

The Company Secretaries briefed and highlighted the relevant guidelines on statutory and regulatory requirements from time to time to the Board, amongst others, the amendments to the Listing Requirements of Bursa Securities, the new requirements of MCCG and the Companies Act 2016. The External Auditors also briefed the Board members on any current and future changes to the Malaysian Financial Reporting Standards that affect the Company's financial statements.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III. Remuneration

Directors' Remuneration

The RC establishes sets of policy and framework to provide a fair and competitive remuneration to its Board and Senior Management in order to ensure that the Company is able to attract and retain capable Directors for running the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management. The same Remuneration Policy had been revised to be aligned with MCCG, Companies Act 2016 and AMLR on 11 July 2018.

The determination of the remuneration packages is a matter for the Board as a whole. The Executive Directors concerned abstained from deliberating their own remuneration but may attend the RC meetings at the invitation of the Chairman of the RC if their presence is required.

During the financial year under review, the RC reviewed and recommended the remuneration of the Managing Director of the Company for Board's approval pursuant to the Terms of Reference of RC. The Directors' fees and benefits payable to Directors have also been reviewed and recommended by the RC to the Board to seek shareholders' approval at the Company's forthcoming Annual General Meeting pursuant to the Constitution of the Company. No Director is involved in deciding his own remuneration. The RC further recommended providing the Directors' fees to the Managing Director of the Company subject to the shareholders' approval at the forthcoming Annual General Meeting as well.

The detailed disclosure of the remuneration of the individual Director and top eight (8) Key Senior Management (on bands of RM100,000) of the Company comprising during the financial year under review are set out below:-

Name of Directors	Salary (RM)	Directors' Fee (RM)	#Benefits Payable (RM)	*Other (RM)	Total (RM)
Executive Director					
Mr. Sui Diong Hoe	660,000	55,200	-	304,029	1,019,229
Non-Executive Director					
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	87,000	6,400	-	93,400
Dato' Muraly Daran A/L M Narayana Menon	-	55,200	9,350	-	64,550
Encik Mohd Khasan Bin Ahmad	-	55,200	8,100	-	63,300
Dr. Lim Geng Yan *(Resigned on 29 November 2022)*	-	35,200	4,500	-	39,700
Ms. Poh Zuan Yin *(Appointed on 29 May 2023)*	Nil	Nil	Nil	Nil	Nil
Total	**660,000**	**287,800**	**28,350**	**304,029**	**1,280,179**

#Note: Benefits Payable comprise of attendance allowance.
*Note: Others comprise of allowances, bonus and contribution to the Employees Provident Fund.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III. Remuneration (Continued)

Directors' Remuneration (Continued)

Range of Remuneration	Number of Key Senior Management
RM50,000 – RM150,000	1
RM150,001 – RM250,000	3
RM250,001 – RM350,000	2
RM350,001 – RM450,000	1
RM450,001 – RM550,000	-
RM550,001 – RM650,000	1

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee ("AC")

1. Composition

The AC consists of three (3) members comprises wholly Non-Executive Directors, a majority of whom are independent. All the members of the AC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules. The composition of the following members:-

Director	Designation
Dato' Muraly Daran A/L M Narayana Menon	Chairman (Independent Non-Executive Director)
Encik Mohd Khasan Bin Ahmad	Member (Independent Non-Executive Director)
Ms. Poh Zuan Yin *(Appointed on 29 May 2023)*	Member (Independent Non-Executive Director)
Dato' Seri Abdul Azim bin Mohd Zabidi *(Appointed on 27 February 2023 and resigned on 29 May 2023)*	Member (Independent Non-Executive Director)
Dr. Lim Geng Yan *(Resigned on 29 November 2022)*	Member (Non-Independent Non-Executive Director)

Dato' Seri Abdul Azim bin Mohd Zabidi was appointed as member of AC on 27 February 2023 subsequent to the resignation of Dr. Lim Geng Yan as Non-Independent Non-Executive Director and ceased as member of AC on 29 November 2022. On 29 May 2023, Dato' Seri Abdul Azim bin Mohd Zabidi resigned as member of AC subsequent to the appointment of Ms. Poh Zuan Yin as Independent Non-Executive Director and member of AC on the same day.

The Chairman of the AC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the AC's findings and recommendation remains intact.

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

I. Audit Committee ("AC") (Continued)

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present the integrity in financial reporting. The AC is entrusted to provide advice and assistance to the Board in fulfilling its statutory and fiduciary responsibilities relating to the Company's internal and external audit functions, Risk Management, compliance systems and practices, financial statements, accounting and control systems and matters that may significantly impact the financial condition or affairs of the business. The AC is also responsible in ensuring that the financial statements of the Company comply with the applicable financial reporting standards in Malaysia.

The AC's Term of Reference has been adopted which sets out its criteria on the composition of the AC, authority, responsibilities, duties and functions which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC.

The External Auditors would meet the AC without the presence of the executive Board members and Management at least two (2) times a year on matters relating to the Group and its audit activities. During such meetings, the External Auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board.

The AC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include Management consulting, internal audit and standard operating policies and procedures documentation.

In safeguarding and supporting the external auditors' independence and objectivity, the Board had established an External Auditors' Assessment Policy to spell out the selection process of new external auditors, basic principles on the prohibition of non-audits services and the approval process for the provision of non-audit services. The same Policy had been approved and adopted to be aligned with MCCG, Companies Act 2016 and AMLR on 11 July 2018.

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on its roles and responsibilities, number of meetings and attendance of AC, summary of AC activities and Internal Auditors' activities during the financial year under review are set out on pages 41 to 43 under the AC Report of this Annual Report.

II. Risk Management and Internal Control Framework

The Board recognises its responsibilities over the Company's Internal Control and Risk Management framework. In order to achieve such objective, an Enterprise Risk Management framework ("ERM") has been adopted by the Group. The Group's Risk Management systems are designed to manage and eliminate risks (where possible) to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the AC. The Board through its AC regularly reviews this process to ensure the internal control and ERM are adequate and effective.

The Board has via the AC established the ERM and clear governance structure that takes into account for all significant aspects of internal control including risk identification, assessment, prioritisation, mitigation and monitoring.

Details on internal control and ERM are set out on page 45 to page 49 under the Statement on Risk Management and Internal Control of the Annual Report. As a priority, the Board will continue to review the Company's ERM and oversee the Company's strategic Risk Management and Internal Control framework.

Corporate Governance Overview Statement

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board always recognises that an effective communication with stakeholders is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. A corporate disclosure policies and procedures has been formalised on 11 July 2018 to enable comprehensive, accurate and timely information relating to the Group are disclosed to the shareholders and other stakeholders not only to comply with the disclosure requirements as stipulated in the AMLR, but also set out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders in compliance with the AMLR of Bursa Securities.

The Board also established a dedicated section for corporate information on the Company's website (www.lychealth.com) where information on the Company's announcements, financial information, share price information and the Company's annual report can be found. The contact details of designated persons to address any queries are also published on this website.

The Company's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences.

II. Conduct of General Meetings

The Annual General Meeting ("AGM") provides a platform for the shareholders to interact or engage directly with the Board and Senior Management, as well as allowing shareholders to review the Group's performance via the Annual Report and pose questions to the Board for any clarification before proceeding to poll voting. At the AGM, an overview on the Company's performance and major activities being carried out during the financial year under review is presented. Shareholders are encouraged to enquire or comment about the Company's financial performance and business operations in general. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) clear days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the Eighteenth (18th) AGM, the Board encouraged participation from shareholders by having a question and answer session during the AGM which the Directors (inclusive of the Chairman of the AC, NC and RC) are available to provide meaningful response to questions raised by the shareholders. All Directors will endeavor to attend the upcoming AGM, which shall provide shareholders opportunities to enquire the Directors in person on the Group's performance and operations.

Notice of the 18th AGM was circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed, which is in line with Section 316(2) of Companies Act 2016 and Rule 7.15 of AMLR of Bursa Securities. Notice of AGM was also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows shareholders to have immediate access of the notice of AGM and make the necessary preparations for the AGM.

The CG Overview Statement was approved by the Board of Directors on 29 May 2023.

Audit Committee Report

COMPOSITION AND ATTENDANCE AT MEETINGS

The Audit Committee ("AC") comprises the following members:-

Director	Designation
Dato' Muraly Daran A/L M Narayana Menon	Chairman (Independent Non-Executive Director)
Encik Mohd Khasan Bin Ahmad	Member (Independent Non-Executive Director)
Ms. Poh Zuan Yin *(Appointed on 29 May 2023)*	Member (Independent Non-Executive Director)
Dato' Seri Abdul Azim Bin Mohd Zabidi *(Appointed on 27 February 2023)* *(Resigned on 29 May 2023)*	Member (Independent Non-Executive Director)
Dr. Lim Geng Yan *(Resigned on 29 November 2022)*	Member (Non-Independent Non-Executive Director)

Details of the Members of the AC are contained in the Profile of Directors as set out on pages 14 to 15 of this Annual Report.

A total of five (5) meetings were held during the financial year ended 31 March 2023. The attendance records of the members of the AC are as follows:-

Name of Directors	Number of meetings attended	%
Dato' Muraly Daran A/L M Narayana Menon *Independent Non-Executive Director*	5/5	100
Encik Mohd Khasan Bin Ahmad *Independent Non-Executive Director*	5/5	100
Ms. Poh Zuan Yin *Independent Non-Executive Director* *(Appointed on 29 May 2023)*	N/A	N/A
Dato' Seri Abdul Azim Bin Mohd Zabidi *Independent Non-Executive Director* *(Appointed on 27 February 2023)* *(Resigned on 29 May 2023)*	1/1	100
Dr. Lim Geng Yan *Non-Independent Non-Executive Director* *(Resigned on 29 November 2022)*	3/4	75

The Company Secretary and/or her representatives were present at all the meetings. Upon invitation, representatives of the External Auditors and the Senior Management also attended specific meetings to facilitate direct communication and to provide clarifications on significant audit findings and issues and the operations of the Group.

The Chairman of the AC reported to the Board of Directors on matters deliberated during the AC meetings and minutes of AC meetings were circulated to all the members of the Board.

For the financial year under review, the AC met with the Internal Auditors and the External Auditors without the presence of the Executive Director and Management to discuss any issues or significant matters.

Audit Committee Report

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the AC during the financial year are as follows:

(a) Reviewed the Audit Planning Memorandum with the External Auditors;
(b) Assessed the External Auditors' findings in relation to audit and accounting issues arising from the audit of the Group's financial statements and updates on the changes in the reporting of financial statements as at 31 March 2023;
(c) Reviewed the reports of the External Auditors, Baker Tilly Monteiro Heng PLT;
(d) Reviewed the independence, objectivity and effectiveness of the External Auditors and the services provided, including non-audit services and corresponding fees;
(e) Reviewed the adequacy of the scope, function, competency and resources of the internal audit functions;
(f) Examined the findings of the Internal Auditors and Management's response;
(g) Discussed the internal audit plan with the Internal Auditors;
(h) Reviewed the quarterly financial statements and the final audited financial statements before recommending to the Board of Directors ("Board") for consideration and approval prior to release to Bursa Malaysia Securities Berhad ("Bursa Securities") focusing particularly on:
    - any changes in or implementation of any accounting policies and practices;
    - significant adjustments and unusual events arising from the audit;
    - going concern assumptions; and
    - compliance with accounting standards and other legal requirements.
(i) Reviewed the related party transactions entered into by the Company and the disclosure of such transaction in the Annual Report of the Company;
(j) Conducted private session with the External Auditors in the absence of the Executive Director and Senior Management to ensure there were no restrictions and that the scope of their audit is in line with the Malaysian Code on Corporate Governance;
(k) Ensure adequacy of the Group's Internal Control and Risk Management. AC continues to monitor and review the effectiveness of the system of Internal Control and Risk Management with the support of the Internal Auditors;
(l) Reviewed the Corporate Governance Overview Statement, Corporate Governance Report, AC Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for inclusion in the Annual Report 2023;
(m) Reported to the Board on significant issues and concerns discussed during the AC meetings together with applicable recommendations. Minutes of the AC meetings were tabled and noted by the Board; and
(n) Reviewed the Management Discussion and Analysis for the financial year ended 31 March 2023.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Terms of Reference of the AC was assessed, reviewed and updated by the Board on 22 July 2022.

The Terms of Reference is available on the Company's website at www.lychealth.com for further reference.

The Board had on 29 May 2023 via Nomination Committee reviewed the terms of office and performance of the AC and each of its members to determine whether the AC and the members have carried out their duties in accordance with the terms of reference.

TRAINING AND EDUCATION

During the financial year, the AC members attended individually or collectively seminar(s), conference(s) and/or training(s) to continuous upgrade their skills and to keep abreast with current developments to enhance their knowledge and enable them to discharge their duties more effectively.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to GovernanceAdvisory.com Sdn. Bhd., a professional services provider. The professional service provider is headed by Mr. Wong Tchen Cheg who reports to the AC. He is a member of Malaysian Institute of Accountants and CPA Australia. He is supported by a team of qualified and experienced internal audit professionals.

The Internal Auditors are required to conduct regular and systematic reviews on all operating units and submit independent reports to the AC. Amongst the assignments undertaken for the financial year under review are:

1. Human Resource Management – documenting and updating SOPP, shortcomings on employee handbook and offer letter, absence of turnover analysis.

2. Nursery Compliance (Infant Care) – manpower allocation, hygiene care, feeding, bathing, routine check, completeness and accuracy of records.

The principal roles of the internal audit include:-

(a) assisting the Board in the review of the adequacy and effectiveness of the system of internal controls of the Group to enable the Board to prepare the Statement on Risk Management and Internal Control in the Annual Report;

(b) assisting the AC in the risk assessment of the Group to identify and evaluate the principal risk factors and ensuring the implementation of appropriate internal control processes and procedures to mitigate these risks;

(c) allocating adequate resources, in accordance with the internal audit plan approved by the AC, to carry out internal audits on key operations of the Group so as to provide the Board with effective and efficient audit coverage; and

(d) providing independent and objective reports on the state of internal controls of the various operating units within the Group to the AC so that remedial actions and continuous improvements can be taken in relation to any weaknesses noted in the systems and controls of the respective operating units.

Further information on the Internal Audit Function is disclosed in the Statement on Risk Management and Internal Control set out in page 45 to page 49 of this Annual Report.

The total fees incurred for the outsourcing of the internal audit function for the financial year ended 31 March 2023 was RM25,000.

The AC Report was approved by the Board of Directors on 29 May 2023.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 2016, to ensure that the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and to the results and cash flows of the Group and of the Company for the financial year.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records which disclose with reasonable accuracy in the financial position of the Group and of the Company, which enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 in Malaysia.

In preparing the financial statements, the Directors have considered the following:-

- that the Group and the Company have applied appropriate accounting policies consistently;
- that reasonable and prudent judgements and estimates were made;
- that all applicable approved accounting standards have been adhered to; and
- that the preparation of the financial statements is on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

The Statement of Directors' Responsibilities was approved by the Board of Directors on 29 May 2023.

Statement on Risk Management and Internal Control

THE BOARD OF DIRECTORS ("BOARD") OF LYC HEALTHCARE BERHAD IS PLEASED TO PRESENT ITS STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023. THIS STATEMENT IS MADE IN ACCORDANCE WITH PARAGRAPH 15.26(B) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD; THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS; AND THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG").

BOARD'S RESPONSIBILITY

The Board is responsible to ensure that Group risks are identified, measured and managed with an appropriate system of risk management and internal controls, and to ensure the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an ongoing basis.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business and corporate objectives. The system can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

The Board has established proper key governance activities to ensure the process for reviewing and reporting on the adequacy and effectiveness of the system of risk management and internal controls are defined, appropriately documented and monitored on regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment. The review of the adequacy and effectiveness of risk management and internal control processes is delegated by the Board to the Audit Committee ("AC").

The AC evaluates and monitors the significant risks relevant to the Group and appraises and assesses the efficacy of controls implemented to mitigate those risks through a formalised monitoring and reporting process.

Internal control and risk-related matters which warranted the attention of the Board were recommended by the AC to the Board for its deliberation and approval. Any matters or decisions made within the AC's purview were escalated to the Board for its notation.

These initiatives would ensure that the Group has in place a formalised ongoing process for identifying, evaluating, managing and monitoring the significant risks affecting the achievement of its business objectives.

ENTERPRISE RISK MANAGEMENT ("ERM") FRAMEWORK

LYC Healthcare Berhad recognises that commitment to risk management contributes to sound management practice and good corporate governance as it improves decision making and enhances outcomes and accountability. Management is committed to practice risk management practices across LYC.

The Board of Directors (the "Board") is accountable to the shareholders of LYC for the development and implementation of a risk management framework specific to the organisation's business and the organisational context. The design of this framework reflects the principles and the process outlined in the Enterprise-wide Risk Management ("ERM"), published in 2004 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), ISO 31000 Principles and Generic Guidelines on Risk Management.

Risk management is underpinned by the key principle that:

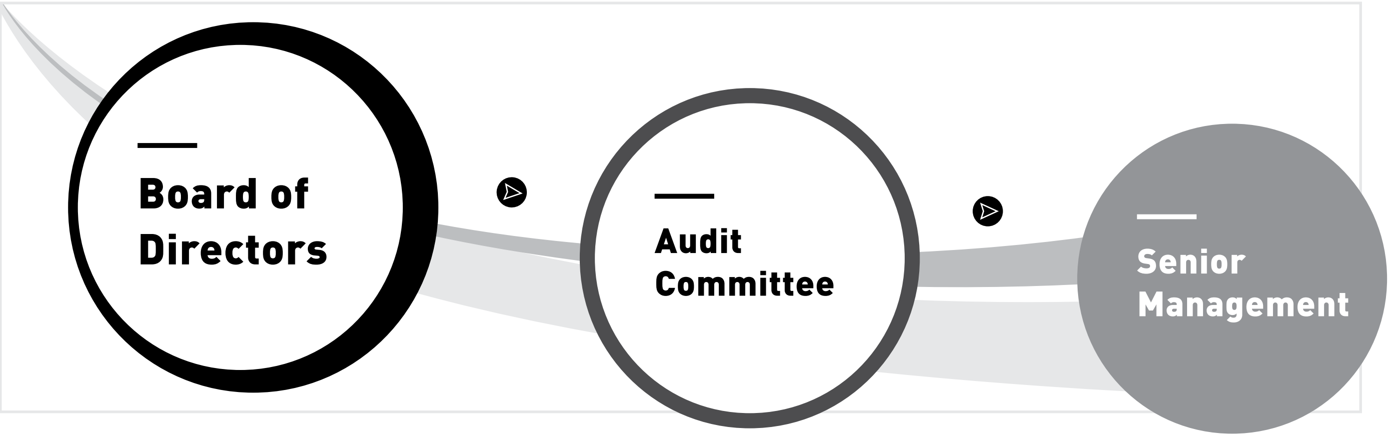
> "Risk management contributes to the **creation of sustainable value**."

Statement on Risk Management and Internal Control

The consistent and systematic application of risk management is central to maximising shareholders' value, effectively leveraging the benefit of opportunities, managing uncertainty and minimising the impact of adverse events. Risk management forms an integral part of LYC's decision making and routine management and are incorporated within the strategic and operational planning processes of LYC.

Risk assessment is integrated into planning and all other activities of LYC. The risk information obtained is a fundamental consideration in measured risk taking and decision making.

An ongoing risk management communication strategy (depicted in the following diagram) will address how LYC will communicate and distribute risk management policies, procedures and key principles on an ongoing basis.



The AC reviews the Risk Management Report ("RMR") prepared by the Senior Management. The RMR provides update on risks that the Senior Management views as having a potential negative impact on the Group's performance. Mitigating actions, as well as key indicators measuring the extent of the risks, are included as part of the RMR. The AC provides feedback and input on the RMR and monitors the mitigating actions taken by the Management. The AC reviews the SORMIC and recommends it to the Board for approval.

Risk assessments are conducted on new ventures and activities, including projects, processes, systems and commercial activities to ensure that these are aligned with the LYC's objectives and goals. Any risks or opportunities arising from these assessments will be identified, analysed and reported to the appropriate management level. LYC will maintain a risk register containing strategic and operational risks of the business, including financial and compliance risks. LYC is committed to ensuring that all staff, particularly Senior Management are provided with adequate guidance on the principles of risk management and their responsibilities to implement risk management effectively.

LYC will review and monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across LYC. The Board via the AC is responsible for reviewing the effectiveness of risk management framework of LYC, based on information provided by the Senior Management.

SIGNIFICANT OR MAIN PRINCIPAL RISK RELATING TO GROUP'S BUSINESS

The Group has identified the significant risks that have high potential of impact and likelihood to the overall Group's operation and at the same time maintains the risk management system and internal control to ensure that the corporate objectives and strategies are achieved within the acceptable risk appetite of the Group.

These risks are tabled by the Senior Management via a series of risk management process including risks identification, analysis, evaluation, treatment, and monitoring. Considerations were made on the macro environment to identify and assess the Group's exposures to risk and uncertainty. Existing mitigation controls are identified to evaluate the current risks level and consider improvements/management actions to further manage the risks.

SIGNIFICANT OR MAIN PRINCIPAL RISK RELATING TO GROUP'S BUSINESS (CONTINUED)

The significant risks relating to the Group's Business, among others, include:

Risk Profiles	Causes	Mitigation Controls
Non-compliance to regulatory requirements	• Changes in the rules and regulations • Oversight/negligence by staff • Ineffective training on knowledge/ understanding of the operational procedures • Inadequate monitoring in deciphering the statutory and regulatory requirements • Non-compliance to policies and procedures • Unfamiliar/insufficient knowledge of statutory laws and regulatory requirements	**[Preventive]** • Establish SOPs. • Conduct/attend training. • Continuous engagement with regulatory authorities. **[Detective]** • Regular internal audit review performed by Internal Auditors. • Continuously update on regulatory changes through training, seminars and conferences. • Strict Quality Control. **[Corrective]** • Rectify breaches. • Appeal and explain to authorities.
Unable to meet desired level of service	• Staff lackadaisical attitude and discipline issue • Inexperienced and lack of knowledgeable staff • Lack of SOPs/policies and procedures • Poor quality in sourcing food ingredients • Poor quality of service from outsourced service providers (i.e., masseuse, doctors/consultants, cleaners, security)	**[Preventive]** • Appointed confinement specialists and experienced registered nurses. • Ongoing SOP trainings to the employees. • On-the-job training and supervision. • Conduct trainings (external trainings and internal trainings). • Established SOPs. • Formalise service level agreement with service providers. **[Detective]** • Conduct weekly Sales and Operations meeting. • Annual review of staff competencies and skills adequacy. • Established SOPs. • Customer feedback. • Food quality control. • Market intelligence. **[Corrective]** • To respond to customers' complaints and take necessary action. • Disciplinary action. • Established SOPs.
Safety, health and environmental risk	• Lack of/ineffective training • Employee negligence • Poor housekeeping • Non-compliance to policies and procedures • Hazardous events (e.g., fire, accidents, theft/intruders etc.) • Wear and tear, ageing of equipment • Improper handling of healthcare product disposal • Epidemic/Pandemic	**[Preventive]** • Proper food receiving, storing, cooking, preparing, and serving. • Established SOPs. • Strict security control. **[Corrective]** • Disciplinary action. • Various insurance policies. • Fire fighting equipment.

Statement on Risk Management and Internal Control

SIGNIFICANT OR MAIN PRINCIPAL RISK RELATING TO GROUP'S BUSINESS (CONTINUED)

Risk Profiles	Causes	Mitigation Controls
Competition risk	• Competition with new entrants or smaller industry players with leaner cost structures to tap certain segments of existing market share • Potential expansion of existing healthcare providers to increase market share • Intensified competition with existing market players	**[Detective]** • Market intelligence. • Study of customers behavior and demands. **[Corrective]** • To expand business model by entering into strategic business alliances with local/foreign partners. • Advertising and promotion with bundles and packages. • Cross-selling between healthcare services. • Participate in baby fair and expo. • Review strategy and planning to meet affordability of different markets. • Maintain good customer relationships. • Upholding superior quality. • Service differentiation by increasing value added services.

In today's environment of change and uncertainty, risk management is a critical success factor for achieving LYC's strategic and operational goals. Embedding risk management into existing processes is a key to making informed decisions and proactively planning for possible future events stemming from internal as well as external sources.

The implementation of an effective ERM process is a strategic initiative that has the full support of LYC's Board and Senior Management.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional service firm to assist the AC in providing an independent assessment on the adequacy and effectiveness of the Group's internal control system. The outsourced internal auditors conduct their works by referring to a recognised framework, the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors.

During the financial year ended 31 March 2023, internal audits were carried out in accordance to the internal audit plan that has been reviewed and approved by the AC. The business processes reviewed were Human Resources Management and Nursery Compliance (Infant Care). The internal audit review reports that were tabled to the AC for their deliberation on a semi-annually basis include management response and corrective actions taken or to be taken in regard to the specific findings and recommendations. The management as a whole is responsible for ensuring that the necessary corrective actions on reported weaknesses are promptly taken. The AC presents its findings to the Board. Further details of the activities of the internal audit function are provided in the AC Report.

The associated companies and joint venture companies have not been dealt with as part of the Group for the purpose of this Statement. The Group's system of internal controls does not apply to associated companies and joint venture companies where the Group does not have any direct control over their operation. However, the Group's interest is served through representation on the boards of the respective associated companies and joint venture companies and the Board meets to discuss and review the financial performance of these companies when necessary.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system are described below:

- **Limits of authority and responsibility**
  Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant charters/terms of reference, organisational structures and appropriate authority limits;

- **Written policies and procedures**
  Clearly defined internal policies and procedures as set out in the Group's Standard Operating Procedures Manual are updated, as and when required, to reflect changing risks or to address operational deficiencies;

- **Planning, monitoring and reporting**
  - The AC reviews the Group's quarterly financial performance, together with Management, which is subsequently reported to the Board;
  - Comprehensive information, which includes the monthly management reports covering key financial and operational indicators, is provided to Senior Management for the monitoring of performance against strategic plan; and

- **Related Party Transactions**
  Related party transactions (if any) are disclosed, reviewed, and monitored by the AC and Board on a quarterly basis.

REVIEW BY THE EXTERNAL AUDITORS

The External Auditors have conducted a limited assurance engagement on this Statement for inclusion in the Annual Report of the Group for the financial year ended 31 March 2023 pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3") issued by Malaysian Institute of Accountants ("MIA") and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the statement factually inaccurate.

AAPG 3 does not require the external auditors to:

(i) consider whether the Statement on Risk Management and Internal Control covers all risks and controls;
(ii) form an opinion on the adequacy and effectiveness of the Company's risk management and internal controls system including the assessment and opinion by the Board and Management thereon; and
(iii) consider whether the processes described to deal with material internal control aspects of any significant problems will in fact, remedy the problems.

CONCLUSION

Based on reviews of the adequacy and effectiveness of the operation of the internal control and risk management frameworks and information and together with the written assurance provided to the Board by the management, the Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 29 May 2023.

Sustainability Statement

ABOUT THIS REPORT

This report presents information for the financial year ended 31 March 2023 and covers LYC Healthcare Berhad's ("LYC" or the Group) sustainability policies and performances as well as our strategy for the future. In this report, we will discuss the environmental, social and governance factors and our efforts to improve and integrate sustainability into our operations.

ABOUT LYC HEALTHCARE BERHAD

Listed on the ACE Market of Bursa Malaysia and operating under "LYC Healthcare" brand, the Group has diversified its operations into specialised divisions, providing high quality services such as confinement care, family clinic, childcare and aesthetic service.

Established in May 2018, LYC Mother & Child Centre in TTDI is the flagship confinement centre for our Group Healthcare Division and has since expanded to Puchong and Bukit Jalil in the following years. We currently have a combined room capacity of 122 rooms, making us the largest confinement centre in Malaysia and have expanded in Johor to add up to an additional 67 beds during the year.

With the completion of our acquisition of T&T Medical Group Pte. Ltd. ("T&T"), HC Orthopaedic Surgery Pte. Ltd. ("HCOS") and Aqurate Ingredients Intl (M) Sdn. Bhd. ("AQ"), LYC would be able to enhance its capability as a healthcare provider to provide wider range of services, including but not limited to, postpartum care, childcare, cosmetic & aesthetic, general medical and specialised medical services. Further, the T&T and HCOS acquisitions marks LYC Group's foray into the Singapore healthcare sector, which is generally renowned as one of the leading healthcare service hub in the Asia Pacific region.

In view of continuous pipeline for long term future growth, the Group will continue to actively pursue its domestic development and expansion plan in overseas. LYC is also exploring opportunities in relevant and synergistic new healthcare related projects.

STAKEHOLDER ENGAGEMENT

LYC is committed to create long term sustainable value for itself, stakeholders, the communities where it operates as well as the environment. LYC believes that having regular engagements with the relevant parties are essential to the sustainable success to the Group. LYC's stakeholder groups have been identified and the engagement channels are summarised in the table below.

Key Stakeholders	Mode of Engagement	Significance to LYC
Shareholders and investors	Annual General Meeting, Annual Report, media conference and Bursa Announcement.	Corporate governance, financial performance review.
Patients and Customers	Service's quality control and assurance processes, regular meeting and visit, ongoing communication and websites.	Provide quality service, compliant products, and patients satisfaction.
Employees	Regular meetings, on job training, Standard Operating Procedures (SOPs), annual performance appraisal, and company events.	Safe and conducive working environment, rewards and recognition for performance, career development, workmen's compensation, group personal accidental, hospitality and life insurance.
Suppliers	Regular meetings, purchase orders and quotation, and ongoing communication.	Product quality, fair payment terms, reasonable price, and business continuity.
Regulators and Government	Bursa listing requirement, newsletter, update on development acts and enactments, licensing and permits, and regular discussion and email correspondence.	Regulatory compliance with environmental, safety, scheduled of controlled items, rules and regulations, and other applicable law. Cooperation during audit and inspection.
Community	Social responsibilities, participate in local community project/event and community initiative.	Good corporate citizenship and provide job opportunities.

ECONOMIC SUSTAINABILITY

Direct Economic Value Generated and Distributed

On 12 October 2020, Bursa Malaysia Berhad ("Bursa Malaysia") had approved the change in classification of sector for the Group from Technology to Healthcare as our healthcare business activities have become the major revenue contribution to Group's financial results. The classification change to healthcare sector allows the marketplace to view our pivot to healthcare more seriously and allows us to maximise customer relevancy and competitive distinctiveness, ultimately maximising brand value.

The Group will continuously promote our primary market offerings of postpartum confinement service within Klang Valley and in the near future Johor, while assessing any potential opportunities in overseas in order to ensure our long-term economic sustainability within Malaysia. The Group has diversified into childcare services, aesthetic medical services, fertility services and other new healthcare related projects.

Following the acquisition of remaining 49% stake in the Singapore medical firms, T&T Medical Group Pte. Ltd. ("T&T"), HC Orthopaedic Surgery Pte. Ltd. ("HCOS"), the Group believes that the acquisitions will contribute positively to the earnings of the Group and will add a valuable new dimension in the provision of healthcare services to our older customer base across Singapore.

Through implementation and constant improvement in quality control and best practices, the Group ensures that service level is high and consistent to generate sustainable operating income.

SOCIAL SUSTAINABILITY

Human Capital Management

Human capital management plays a pivotal role in shaping the culture and dynamism of people to ensure the success of the business. Our human capital development programmes have been designed and implemented to meet the business needs amidst the challenging operating environment. These include reviewing remuneration packages and benefits, managing employee development and employee welfare to build and maintain a sustainable talent pool.

The Group recognises that in order to retain our best talents and to maintain a competitive edge, we need to provide our employees with opportunities for career growth and development. An Equal Opportunity Policy is in place to ensure that all our employees are provided with fair and equal opportunities with no discrimination on age, gender, ethnicity or disabilities.

When it comes to promotion and recognition, the Group deploys and promotes all employees in accordance with their competencies, abilities and performance and is committed to give equal opportunities to everyone irrespective of their gender, age, religion and ethnic origin.

Training and Development

LYC encourages employees to develop their full potential for continuous improvement through training programmes.

Employee training is one of the programmes that LYC places high importance as recruitment needs to be armed with their knowledge and right skill sets. By providing the relevant trainings to enhance their performance at work and support their career development, it will allow them to excel in their work and meet challenges head-on.

SOCIAL SUSTAINABILITY (CONTINUED)

Patient Data Privacy

As a healthcare industry player, LYC manages sensitive patient health data daily, which may include a large amount of historical health data. It is our responsibility to handle the sensitive information with care and integrity.

LYC complies with the Personal Data Privacy Act (PDPA) to ensure we are managing patient data carefully. We do not keep data that we do not need and do not collect information that we do not require.

ENVIRONMENT SUSTAINABILITY

Waste Management

We put in considerable efforts to the proper segregation of wastes into its respective disposal bins which are then collected by the contractors in compliance with Environmental Quality (Scheduled Wastes) Regulations 2005. This is essential as it helps to provide a safe and sustainable environment for the public.

CONCLUSION

LYC integrates sustainability and social well-being into every aspect of its operations and work culture. As LYC expands its wings, the Group will strive to broaden and enhance its sustainability and Corporate Social Responsibility efforts.

Additional Compliance Information

I. PRIVATE PLACEMENT OF 30% THE TOTAL NUMBER OF ISSUED SHARES

On 4 May 2020, the Group had announced to undertake a proposed private placement of up to 30% of the total number of issued shares at an issue price to be determined and announced later ("Proposed Private Placement").

On 27 August 2020, the Group announced that Bursa Securities, vide its letter dated 27 August 2020, had approved the listing and quotation of up to 107,205,222 Placement Shares to be issued pursuant to the Proposed Private Placement.

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

The details of shares issued are as follows: -

Tranches	Issuance Date	No of shares	Issue Price (RM)	Total Proceeds (RM)
1st tranche	29-Sep-20	3,000,000	0.3575	1,072,500
2nd tranche	15-Oct-20	2,955,000	0.3384	999,972
3rd tranche	24-Dec-20	4,920,000	0.3050	1,500,600
4th tranche	18-Mar-21	21,300,000	0.2550	5,431,500
5th tranche	29-Mar-21	2,000,000	0.2650	530,000
6th tranche	23-Jun-21	40,000,000	0.2410	9,640,000
7th tranche	5-Nov-21	33,000,000	0.2470	8,151,000
		107,175,000		27,325,572

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

The status of utilisation of proceeds arising from the issuance is as follows:-

Purpose		Proceed Raised (RM'000)	Actual Utilisation (RM'000)	Remaining Balance (RM'000)	Intended Timeframe
a.	Business expansion	7,700	7,700	-	within 24 months
b.	Estimated expenses in relation to acquision and private placement	503	503	-	within 12 months
c.	Working capital	19,123	19,123	-	within 18 months
Total		**27,326**	**27,326**	**-**	

Additional Compliance Information

II. 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 announcements were made:-

(i) Proposed Listing

The Board had announced further details of the proposed listing of LYC Medicare Singapore Limited ("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.

The above proposals were duly passed by the shareholders at the EGM of the Company held on 15 March 2023.

On 17 March 2023, ZICO Capital Pte. Ltd. ("ZICO Capital"), the Sponsor and Issue Manager appointed by LYCSG for the Proposed Listing had, on behalf of LYCSG, submitted the pre-admission notification in respect of the Proposed Listing to the SGX-ST.

Additional Compliance Information

III. MULTIPLE 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. ("LYCM" 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 Limited ("LYC SG") (representing 25% equity interest in LYC SG), 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");

<u>Divestment Proceeds</u>

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	11,414	4,697	6,717	within 24 months
c.	Estimated expenses in relation to the Proposals	700	526	174	within 12 months
Total		**42,114**	**35,223**	**6,891**	

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.

Additional Compliance Information

IV. ACQUISITIONS OF REMAINING 49% SHARES IN T&T MEDICAL GROUP PTE. LTD. AND HC ORTHOPAEDIC SURGERY PTE. LTD.

On 16 March 2022, LYC Medicare Singapore Limited ("LYC SG" or the "Purchaser"), a wholly-owned subsidiary of LYC Medicare Sdn. Bhd. ("LYCM"), 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.

V. ACQUISITION OF THREE (3) DENTAL CLINICS

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

a. a conditional share sale agreement ("SSA Kiara") with Beh Wee Ren ("Dr. Beh") for the proposed acquisition by LYCDG of the entire equity interest in KL Dental (Kiara) Sdn. Bhd. ("KLDK") 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 LYCDG ("LYCDG Share(s)" or "Consideration Share(s)") deemed valued at RM438,565, on the terms and conditions contained in the SSA Kiara ("Proposed Acquisition of KLDK");

b. a conditional share sale agreement ("SSA Connaught") with Dr. Beh and Andy Ooi Yet Lee ("Dr. Andy") for the proposed acquisition by LYCDG of the entire equity interest in KL Dental (Connaught) Sdn. Bhd. ("KLDC") 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 KLDC"); and

c. a conditional share sale agreement ("SSA Courtyard") with Dr. Beh for the proposed acquisition by LYCDG of the entire equity interest in KL Dental Sdn. Bhd. ("KLD") 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 LYCDG Shares deemed valued at RM516,510, on the terms and conditions contained in the SSA Courtyard ("Proposed Acquisition of KLD"),

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. PRIVATE PLACEMENT

A. 10% OF THE TOTAL NUMBER OF ISSUED SHARES

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

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

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

B. 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.

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")	10,000	-	10,000	within 36 months
b.	To part or fully finance business expansion/future viable investment	6,689	6,689	-	within 24 months
c.	Working capital	6,689	6,689	-	within 12 months
Total		**23,378**	**13,378**	**10,000**	

Additional Compliance Information

VII. 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. ("TGV") ("TGV Share(s)"), representing 100% equity interest in TGV, 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 TGVSB ("Cash Consideration"); and

(b) issuance of 40% shares which is equivalent to 1,600,000 ordinary shares in LYCBW ("LYCBW 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. ACQUSITION 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.

IX. PROPOSED ACQUISITIONS OF 75% EQUITY INTEREST IN NUTROGREEN HEALTH INDUSTRIES SDN. BHD. AND BUSINESS 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 (collectively referred to as the "Vendors I") 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.

IX. PROPOSED ACQUISITIONS OF 75% EQUITY INTEREST IN NUTROGREEN HEALTH INDUSTRIES SDN. BHD. AND BUSINESS OF KITTA ENTERPRISE (CONTINUED)

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 II") 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 and LYCNS had entered into following agreements: -

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

ii. 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.

X. PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN CLINICAL NUTRITION INTL (M) SDN. BHD.

On 8 November 2022, LYC Nutrihealth Sdn. Bhd. ("LYCN" 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 LYCN 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 LYCN 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").

LYCN 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.

LYCN 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 LYCN 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. ("LYCN"), a subsidiary of LYC, had entered into exclusive distribution agreements ("EDA") with Curalife Spain S.L.U. ("Curalife"), to appoint LYCN as the exclusive distributor with the exclusive right to resell and distribute Curalife's herbal dietary supplement in Malaysia and Singapore ("Territory").

Additional Compliance Information

XII. PROPOSED ACQUISITION OF 3 UNITS OF LIGHT INDUSTRIAL FACTORY LOCATED IN PEKAN CHERAS, DAERAH ULU LANGAT, NEGERI SELANGOR

On 14 March 2023, Aqurate Ingredients Intl (M) Sdn. Bhd. ("Aqurate" or the "Purchaser"), a subsidiary of LYC, entered into a sale and purchase agreement ("SPA") with Golden City Development Sdn. Bhd. ("GCDSB" or the "Vendor") for the proposed acquisition of three (3) units of 1½ storey light industrial factory located in Pekan Cheras, Daerah Ulu Langat, Negeri Selangor for a total purchase consideration of RM4,500,000 ("Purchase Consideration") ("Proposed Acquisition").

XIII. PROPOSED PRIVATE PLACEMENT

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.

AUDIT AND NON-AUDIT FEES

During the financial year ended 31 March 2023, the amount of audit and non-audit fees paid/payable by the Company and the Group to the External Auditors and its affiliates are as follows:

	Company (RM'000)	Group (RM'000)
Audit services rendered	104	407
Non-statutory audit services rendered*	135	691
Total	**239**	**1,098**

* During the financial year, the amount comprised professional fees in relation to acquisition of subsidiaries, review of Statement of Risk Management and Internal Control and audit of interim financial statements for the Proposed Listing in SGX-ST.

Reports and Financial Statements

For the Financial Year Ended 31 March 2023

Financial Statements

Directors' Report

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(14,795)	(17,534)
(Loss)/Profit attributable to:		
Owners of the Company	(19,187)	(17,534)
Non-controlling interests	4,392	-
	(14,795)	(17,534)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2023.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year are RM967,000 and RM239,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued a total of 185,452,500 new ordinary shares pursuant to private placements at issue prices ranging from RM0.14 each to RM0.22 each mainly for the purpose of acquisition of subsidiaries, business expansion and working capital.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, no debentures were issued by the Company.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Sui Diong Hoe*	
Mohd Khasan Bin Ahmad	
Dato' Muraly Daran A/L M Narayana Menon	
Dato' Seri Abdul Azim Bin Mohd Zabidi	
Poh Zuan Yin	(Appointed on 29 May 2023)
Dr. Lim Geng Yan*	(Resigned on 29 November 2022)

* Director of the Company and certain subsidiaries.

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Ahmad Rafique Bin Mat Tahir	
Chan Ying Ho	
Chong Hui Xian	
Dr. Chew Shih May	
Ong Kee Leong	
Soh Hoo Hong	
Ting Choon Meng	
Tan Mei Xuan, Michelle	
Beh Wen Ren	
Andy Ooi Yet Lee	
Dinesh A/L Kanasen	
Dato' Foo Ho Cheng	(Appointed on 5 May 2022)
Tan Sri Dato' Sri Liow Tiong Lai	(Appointed on 5 May 2022)
Fona Virgin D'Cruz	(Appointed on 25 July 2022)
Goh Miao Ling	(Appointed on 18 January 2023)
Mohana Devi A/P Thanabal	(Resigned on 25 July 2022)
Nor Azreera Binti Wahab	(Resigned on 5 May 2022)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 01.04.2022	Bought	Sold	At 31.03.2023
The Company				
LYC Healthcare Berhad				
Direct interests:				
Sui Diong Hoe	-	37,000,000	-	**37,000,000**

Other than as stated above, the other directors in office at the end of the financial year had no interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company are as follows:

	Group and Company RM'000
Directors of the Company:	
Fees	288
Salaries, bonuses and allowances	889
Employees Provident Fund	103
	1,280

	Group RM'000
Directors of the subsidiaries:	
Fees	2
Salaries, bonuses and allowances	6,914
Employees Provident Fund	268
	7,184

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' Report

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and of the subsidiaries was RM5,000,000 and RM30,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events during and subsequent to the end of the financial year are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

MOHD KHASAN BIN AHMAD
Director

SUI DIONG HOE
Director

Kuala Lumpur

Date: 18 July 2023

Statements of Financial Position

As at 31 March 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
Non-current assets					
Property and equipment	5	**29,007**	27,405	**-**	-
Right-of-use assets	6	**41,960**	33,999	**-**	-
Intangible assets	7	**72,191**	62,513	**-**	-
Investment in subsidiaries	8	**-**	-	**52,344**	49,968
Investment in an associate	9	**935**	1,024	**-**	-
Investment in joint ventures	10	**5,172**	6,242	**-**	*
Deferred tax assets	22	**124**	94	**-**	-
Total non-current assets		**149,389**	131,277	**52,344**	49,968
Current assets					
Inventories	12	**7,781**	5,937	**-**	-
Current tax assets		**475**	100	**-**	-
Trade and other receivables	13	**17,592**	14,084	**106**	126
Amount due from subsidiaries	14	**-**	-	**15,586**	1,036
Amount due from joint ventures	14	**91**	27	**2**	27
Amount due from a non-controlling shareholder/director of a subsidiary	11	**-**	9,824	**-**	-
Contract assets	15	**204**	100	**-**	-
Cash and short-term deposits	16	**40,204**	21,832	**106**	37
Total current assets		**66,347**	51,904	**15,800**	1,226
TOTAL ASSETS		**215,736**	183,181	**68,144**	51,194

* Represents RM50.

Statements of Financial Position

As at 31 March 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	**90,558**	57,580	**90,558**	57,580
Other reserves	18	**4,368**	1,200	**-**	-
Accumulated losses		**(48,016)**	(31,197)	**(24,190)**	(6,656)
		46,910	27,583	**66,368**	50,924
Non-controlling interests		**33,693**	14,461	**-**	-
TOTAL EQUITY		**80,603**	42,044	**66,368**	50,924
Non-current liabilities					
Loans and borrowings	19	**57,119**	85,639	**-**	-
Lease liabilities	20	**37,899**	33,259	**-**	-
Amount due to a non-controlling shareholder/director of subsidiary	11	**1,180**	-	**-**	-
Provisions	21	**1,479**	1,250	**-**	-
Deferred tax liabilities	22	**574**	591	**-**	-
Total non-current liabilities		**98,251**	120,739	**-**	-
Current liabilities					
Loans and borrowings	19	**857**	673	**-**	-
Lease liabilities	20	**7,446**	4,297	**-**	-
Provisions	21	**288**	348	**-**	-
Current tax liabilities		**1,317**	1,784	**-**	-
Trade and other payables	23	**13,273**	10,311	**296**	154
Amount due to subsidiaries	14	**-**	-	**1,480**	116
Amount due to non-controlling shareholder/director of subsidiaries	11	**10,715**	174	**-**	-
Contract liabilities	15	**2,986**	2,811	**-**	-
Total current liabilities		**36,882**	20,398	**1,776**	270
TOTAL LIABILITIES		**135,133**	141,137	**1,776**	270
TOTAL EQUITY AND LIABILITIES		**215,736**	183,181	**68,144**	51,194

The accompanying notes form an integral part of these financial statements.

Statements of Comprehensive Income

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	24	**92,282**	64,597	**3,794**	2,866
Cost of sales	25	**(50,701)**	(32,408)	**-**	-
Gross profit		**41,581**	32,189	**3,794**	2,866
Other operating income		**1,683**	8,640	**11**	4,108
Selling and distribution expenses		**(4,581)**	(5,682)	**-**	-
Administrative expenses		**(35,545)**	(26,759)	**(5,577)**	(4,069)
Net impairment losses on receivables		**(226)**	(20)	**350**	(1,259)
Other expenses		**(1,536)**	(371)	**(16,112)**	(7,049)
Profit/(Loss) from operations		**1,376**	7,997	**(17,534)**	(5,403)
Finance costs, net	26	**(11,011)**	(8,704)	**-**	-
Share of results of an associate, net of tax		**(89)**	(176)	**-**	-
Share of results of joint ventures, net of tax		**(2,140)**	(338)	**-**	-
Loss before tax	27	**(11,864)**	(1,221)	**(17,534)**	(5,403)
Income tax expense	28	**(2,931)**	(3,033)	**-**	-
Loss for the financial year		**(14,795)**	(4,254)	**(17,534)**	(5,403)
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Surplus on revaluation of property and equipment		**-**	62	**-**	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**3,429**	676	**-**	-
Other comprehensive income for the financial year		**3,429**	738	**-**	-
Total comprehensive loss for the financial year		**(11,366)**	(3,516)	**(17,534)**	(5,403)

Statements of Comprehensive Income

For the financial year ended 31 March 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		**(19,187)**	(9,227)	**(17,534)**	(5,403)
Non-controlling interests		**4,392**	4,973	**-**	-
		(14,795)	(4,254)	**(17,534)**	(5,403)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		**(16,019)**	(8,543)	**(17,534)**	(5,403)
Non-controlling interests		**4,653**	5,027	**-**	-
		(11,366)	(3,516)	**(17,534)**	(5,403)
Loss per share (sen)					
Basic loss per share	29	**(3.48)**	(2.11)		
Diluted loss per share	29	**(3.48)**	(2.11)		

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 31 March 2023

	Note	← Attributable to owners of the Company → Share capital RM'000	Other reserves 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	Non-controlling interests RM'000	Total equity RM'000
Group								
At 1 April 2021		77,661	516	(59,703)	1,230	19,704	5,889	25,593
Total comprehensive income/(loss) for the financial year								
Loss for the financial year		-	-	(9,227)	-	(9,227)	4,973	(4,254)
Other comprehensive income for the financial year		-	684	-	-	684	54	738
Total comprehensive income/(loss)		-	684	(9,227)	-	(8,543)	5,027	(3,516)
Transactions with owners								
Issue of ordinary shares	17	17,791	-	-	-	17,791	-	17,791
Transaction costs of share issue		(462)	-	-	-	(462)	-	(462)
Acquisition of non-controlling interests	8	-	-	(1,231)	-	(1,231)	1,171	(60)
Capital reduction	17	(37,410)	-	37,410	-	-	-	-
Dividend paid to non-controlling shareholders of the subsidiary		-	-	-	-	-	(2,256)	(2,256)
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
Realisation in revaluation due to disposal of assets		-	-	1,230	(1,230)	-	-	-
Realisation in deferred taxation previously recognised on revaluation		-	-	324	-	324	-	324
At 31 March 2022		57,580	1,200	(31,197)	-	27,583	14,461	42,044

Statements of Changes in Equity

For the financial year ended 31 March 2023

	Note	← Attributable to owners of the Company →					
		Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 April 2022		57,580	1,200	(31,197)	27,583	14,461	42,044
Total comprehensive income/(loss) for the financial year							
Loss for the financial year		-	-	(19,187)	(19,187)	4,392	(14,795)
Other comprehensive income for the financial year		-	3,168	-	3,168	261	3,429
Total comprehensive income/(loss)		-	3,168	(19,187)	(16,019)	4,653	(11,366)
Transaction with owners							
Issue of ordinary shares	17	33,365	-	-	33,365	-	33,365
Transaction costs of share issue		(387)	-	-	(387)	-	(387)
Acquisition of non-controlling interests	8	-	-	(45,429)	(45,429)	(10,735)	(56,164)
Changes in ownership interests in subsidiaries		-	-	20,699	20,699	11,498	32,197
Divestment of investments in a subsidiary	8	-	-	27,098	27,098	15,016	42,114
Dividend paid to non-controlling shareholders of the subsidiaries		-	-	-	-	(1,200)	(1,200)
Total transactions with owners		32,978	-	2,368	35,346	14,579	49,925
At 31 March 2023		**90,558**	**4,368**	**(48,016)**	**46,910**	**33,693**	**80,603**

Statements of Changes in Equity

For the financial year ended 31 March 2023

	Note	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
At 1 April 2021		77,661	(38,663)	38,998
Total comprehensive loss for the financial year		-	(5,403)	(5,403)
Transactions with owners				
Issue of ordinary shares	17	17,791	-	17,791
Transaction costs of share issue		(462)	-	(462)
Capital reduction	17	(37,410)	37,410	-
Total transactions with owners		(20,081)	37,410	17,329
At 31 March 2022		57,580	(6,656)	50,924
Total comprehensive loss for the financial year		-	(17,534)	(17,534)
Transaction with owners				
Issue of ordinary shares	17	33,365	-	33,365
Transaction costs of share issue		(387)	-	(387)
Total transaction with owners		32,978	-	32,978
At 31 March 2023		**90,558**	**(24,190)**	**66,368**

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cash flows from operating activities					
Loss before tax		**(11,864)**	(1,221)	**(17,534)**	(5,403)
Adjustments for:					
Bad debts written off		**3**	167	**-**	-
Depreciation of property and equipment		**3,224**	2,711	**-**	-
Depreciation of right-of-use assets		**6,013**	4,844	**-**	-
Impairment losses on:					
- property and equipment		**361**	-	**-**	-
- right-of-use assets		**658**	-	**-**	-
- goodwill on business combination		**43**	-	**-**	-
- investment in subsidiaries		**-**	-	**15,225**	7,045
- amount due from subsidiaries		**-**	-	**791**	1,259
- trade and other receivables		**226**	20	**-**	-
Inventories written down		**188**	18	**-**	-
COVID-19-related rent concession income		**-**	(644)	**-**	-
Gain on termination of lease		**-**	(340)	**-**	-
Loss/(Gain) on disposal of:					
- property and equipment		**-**	(22)	**-**	-
- investment in subsidiaries		**-**	-	**882**	-
- assets classified as held for sale		**-**	(124)	**-**	-
Reversal of impairment losses on:					
- property and equipment		**-**	(2)	**-**	-
- investment in subsidiaries		**-**	-	**-**	(1,032)
- amount due from subsidiaries		**-**	-	**(1,141)**	(3,076)
Bad debts recovered		**(4)**	-	**-**	-
Interest expense		**11,222**	8,759	**-**	-
Interest income		**(260)**	(107)	**-**	-
Net (reversal)/provision for unutilised leave		**(82)**	11	**-**	-
Net provision/(reversal) for restoration costs		**113**	(77)	**-**	-
Property and equipment written off		**41**	12	**-**	-
Reversal of inventories written down		**(28)**	(24)	**-**	-
Unrealised (gain)/loss on foreign exchange, net		**(21)**	(3)	**-**	3
Unwinding of discount on provision for restoration cost		**49**	52	**-**	-
Waiver of debts		**(71)**	(4,699)	**-**	-
Share of results of an associate, net of tax		**89**	176	**-**	-
Share of results of joint ventures, net of tax		**2,140**	338	**-**	-
		12,040	9,845	**(1,777)**	(1,204)

Statements of Cash Flows

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cash flows from operating activities (Continued)					
Changes in working capital:					
Inventories		**(1,901)**	(338)	**-**	-
Receivables		**(3,087)**	(2,244)	**(2,731)**	3,606
Payables		**1,819**	(3,131)	**142**	(6)
Contract liabilities		**71**	(645)	**-**	-
Net cash generated from/(used in) operations		**8,942**	3,487	**(4,366)**	2,396
Income tax paid		**(4,110)**	(3,164)	**-**	-
Income tax refunded		**160**	21	**-**	-
Net cash from/(used in) operating activities		**4,992**	344	**(4,366)**	2,396
Cash flows from investing activities					
Interest received		**260**	107	**-**	-
Net (advances to)/repayment from subsidiaries		**-**	-	**(10,085)**	1,406
Capital contribution to subsidiaries		**-**	-	**-**	(21,986)
Capital contribution to joint venture		**-**	(2,500)	**-**	-
(Advances to)/Repayment from joint ventures		**(64)**	(19)	**25**	(19)
Repayment from/(Advances to) a non-controlling shareholder/director of subsidiary		**9,824**	(272)	**-**	-
Acquisition of subsidiaries, net of cash acquired	8	**(4,139)**	(31,635)	**-**	-
Acquisition of non-controlling interests	8	**(26,525)**	(60)	**-**	(60)
Subscription of shares in subsidiaries		**-**	-	**(18,823)**	(102)
Subscription of shares in a joint venture		**(1,070)**	(4,080)	**-**	-
Placement of deposits with a licensed bank		**(1)**	(550)	**-**	-
Proceeds from divestment of investment in a subsidiary		**12,114**	-	**-**	-
Proceeds from disposal of:					
- property and equipment		**2**	23	**-**	-
- investment in subsidiaries		**-**	-	**340**	-
- assets classified as held for sale		**-**	4,100	**-**	-
Real property gains tax paid		**-**	(28)	**-**	-
Purchase of property and equipment		**(2,533)**	(2,883)	**-**	-
Net cash used in investing activities		**(12,132)**	(37,797)	**(28,543)**	(20,761)

Statements of Cash Flows

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from financing activities	(a)				
Proceeds from issuance of ordinary shares		**33,365**	17,791	**33,365**	17,791
Proceeds from issuance of redeemable preference shares		**-**	42,000	**-**	-
Interest paid		**(10,442)**	(6,004)	**-**	-
Redemption of redeemable preference shares		**-**	(3)	**-**	-
Repayment of term loans		**(459)**	(968)	**-**	-
Repayment of hire purchase payables		**(244)**	(206)	**-**	-
Repayment of liabilities related to assets classified as held for sale		**-**	(1,619)	**-**	-
Transactions costs paid for issuance of redeemable preference shares		**-**	(1,260)	**-**	-
Transaction costs of share issue		**(387)**	(462)	**(387)**	(462)
Payment of lease liabilities		**(5,706)**	(3,769)	**-**	-
Advances from non-controlling shareholder/ director of subsidiaries		**11,026**	174	**-**	-
Dividend paid to non-controlling shareholders of subsidiary		**(1,200)**	(2,256)	**-**	-
Net cash from financing activities		**25,953**	43,418	**32,978**	17,329
Net increase/(decrease) in cash and cash equivalents		**18,813**	5,965	**69**	(1,036)
Effect of exchange differences on translation		**(442)**	(45)	**-**	-
Cash and cash equivalents at the beginning of the financial year		**21,282**	15,362	**37**	1,073
Cash and cash equivalents at the end of the financial year	16	**39,653**	21,282	**106**	37

(a) Reconciliation of liabilities arising from financing activities:

	At 1 April 2021 RM'000	Cash flows RM'000	Non-cash flows: Acquisitions of leases RM'000	Non-cash flows: Exchange differences RM'000	Non-cash flows: Others RM'000	At 31 March 2022 RM'000
Group						
Term loans	1,930	(968)	-	-	-	962
Hire purchase payables	82	(206)	-	-	784	660
Lease liabilities	42,724	(3,769)	492	(123)	(1,768)	37,556
Redeemable preference shares	48,082	41,997	-	-	(5,389)	84,690
	92,818	37,054	492	(123)	(6,373)	123,868

	At 1 April 2022 RM'000	Cash flows RM'000	Non-cash flows: Acquisitions of leases RM'000	Non-cash flows: Acquisitions of subsidiaries RM'000	Non-cash flows: Others RM'000	At 31 March 2023 RM'000
Group						
Term loans	962	(459)	-	-	-	503
Hire purchase payables	660	(244)	-	1,587	-	2,003
Lease liabilities	37,556	(5,706)	12,747	748	-	45,345
Redeemable preference shares	84,690	-	-	-	(29,220)	55,470
	123,868	(6,409)	12,747	2,335	(29,220)	103,321

Statements of Cash Flows

For the financial year ended 31 March 2023

(a) Reconciliation of liabilities arising from financing activities: (Continued)

Included in others are:

	2023 RM'000	2022 RM'000
Lease liabilities		
COVID-19-related rent concession income	**-**	(644)
Gain on termination of lease	**-**	(340)
	-	(984)
Redeemable preference shares		
Transaction costs paid	**-**	(1,260)
Redemption	**(30,000)**	-
Amortisation of transaction costs	**780**	570
Waiver of debts	**-**	(4,699)
	(29,220)	(5,389)

Company
Changes in liabilities arising from financing activities are changes arising from cash outflows.

(b) Total cash outflows for leases
During the financial year, the Group had total cash outflows for leases of RM8,358,000 (2022: RM5,854,000).

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

LYC Healthcare Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th floor, Menara Symphony, No 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor. The principal place of business of the Company is located at 2nd & 3rd Floor, Podium Block Plaza VADS, No. 1, Jalan Tun Mohd Fuad, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 July 2023.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combination
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associate and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint ventures.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (Continued)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The initial application of the above applicable amendments/improvements to MFRSs is not expected to have material impact to the current and prior years financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas where assumptions and major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, or areas involving judgements that have most effect on the amounts recognised in the financial statements are disclosed in Note 4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation and economic entities

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associate and joint ventures used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7(a) to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(a) Subsidiaries and business combination (Continued)

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, joint venture, or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non- controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(c) Associates (Continued)

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Contributions to associate are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the associate.

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(d) Joint arrangements (Continued)

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint ventures using the equity method.

Contributions to joint ventures are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the joint ventures.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associate and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, joint ventures and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b) to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currencies transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair value were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (Continued)

(a) Translation of foreign currency transactions (Continued)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operations. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

The Group's and the Company's financial assets consist of debt instruments that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost.

Accordingly, the Group and the Company classify its financial assets as financial assets measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group and the Company classify its financial liabilities as financial liabilities measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the EIR amortisation process.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined using the general 3-stage approach as described in Note 3.10(a) and the amount initially recognised, and where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or

(ii) the Group and the Company have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party and either:
  (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or
  (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property and equipment

(a) Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Freehold land and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of valuation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and buildings does not differ materiality from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

(b) Subsequent costs

The cost of replacing a part of an item of property and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property and equipment (Continued)

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated as these assets are not yet available for use.

All other property and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Buildings	2.5%
Equipment	10 – 20%
Furniture and fittings	7 – 20%
Office equipment and renovation	10 – 50%
Computer equipment	10 – 33.33%
Motor vehicles	10 – 20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

(ii) the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

(iii) the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group has designed the asset in a way that predetermines how and for what purpose it will be used.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Lease liability (Continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected the practical expedient not to assess whether a COVID- 19-related rent concession is a lease modification.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b), then it classifies the sub-lease as an operating lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(c) Lessor accounting (Continued)

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

3.7 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

(b) Research and development costs

Research costs are recognised in profit or loss as incurred.

An intangible asset arising from the development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated that the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that does not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Capitalised development costs are depreciated on a straight-line basis by allocating their depreciable amount over their remaining useful lives of 5 years.

Capitalised development costs are derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- computer and electronic parts and healthcare supplies: the costs are assigned on a first-in first-out basis.
- neutraceutical supplements and ingredients: the costs are determined on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.10 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost and financial guarantee contracts are subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit loss ("ECL") is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance as follows:

(i) General 3-stage approach for other receivables and cash and bank balances

At each reporting date, the Group and the Company measure loss allowance at an amount equal to credit losses that result from default events that are possible within the next 12-months ("12-month ECL") if credit risk on a financial instrument has not increased significantly since initial recognition.

For other financial instruments, a loss allowance at an amount equal to credit losses over the remaining life of the exposure ("lifetime ECL") is required.

(ii) Simplified approach for trade receivables

The Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime ECL at each reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (Continued)

(a) Impairment of financial assets (Continued)

Generally, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default (or credit-impaired) when contractual payment of the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. Nevertheless, in other cases, the Group may also consider internal and external information that indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. That information includes instances where:

- the counterparty is in significant financial difficulty;
- the counterparty is in breach of financial covenants;
- the lender of the counterparty having granted to the counterparty a concession that the lender would not otherwise consider; and
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

Impairment losses (or reversal) are recognised in profit or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the counterparty no longer have assets or a source of income that could generate sufficient cash flows to repay the amount due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash- generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (Continued)

(b) Impairment of non-financial assets (Continued)

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at end of each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.11 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Preference shares

Preference shares are classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

Preference shares are classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contribution, annual bonuses, paid annual leave, sick leave and non- monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and to the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan and the Central Provident Fund, Singapore's defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(a) Restoration costs

The Group recognised the estimated costs of restoration of office and operating premises under leases. The provision is estimated based on the best estimates of the expenditure required to settle the obligation, taking into consideration time value of money. The restoration costs are recognised as part of the costs of right-of-use assets.

3.14 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or have billed the customers.

3.15 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Revenue and other income (Continued)

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods

Revenue from the sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term ranging from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Revenue is recognised based on the price specified in the contract, net of any discounts, excluding amounts collected on behalf of third parties such as sales and services tax.

Where consideration is collected from customer in advance for sale of goods, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sales of goods to the customer.

(b) Rendering of services

Revenue from confinement, child daycare and dental services mainly are recognised as services are rendered over time as customers simultaneously receive and consume the benefits provided by the Group's performance, measured using time elapsed method. Revenue from medical services is recognised as services are rendered at a point in time upon completion of the specified services.

Sales of services are generally made on cash term.

Where consideration is collected from customer in advance for services, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon rendering of services to the customer.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (Continued)

(b) Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales and services tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.19 Operating segments

For management purposes, the Group is organised into operating segments based on business segments which are reviewed regularly by the chief operating decision maker, which is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would be use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for the identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial year include the following:

4.1 Impairment of non-financial assets (Note 5 and 6)

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset or cash-generating unit ("CGU") is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset or CGU and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset or CGU discounted at an appropriate discount rate. The Group uses its judgement to decide on the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial positions and results if the actual cash flows are less than the expected.

4.2 Impairment of goodwill (Note 7)

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating unit ("CGU") to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

4.3 Impairment of investment in subsidiaries (Note 8)

As at the reporting date, the Company determines whether there is any indication of impairment on its investment in subsidiaries. Where there is indication of impairment, the Company carries out the impairment test based on value-in-use of the cash- generating unit. Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

4.4 Classification of investment in joint ventures (Note 10)

According to the contractual arrangement entered into with the Group's joint venture partner, decisions about the relevant activities of the joint venture require the unanimous consent of all the parties sharing control.

Judgement is required to determine if the Group has joint control over the joint venture to recognise them as joint venture arrangements and to account for its interest using the equity method.

5. PROPERTY AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Equipment RM'000	Furniture and fittings RM'000	Office and medical equipment and renovation RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group									
2023									
Cost/Valuation									
At 1 April 2022									
As previously stated	4,955	1,860	265	9,001	17,526	1,191	200	-	34,998
Reclassification (Note 36)	-	-	-	-	-	-	1,215	-	1,215
At 1 April 2022, as restated	4,955	1,860	265	9,001	17,526	1,191	1,415	-	36,213
Acquisition of subsidiaries (Note 8)	-	-	-	27	2,425	49	-	-	2,501
Additions	-	-	9	146	1,537	133	428	280	2,533
Reclassification	-	-	-	-	37	(37)	-	-	-
Disposal	-	-	-	-	(3)	(1)	-	-	(4)
Written off	-	-	-	(47)	(90)	(31)	-	-	(168)
Exchange differences	-	-	-	29	160	7	41	-	237
At 31 March 2023	4,955	1,860	274	9,156	21,592	1,311	1,884	280	41,312
Representing:									
- cost	-	-	274	9 ,156	21,592	1,311	1,884	280	34,497
- valuation	4,955	1,860	-	-	-	-	-	-	6,815
	4,955	1,860	274	9,156	21,592	1,311	1,884	280	41,312

5. **PROPERTY AND EQUIPMENT (CONTINUED)**

	Freehold land RM'000	Buildings RM'000	Equipment RM'000	Furniture and fittings RM'000	Office and medical equipment and renovation RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group									
2023									
Accumulated depreciation and impairment									
At 1 April 2022									
As previously stated	-	14	184	2,326	5,001	913	93	-	8,531
Reclassification (Note 36)	-	-	-	-	-	-	277	-	277
At 1 April 2022, as restated	-	14	184	2,326	5,001	913	370	-	8,808
Depreciation for the financial year	-	39	21	702	2,123	109	230	-	3,224
Disposal	-	-	-	-	(1)	(1)	-	-	(2)
Impairment loss	-	-	-	-	361	-	-	-	361
Written off	-	-	-	(21)	(76)	(30)	-	-	(127)
Exchange differences	-	-	-	6	25	4	6	-	41
At 31 March 2023	-	53	205	3,013	7,433	995	606	-	12,305
Carrying amount at 31 March 2023	4,955	1,807	69	6,143	14,159	316	1,278	280	29,007
Representing:									
- cost	-	-	69	6,143	14,159	316	1,278	280	22,245
- valuation	4,955	1,807	-	-	-	-	-	-	6,762
	4,955	1,807	69	6,143	14,159	316	1,278	280	29,007

5. PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Equipment RM'000	Furniture and fittings RM'000	Office and medical equipment and renovation RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Group								
2022								
Cost/Valuation								
At 1 April 2021								
As previously stated	385	260	165	8,939	15,427	1,073	173	26,422
Reclassification (Note 36)	-	-	-	-	-	-	719	719
At 1 April 2021, as restated	385	260	165	8,939	15,427	1,073	892	27,141
Acquisition of subsidiaries (Note 8)	4,570	1,080	100	12	494	49	50	6,355
Additions	-	450	-	259	2,068	73	525	3,375
Revaluation surplus	-	82	-	-	-	-	-	82
Reclassification	-	-	-	(13)	13	-	-	-
Disposal	-	-	-	(27)	(3)	(1)	(56)	(87)
Written off	-	-	-	(172)	(484)	(3)	-	(659)
Exchange differences	-	-	-	3	11	-	4	18
Elimination of accumulated depreciation on revaluation	-	(12)	-	-	-	-	-	(12)
At 31 March 2022	4,955	1,860	265	9,001	17,526	1,191	1,415	36,213
Representing:								
- cost	-	-	265	9,001	17,526	1,191	1,415	29,398
- valuation	4,955	1,860	-	-	-	-	-	6,815
	4,955	1,860	265	9,001	17,526	1,191	1,415	36,213

5. PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Equipment RM'000	Furniture and fittings RM'000	Office and medical equipment and renovation RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Group								
2022								
Accumulated depreciation and impairment								
At 1 April 2021								
As previously stated	-	7	165	1,853	3,722	813	126	6,686
Reclassification (Note 36)	-	-	-	-	-	-	158	158
At 1 April 2021, as restated	-	7	165	1,853	3,722	813	284	6,844
Depreciation for the financial year	-	19	19	671	1,757	103	142	2,711
Disposal	-	-	-	(27)	(3)	-	(56)	(86)
Reversal of impairment loss	-	-	-	-	-	(2)	-	(2)
Written off	-	-	-	(172)	(474)	(1)	-	(647)
Exchange differences	-	-	-	1	(1)	-	-	-
Elimination of accumulated depreciation on revaluation	-	(12)	-	-	-	-	-	(12)
At 31 March 2022	-	14	184	2,326	5,001	913	370	8,808
Carrying amount at 31 March 2022	4,955	1,846	81	6,675	12,525	278	1,045	27,405
Representing:								
- cost	-	-	81	6,675	12,525	278	1,045	20,604
- valuation	4,955	1,846	-	-	-	-	-	6,801
	4,955	1,846	81	6,675	12,525	278	1,045	27,405

5. PROPERTY AND EQUIPMENT (CONTINUED)

(a) Assets pledged as security

The carrying amounts of property and equipment have been pledged as securities to secure loans and borrowings of the Group as disclosed in Note 19 are as follows:

	Group	
	2023 RM'000	2022 RM'000
Motor vehicles	**1,086**	938
Medical equipment	**1,504**	-
	2,590	938

(b) Revaluation of land and buildings

Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the net carrying value of the land and buildings that would been included in the financial statements of the Group is as follows:

	Group	
	2023 RM'000	2022 RM'000
- Freehold land	**4,218**	4,218
- Buildings	**1,149**	1,603

(c) Fair value information

Fair value of land and buildings are categorised as follow:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2023				
- Freehold land	**-**	**-**	**4,955**	**4,955**
- Buildings	**-**	**-**	**1,860**	**1,860**
	-	**-**	**6,815**	**6,815**
2022				
- Freehold land	-	-	4,955	4,955
- Buildings	-	-	1,860	1,860
	-	-	6,815	6,815

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5. PROPERTY AND EQUIPMENT (CONTINUED)

(c) Fair value information (Continued)

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the land and buildings.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Freehold land and buildings	Comparison method and cost method	Price per square foot of RM246 and RM524 - RM528 (2022: RM246 and RM524 - RM528), and construction cost per square foot of RM60 and RM91 - RM98 (2022: RM60 and RM91 - RM98)	The higher the price/cost per square foot, the higher the fair value

Valuation process applied by the Group

The fair value of freehold land and buildings of the Group amounting to RM6.17 million are determined based on the valuation performed by an external independent firm of professional valuers, IVPS Property Consultant Sdn. Bhd., a member of the Institute of Valuers in Malaysia, on 24 March 2022. The fair value of the other freehold land and building was estimated via internal research of comparable properties in year 2020.

The following table shows a reconciliation of Level 3 fair values:

	Group	
	2023 RM'000	**2022 RM'000**
At 1 April	**6,815**	645
Acquisition of subsidiaries	**-**	5,650
Additions	**-**	450
Changes in fair value recognised in other comprehensive income	**-**	70
At 31 March	**6,815**	6,815

Transfer between levels of fair value hierarchy

There is no transfer between level 1 and level 2 of fair value hierarchy during the financial year.

5. PROPERTY AND EQUIPMENT (CONTINUED)

(d) Impairment loss

During the financial year, the Group assessed the recoverable amount of its property and equipment and right-of-use assets (Note 6) with total net carrying amount of RM27,688,555 in view of the performance of the subsidiaries. The Group recognised in profit or loss under other expenses, an impairment loss of RM360,817 and RM657,556, in respect of certain property and equipment and right-of-use assets of confinement center, respectively in the healthcare services segment. The impairment loss was recognised based on recoverable amount determined using value-in-use of the subsidiaries. The recoverable amount was determined using pre-tax discount rate of 12%.

6. RIGHT-OF-USE ASSETS

The Group leases several assets including office and operation premises and medical equipment.

Information about leases for which the Group is lessee is presented below:

	Buildings RM'000	Medical equipment RM'000	Total RM'000
Group			
2023			
Cost			
At 1 April 2022	46,200	-	46,200
Acquisition of subsidiaries (Note 8)	709	-	709
Additions	3,851	8,896	12,747
Derecognition	(91)	-	(91)
Expiry of lease	(4,623)	-	(4,623)
Exchange differences	1,226	223	1,449
At 31 March 2023	47,272	9,119	56,391
Accumulated depreciation and impairment			
At 1 April 2022	12,201	-	12,201
Depreciation for the financial year	5,420	593	6,013
Impairment loss	658	-	658
Derecognition	(91)	-	(91)
Expiry of lease	(4,623)	-	(4,623)
Exchange differences	258	15	273
At 31 March 2023	13,823	608	14,431
Carrying amount at 31 March 2023	33,449	8,511	41,960

6. RIGHT-OF-USE ASSETS (CONTINUED)

Information about leases for which the Group is lessee is presented below: (Continued)

	Buildings RM'000
Group	
2022	
Cost	
At 1 April 2021	47,782
Additions	-
Modification of lease	(123)
Derecognition upon expiry of lease	(1,577)
Exchange differences	118
At 31 March 2022	46,200
Accumulated depreciation and impairment	
At 1 April 2021	8,922
Depreciation for the financial year	4,844
Derecognition upon expiry of lease	(1,577)
Exchange differences	12
At 31 March 2022	12,201
Carrying amount at 31 March 2022	33,999

The Group leases office units and apartments for its office use, confinement care centres, clinics, childcare centre and staffs' hostels. The leases typically run for a period of 2 to 5 years. The leases include renewal option for additional terms of 6 to 9 years upon expiry of the initial term.

Extension options

The Group has several lease contracts that include extension options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

6. RIGHT-OF-USE ASSETS (CONTINUED)

Extension options (Continued)

The undiscounted potential future rental payments relating to periods following the exercise date of extension that are not included in the lease term are as follows:

	Within five years RM'000	More than five years RM'000	Total RM'000
Group			
2023			
Extension options expected not to be exercised	**914**	**93**	**1,007**
2022			
Extension options expected not to be exercised	959	93	1,052

7. INTANGIBLE ASSETS

	Note	Goodwill RM'000	Software development costs RM'000	Total RM'000
Group				
Cost				
At 1 April 2021		36,023	1,942	37,965
Acquisition of subsidiaries	8	25,877	-	25,877
Exchange differences		613	-	613
At 31 March 2022		62,513	1,942	64,455
Acquisition of subsidiaries	8	7,085	-	7,085
Exchange differences		2,636	-	2,636
At 31 March 2023		**72,234**	**1,942**	**74,176**
Accumulated amortisation and impairment loss				
At 1 April 2021/2022		-	1,942	1,942
Impairment		43	-	43
At 31 March 2023		**43**	**1,942**	**1,985**
Net carrying amount				
At 31 March 2022		62,513	-	62,513
At 31 March 2023		**72,191**	**-**	**72,191**

7. INTANGIBLE ASSETS (CONTINUED)

Goodwill arise from the acquisition of T&T Medical Group Pte. Ltd. ("T&T"), HC Orthopaedic Surgery Pte. Ltd. ("HCOS"), Aqurate Ingredients Intl (M) Sdn. Bhd. ("AQ"), Microbiome Intl (M) Sdn. Bhd. ("MB"), Tao Global Ventures Sdn. Bhd. ("TGV"), KL Dental Sdn. Bhd. ("KLD"), KL Dental (Kiara) Sdn. Bhd. ("KLDK") and KL Dental (Connaught) Sdn. Bhd. ("KLDC") which operate in the healthcare services segment.

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each cash generating units ("CGUs").

The recoverable amount of CGUs has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering a five-year period. Cash flows beyond five-year period are extrapolated.

The following describes each key assumptions for which management has based its five-year cash flows projections to undertake the impairment testing of goodwill:

	Revenue growth	Gross margin	Discount rate	Terminal growth rate
2023				
Healthcare services	**3% - 19%**	**39% - 66%**	**10% - 19%**	**1.5% - 2%**
Neutraceutical supplements and ingredients	**7%**	**40%**	**13%**	**2%**
2022				
Healthcare services	12% - 14%	72% - 73%	10%	1.5%
Neutraceutical supplements and ingredients	13%	40%	21%	0%

The values assigned to the above key assumptions represent the Group's assessment of future trends in the industry and are based on both external sources and internal source of information.

(i) Revenue growth – compound average growth rate based on strategies in place such as increase in number of patients and sales volumes.

(ii) Gross margin – average based on past experience and projected gross margin.

(iii) Discount rate – based on the industry weighted average cost of capital of the CGU. The discount rate applied to the cash flow projections is pre-tax and reflects estimate of the risk specific to the CGU at the date of assessment.

(iv) Terminal growth rate – based on forecasted Gross Domestic Product growth rate.

Based on the annual impairment testing undertaken by the Group, no impairment losses were required for the carrying amount of the goodwill assessed as their recoverable amounts were in excess of their carrying amounts.

Based on the sensitivity analysis performed, the Group believes that there is no reasonably possible change in key assumptions that would cause the carrying amounts of the CGUs to exceed their recoverable amounts.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	**2022 RM'000**
At cost		
Unquoted shares	**32,582**	15,029
Loans that are part of net investments	**59,799**	59,799
Less: Accumulated impairment loss	**(40,037)**	(24,860)
	52,344	49,968

The movement in accumulated impairment loss is as follows:

	Company	
	2023 RM'000	**2022 RM'000**
At 1 April	**24,860**	18,847
Impairment loss during the year (Note 27)	**15,225**	7,045
Reversal of impairment loss (Note 27)	**(48)**	(1,032)
At 31 March	**40,037**	24,860

Loans that are part of net investments represent amount due from subsidiaries which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long term source of capital to the subsidiary. As these amounts are, in substance, a part of the Company's net investment in the subsidiary, they are stated at cost less accumulated impairment loss, if any.

Additional impairment loss was recognised during the financial year due to continuous losses incurred by subsidiaries. The impairment loss was recognised based on recoverable amount determined using value-in-use of the subsidiaries. The recoverable amount was determined using pre-tax discount rate of 12%.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest 2023 %	Ownership interest and voting interest 2022 %	Principal activities
Held by the Company				
Mexter (M) Sdn. Bhd. ("MMSB")	Malaysia	**100**	100	Provision of information technology ("IT") solutions, IT outsourcing services and business management consultant services.
Mexter MSC Sdn. Bhd. ("MMSC")	Malaysia	**100**	100	Performing research and development and the provision of e-manufacturing solutions and IT outsourcing services.
Tonerex Technologies Sdn. Bhd. ("TTSB")	Malaysia	**100**	100	Temporarily ceased operation.
LYC Medicare Sdn. Bhd. ("LYCM")	Malaysia	**100**	100	Provision of healthcare related services.
LYC Mother & ChildCentre Sdn. Bhd. ("LYCM&C")	Malaysia	**100**	100	Provision of confinement care services.
Mexter SunOasis Sdn. Bhd. ("MSO")	Malaysia	**100**	100	Temporarily ceased operation.
Locktech International Sdn. Bhd. ("LISB")	Malaysia	**100**	100	Temporarily ceased operation.
LYC Living Sdn. Bhd. ("LYCL")	Malaysia	**100**	100	Temporarily ceased operation.
LYC Senior Living Care Centre Sdn. Bhd. ("LYCSL")	Malaysia	**100**	100	Dormant.
LYC Cosmetic & Aesthetic Sdn. Bhd. ("LYCCA")	Malaysia	**-**	100	Provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.
LYC Dental Laboratory Sdn. Bhd. (formerly known as LYC Osteoporosis & Chronic Disease Sdn. Bhd.) ("LYCDL")	Malaysia	**51**	51	Dormant.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest 2023 %	Ownership interest and voting interest 2022 %	Principal activities
Held by the Company				
CVS Research Sdn. Bhd. ("CVS")	Malaysia	**51**	51	Dormant.
LYC & Chung Fertility Centre Sdn. Bhd. ("LYCCFC")	Malaysia	**100**	-	Dormant.
LYC Health Manufacturing Group Sdn. Bhd. ("LYCHM")	Malaysia	**100**	-	Manufacture food and health supplements and activities of investment holding company.
LYC Health Manufacturing (NS) Sdn. Bhd. ("LYCNS")	Malaysia	**100**	-	Manufacture food and health supplements and activities of investment holding company.
LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCDA")	Malaysia	**100**	-	Investment holding and dental and medical-related institutions for consultation and treatment.
LYC Dental Group Sdn. Bhd. ("LYCDG")	Malaysia	**-**	100	Dormant.
LYC Beauty & Wellness Sdn. Bhd. ("LYCBW")	Malaysia	**-**	100	Dormant.
Held through MMSB				
LYC Marketing and Trading Pte. Ltd. (formerly known as Mexter (S) Pte. Ltd.) ("LYCM&T") *	Singapore	**100**	100	Provision of IT solutions and IT outsourcing services.
Mexter DC Sdn. Bhd. ("MDC")	Malaysia	**65**	65	Provision of infrastructure for hosting, data processing services and related activities, data processing activities and research and development on information communication technology ("ICT").

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest 2023 %	Ownership interest and voting interest 2022 %	Principal activities
Held through LYCM&C				
LYC Child Care Centre Sdn. Bhd. ("LYCCCC")	Malaysia	**100**	100	Provision of child daycare services.
Held through LYCM				
LYC Medicare Singapore Limited ("LYCMS") *	Singapore	**64.5**	100	Investment holding.
Held through LYCD&A				
LYC Dental Group Sdn. Bhd. ("LYCDG")	Malaysia	**70**	-	Investment holding and provision of dental treatment and consultation services.
LYC Beauty & Wellness Sdn. Bhd. ("LYCBW")	Malaysia	**60**	-	Provision of cosmetics, personal care, wellness, related products and services.
LYC Medical Center Sdn. Bhd. # ("LYCMC")	Malaysia	**100**	-	Dormant.
Held through MDC				
Juniper DC Sdn. Bhd. ("JDC")	Malaysia	**100**	100	Provision of infrastructure for hosting, data processing services and related activities, information technology business and activities of holding company.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest 2023 %	Ownership interest and voting interest 2022 %	Principal activities
Held through LYCMS				
T&T Medical Group Pte. Ltd. ("T&T") *	Singapore	**100**	51	Provision of medical and surgical advisory services.
HC Orthopaedic Surgery Pte. Ltd. ("HCOS") *	Singapore	**100**	51	Provision of specialised medical services (including day surgical centres) and clinics and other general medical services (western).
LYC Nutrihealth Sdn. Bhd. ("LYCN")	Malaysia	**100**	100	Manufacture, wholesale, and retail sales of nutraceuticals, pharmaceutical and healthcare related products.
Held through LYCDG				
KL Dental Sdn. Bhd. ("KLD")	Malaysia	**100**	-	Provision of dental treatment and consultancy services.
KL Dental (Connaught) Sdn. Bhd. ("KLDC")	Malaysia	**100**	-	Provision of dental treatment and consultancy services.
KL Dental (Kiara) Sdn. Bhd. ("KLDK")	Malaysia	**100**	-	Provision of dental treatment and consultancy services.
KL Dental (Cheras) Sdn. Bhd. ("KLD Cheras")	Malaysia	**100**	-	Provision of dental and medical related institutions for consultation and treatment and activities of investment holding company.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2023 %	2022 %	
Held through LYCBW				
LYC Cosmetic & Aesthetic Sdn. Bhd. ("LYCCA")	Malaysia	**100**	-	Provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.
Tao Global Ventures Sdn. Bhd. ("TGV")	Malaysia	**100**	-	Provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.
Held through LYCN				
Aqurate Ingredients Intl (M) Sdn. Bhd. ("AQ")	Malaysia	**70**	70	Dealing in raw and finished, consumable and non-consumable food ingredients.
Microbiome Intl (M) Sdn. Bhd. ("MB")	Malaysia	**70**	70	Retail sale of any kind of product over the internet, organisation, promotions and/or management of event, export and import of other food products.
Other interests				
LYC Clinic Sdn. Bhd. ^ ("LYCC")	Malaysia	**-**	-	Provision of healthcare services.
LYC Beauty Clinic Sdn. Bhd. ^^ ("LYCBC")	Malaysia	**-**	-	Provision of general medical services.

* *Audited by an independent member firm of Baker Tilly International.*

\# *Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.*

^ *Pursuant to the service agreement entered into between LYCM and LYCC, the Group has control over LYCC by virtue of its ability to direct the relevant activities of the subsidiary, and is exposed to and has right to variable returns from its involvement with the subsidiary. As such, the Group has 100% effective interest in the entire profit of LYCC.*

^^ *Pursuant to the service agreement entered into between LYCCA and LYCBC, the Group has control over LYCBC by virtue of its ability to direct the relevant activities of the subsidiary, and is exposed to and has right to variable returns from its involvement with the subsidiary. As such, the Group has 100% effective interest in the profit of LYCBC.*

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Incorporation of subsidiaries

2023

On 11 April 2022, the Company subscribed for 1,000 ordinary shares in LYC Health Manufacturing Group Sdn. Bhd. ("LYCHM") for a total cash consideration of RM1,000, representing 100% equity interest in LYCHM. Consequently, LYCHM became a wholly-owned subsidiary of the Company.

On 11 April 2022, the Company subscribed for 1,000 ordinary shares in LYC Health Manufacturing (NS) Sdn. Bhd. ("LYCNS") for a total cash consideration of RM1,000, representing 100% equity interest in LYCNS. Consequently, LYCNS became a wholly-owned subsidiary of the Company.

On 21 April 2022, the Company subscribed for 1,000 ordinary shares in LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCDA") for a total cash consideration of RM1,000, representing 100% equity interest in LYCDA. Consequently, LYCDA became a wholly-owned subsidiary of the Company.

On 31 October 2022, KL Dental (Cheras) Sdn. Bhd. ("KLD Cheras") became a wholly-owned subsidiary of LYC Dental Group Sdn. Bhd. ("LYCDG") by way of subscription of 1,000 ordinary shares in KLD Cheras for a total cash consideration of RM1,000. Consequently, KLD Cheras became an indirect subsidiary of the Company.

On 30 December 2022, LYC Medical Center Sdn. Bhd. ("LYCMC") became a wholly-owned subsidiary of LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCDA") by way of subscription of 1,000 ordinary shares in LYCMC for a total cash consideration of RM1,000. Consequently, LYCMC became an indirect subsidiary of the Company.

2022

On 19 April 2021, LYC Nutrihealth Sdn. Bhd. ("LYCN") became a wholly-owned subsidiary of LYC Medicare Sdn. Bhd. ("LYCM") by way of subscription of 100 ordinary shares in LYCN for a total cash consideration of RM100. Consequently, LYCN became an indirect subsidiary of the Company.

On 9 September 2021, Juniper DC Sdn. Bhd. ("JDC") became a wholly-owned subsidiary of Mexter DC Sdn. Bhd. ("MDC") by way of subscription of 1,000 ordinary shares in JDC for a total cash consideration of RM1,000. Consequently, JDC became an indirect subsidiary of the Company.

On 28 December 2021, the Company subscribed for 1,000 ordinary shares in LYC Dental Group Sdn. Bhd. ("LYCDG") for a total cash consideration of RM1,000, representing 100% equity interest in LYCDG. Consequently, LYCDG became a wholly-owned subsidiary of the Company.

On 17 March 2022, the Company subscribed for 1,000 ordinary shares in LYC Beauty & Wellness Sdn. Bhd. ("LYCBW") for a total cash consideration of RM1,000, representing 100% equity interest in LYCBW. Consequently, LYCBW became a wholly-owned subsidiary of the Company.

(b) Subscription of additional shares in subsidiaries

2023

On 18 April 2022, the Company subscribed for 1,219,900 ordinary shares in LYCCA for a total consideration of RM1,219,900 via capitalisation of amount due from LYCCA.

On 31 March 2023, the Company subscribed for 17,600,000 ordinary shares in LYCM for a total cash consideration of RM17,600,000.

2022

On 15 April 2021, the Company subscribed for 100,000 ordinary shares in LYCM for a total cash consideration of RM100,000.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of subsidiaries

2023

On 30 November 2022, LYCDG acquired 100% equity interest in the shares of KL Dental (Connaught) Sdn. Bhd. ("KLDC"), KL Dental (Kiara) Sdn. Bhd. ("KLDK") and KL Dental Sdn. Bhd. ("KLD") respectively. KLDC, KLDK and KLD are primarily involved in the provision of dental treatment and consultancy services. The acquisition provides the Group an investment opportunity to continuously expand and enhance its range of healthcare services offering by leveraging on the expertise and experience of KLDC, KLDK and KLD in the provision of healthcare service, and in turn enable the Group to sustain further competitive advantage within the healthcare sector. In addition, the Group can potentially generate revenue uplift through synergies achieved from patient referrals and standardisation of clinical protocols through its enlarged network and patient database under its healthcare arm.

On 15 December 2022, LYCBW acquired 100% equity interest in the shares of Tao Global Ventures Sdn. Bhd. ("TGV"). TGV is involved in medical clinics which specialise in aesthetic, regenerative and anti-aging medicine. The acquisition provides the Group an investment opportunity to continuously expand and enhance its range of healthcare services offering by leveraging on the expertise and experience of TGV in the provision of healthcare service, and in turn enable the Group to sustain further competitive advantage within the healthcare sector. In addition, the Group can potentially generate revenue uplift through synergies achieved from patient referrals and standardisation of clinical protocols through its enlarged network and patient database under its healthcare arm.

On 7 February 2023, the Company acquired the remaining 50% equity interest in LYCCFC for a total cash consideration of RM1. Consequently, LYCCFC became wholly-owned subsidiary of the Company.

(i) Fair value of consideration transferred:

	TGV RM'000	KLD RM'000	KLDC RM'000	KLDK RM'000	LYCCFC RM'000	Total RM'000
Cash consideration	2,400	529	1,250	449	*	4,628
Ordinary shares	1,600	517	-	439	-	2,556
	4,000	1,046	1,250	888	*	7,184

* Represents RM1.

As part of the share sale agreement, the vendors of TGV provided a profit guarantee on a cumulative basis over the two financial years up to the financial year ending 31 March 2025, which translated to an average profit guarantee of RM500,000 per financial year. No contingent consideration asset was recognised as the directors believe that the guaranteed profit is achievable.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

(ii) Fair values of identifiable assets acquired and liabilities recognised:

	TGV RM'000	KLD RM'000	KLDC RM'000	KLDK RM'000	LYCCFC RM'000	Total RM'000
Assets						
Property and equipment (Note 5)	1,124	298	129	950	-	2,501
Right-of-use assets (Note 6)	340	223	43	103	-	709
Inventories	103	-	-	-	-	103
Deferred tax assets	-	-	-	27	-	27
Current tax assets	-	-	54	33	-	87
Trade and other receivables	180	226	70	156	-	632
Cash and cash equivalents	135	141	76	137	*	489
Total assets	1,882	888	372	1,406	-	4,548
Liabilities						
Deferred tax liabilities	84	-	25	-	-	109
Current tax liabilities	48	7	-	-	-	55
Lease liabilities	376	227	44	101	-	748
Loans and borrowings	721	63	-	803	-	1,587
Provisions	-	-	-	41	-	41
Amount due to director	509	107	-	79	-	695
Trade and other payables	(76)	541	323	383	43	1,214
Total liabilities	1,662	945	392	1,407	43	4,449
Total identifiable net assets acquired	220	(57)	(20)	(1)	(43)	99
Goodwill arising on acquisition (Note 7)	3,780	1,103	1,270	889	43	7,085
Fair value of consideration transferred	4,000	1,046	1,250	888	*	7,184

* Represents RM1.

Goodwill

Goodwill comprises the value of expected synergies arising from the acquisition and non-identifiable intangible assets which are not separately recognised.

Acquisition-related costs

Acquisition-related costs of the business combination amounted to RM190,519, which were recognised in profit or loss as administrative expenses.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

(iii) Effects of acquisitions on cash flows:

	TGV RM'000	KLD RM'000	KLDC RM'000	KLDK RM'000	LYCCFC RM'000	Total RM'000
Fair value of consideration transferred	4,000	1,046	1,250	888	*	7,184
Less: Non-cash consideration	(1,600)	(517)	-	(439)	-	(2,556)
Consideration paid in cash	2,400	529	1,250	449	-	4,628
Less: Cash and cash equivalents of subsidiaries acquired	(135)	(141)	(76)	(137)	*	(489)
Net cash outflows on acquisitions	2,265	388	1,174	312	-	4,139

* Represents RM1.

(iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiaries' contributed revenue and profit net of tax are as follows:

	TGV RM'000	KLD RM'000	KLDC RM'000	KLDK RM'000	LYCCFC RM'000
Revenue	451	368	378	716	-
(Loss)/Profit for the financial year	(149)	(28)	85	(98)	(10)

If the acquisition had occurred on 1 April 2022, the consolidated results for the financial year ended 31 March 2023 would have been as follows:

	RM'000
Revenue	95,662
Loss for the financial year	(14,833)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2022

On 28 September 2021, LYCN acquired 70% equity interest in the shares of Aqurate Ingredients Intl (M) Sdn. Bhd. ("AQ") and Microbiome Intl (M) Sdn. Bhd. ("MB") respectively. AQ and MB are primarily engaged in product formulation, R&D and supply of functional food ingredients, and the provision of innovative solutions to the F&B, nutraceutical, pharmaceutical, healthcare and cosmeceutical industry. As a result of the acquisitions, AQ and MB will expand the Group's healthcare service offerings by leveraging on AQ's and MB's expertise and experience in the nutraceutical field. Further, the Group expects to reap business synergy between its healthcare sub-segments, such as being able to complement one another's knowledge and resources to develop new pharmaceutical and/ or nutraceutical products, as well as creating cross-selling opportunities.

(i) Fair value of consideration transferred:

	AQ RM'000	MB RM'000	Total RM'000
Cash consideration	36,400	280	36,680

As part of the share sale agreement, the vendors of AQ provided a profit guarantee on a cumulative basis over the 3 financial years up to the financial year ending 31 March 2024, which translated to an average profit guarantee of RM6,500,000 per financial year. No contingent consideration asset was recognised as the directors believe that the guaranteed profit is achievable.

(ii) Fair values of identifiable assets acquired and liabilities recognised:

	AQ RM'000	MB RM'000	Total RM'000
Assets			
Property and equipment (Note 5)	6,340	15	6,355
Inventories	4,750	-	4,750
Current tax assets	-	1	1
Trade and other receivables	2,169	-	2,169
Cash and cash equivalents	4,931	114	5,045
Total assets	18,190	130	18,320
Liabilities			
Deferred tax liabilities	325	-	325
Current tax liabilities	340	-	340
Trade and other payables	628	-	628
Contract liabilities	1,594	-	1,594
Total liabilities	2,887	-	2,887
Total identifiable net assets acquired	15,303	130	15,433
Goodwill arising on acquisition (Note 7)	25,688	189	25,877
Non-controlling interest	(4,591)	(39)	(4,630)
Fair value of consideration transferred	36,400	280	36,680

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

(ii) Fair values of identifiable assets acquired and liabilities recognised: (Continued)

Goodwill

Goodwill comprises the value of expected synergies arising from the acquisition and non-identifiable intangible assets which are not separately recognised.

Acquisition-related costs

Acquisition-related costs of the business combination amounted to RM286,060, which were recognised in profit or loss as administrative expenses.

Non-controlling interest

Non-controlling interest is measured at the proportionate share of AQ's and MB's identifiable net assets at the acquisition date.

(iii) Effects of acquisitions on cash flows:

	AQ RM'000	MB RM'000	Total RM'000
Consideration paid in cash	36,400	280	36,680
Less: Cash and cash equivalents of subsidiaries acquired	(4,931)	(114)	(5,045)
Net cash outflows on acquisitions	31,469	166	31,635

(iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiaries' contributed revenue and profit net of tax are as follows:

	AQ RM'000	MB RM'000
Revenue	15,540	4
Profit/(Loss) for the financial year	3,389	(7)

If the acquisition had occurred on 1 April 2021, the consolidated results for the financial year ended 31 March 2022 would have been as follows:

	RM'000
Revenue	80,982
Loss for the financial year	(313)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Internal reorganisation

2022

On 24 December 2021, LYC Medicare Sdn. Bhd. ("LYCM") and LYC Medicare Singapore Limited ("LYCMS") had entered into the share swap agreements ("SSAs") with each other, to undertake of an internal reorganisation exercise within the Company and its subsidiaries involving the following:

(i) transfer of LYCM's entire 51% equity interest in HCOS to LYCMS for a purchase consideration of SGD6,936,000 to be satisfied by the issuance of 6,936,000 new ordinary shares in LYCMS;
(ii) transfer of LYCM's entire 51% equity interest in T&T to LYCMS for a purchase consideration of SGD7,293,000 to be satisfied by the issuance of 7,293,000 new ordinary shares in LYCMS; and
(iii) transfer of LYCM's entire 100% equity interest in LYCN to LYCMS for a purchase consideration of SGD33 to be satisfied by the issuance of 33 new ordinary shares in LYCMS.

Collectively referred to as the "Internal Reorganisation".

The Internal Reorganisation was completed on 26 January 2022. Consequently, HCOS, T&T and LYCN became 51%, 51% and 100% owned subsidiaries of LYCMS which in turn is a wholly-owned subsidiary of the Company. Subsequently, on 10 October 2022, as mentioned in Note 8(f) below, T&T and HCOS became wholly-owned subsidiaries of LYCMS.

(e) Disposal of subsidiaries

On 5 May 2022, the Company disposed of its 100% equity investment in LYCCA for a total consideration of RM338,000 to LYC Beauty & Wellness Sdn. Bhd. Consequently, LYCCA became an indirect wholly-owned subsidiary of the Company.

On 1 July 2022, the Company disposed of its 100% equity investment in LYCBW and LYCDG to LYCD&A for a total consideration of RM1,000 and RM1,000 respectively. Consequently, LYCBW and LYCDG became indirect wholly-owned subsidiaries of the Company.

	LYCCA RM'000	LYCDG RM'000	LYCBW RM'000	Total RM'000
Cash consideration	338	1	1	340
Less: Carrying value of shares sold	(1,220)	(1)	(1)	(1,222)
Loss on disposal	(882)	-	-	(882)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(f) Acquisition of non-controlling interest

2023

On 10 October 2022, LYCMS acquired the remaining 49% equity interest in T&T and HCOS for a total purchase consideration of SGD8,100,000 and SGD9,163,000 respectively. Consequently, T&T and HCOS became wholly-owned subsidiaries of LYCMS.

The purchase consideration of SGD8,100,000 for the acquisition of 49% in T&T is satisfied by way of (i) cash payment of SGD3,100,000 which is netted off against the amount due from a non-controlling shareholder/director of a subsidiary, (ii) cash payment of SGD1,500,000 that is repayable by 12 equal monthly instalments, and (iii) the allotment and issuance of 1,633,708 new ordinary shares of LYCMS to a non-controlling shareholder/director of a subsidiary amounting to SGD3,500,000.

The purchase consideration of SGD9,163,000 for the acquisition of 49% in HCOS is satisfied by way of (i) cash payment of SGD3,553,000 that is repayable by 20 equal monthly instalments, and (ii) the allotment and issuance of 2,618,600 new ordinary shares of LYCMS to the non-controlling shareholder/director amounting to SGD5,610,000.

Consequently, LYCMS became 86% owned subsidiary of the Company.

	T&T RM'000	HCOS RM'000	Total RM'000
Cash consideration paid to non-controlling interest	**14,966**	**11,559**	**26,525**
Ordinary shares	**11,387**	**18,252**	**29,639**
Carrying amount of additional interest acquired	**(6,386)**	**(4,349)**	**(10,735)**
Excess charged directly to equity	**19,967**	**25,462**	**45,429**

2022

On 23 April 2021, the Company acquired the remaining 30% equity interest in LYC Senior Living Care Centre Sdn. Bhd. ("LYCSL") and LYC Living Sdn. Bhd. ("LYCL") for a total cash consideration of RM30,000 and RM30,000 respectively. Consequently, LYCSL and LYCL became wholly-owned subsidiaries of the Company.

	LYCSL RM'000	LYCL RM'000	Total RM'000
Cash consideration paid to non-controlling interest	30	30	60
Carrying amount of additional interest acquired	976	195	1,171
Excess charged directly to equity	1,006	225	1,231

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(g) Divestment

2023

On 1 March 2022, the Company had entered into a conditional sale and purchase agreement with Kenanga Investors Berhad for the divestment of 6,532,500 ordinary shares out of 30,382,308 total ordinary shares in LYCMS, for a disposal consideration of SGD12,918,466 to be satisfied by way of (i) redemption of 30,000,000 preference shares, and (ii) cash payment of RM12,114,199.

The divestment was completed on 16 December 2022. Consequently, LYCMS became 64.5% owned subsidiary of the Company.

The consideration received for divestment are as follows:

	LYCMS RM'000
Cash consideration	12,114
Redemption of RPS	30,000
Less: Carrying value of shares sold	(15,016)
Excess charged directly to equity	27,098

(h) Non-controlling interest in subsidiaries

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

	LYCMS RM'000	T&T RM'000	HCOS RM'000	AQ RM'000	Other individually immaterial subsidiary companies RM'000	Total RM'000
2023						
NCI percentage of ownership interest and voting interest	35.50%	35.50%	35.50%	54.85%		
Carrying amount of NCI	19,984	935	2,432	11,683	(1,341)	33,693
(Loss)/Profit allocated to NCI	(345)	637	1,884	2,497	(281)	4,392
Total other comprehensive (loss)/income allocated to NCI	(506)	849	2,094	2,497	(281)	4,653

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(h) Non-controlling interest in subsidiaries (Continued)

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows: (Continued)

	AQ RM'000	T&T RM'000	HCOS RM'000	Other individually immaterial subsidiary companies RM'000	Total RM'000
2022					
NCI percentage of ownership interest and voting interest	30%	49%	49%		
Carrying amount of NCI	5,626	5,833	3,006	(4)	14,461
Profit/(Loss) allocated to NCI	1,017	1,281	2,783	(108)	4,973
Total other comprehensive income/(loss) allocated to NCI	1,036	1,318	2,781	(108)	5,027

(i) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	LYCMS RM'000	T&T RM'000	HCOS RM'000	AQ RM'000
Summarised statements of financial position as at 31 March 2023				
Non-current assets	**66,068**	**24,152**	**796**	**7,665**
Current assets	**2,608**	**4,158**	**10,435**	**15,437**
Non-current liabilities	**(1,746)**	**(18,335)**	**(356)**	**(441)**
Current liabilities	**(10,637)**	**(7,341)**	**(4,025)**	**(1,362)**
Net assets	**56,293**	**2,634**	**6,850**	**21,299**
Summarised statements of comprehensive income for the financial year ended 31 March 2023				
Revenue	**-**	**16,727**	**23,949**	**31,153**
Profit for the financial year	**(2,052)**	**1,816**	**5,143**	**6,482**
Total comprehensive income	**(2,784)**	**2,749**	**5,680**	**6,482**
Summarised cash flows information for the financial year ended 31 March 2023				
Cash flows (used in)/from operating activities	**(2,435)**	**5,202**	**5,162**	**3,469**
Cash flows used in investing activities	**(55,491)**	**(1,475)**	**(5,019)**	**(19)**
Cash flows from/(used in) financing activities	**60,882**	**(3,398)**	**(30)**	**(4,000)**
Net increase/(decrease) in cash and cash equivalents	**2,956**	**329**	**113**	**(550)**
Dividends paid to NCI	**-**	**-**	**-**	**1,200**

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(i) Summarised financial information of material non-controlling interests (Continued)

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows (Continued):

	AQ RM'000	T&T RM'000	HCOS RM'000
Summarised statements of financial position as at 31 March 2022			
Non-current assets	7,292	17,134	79
Current assets	14,003	14,129	10,016
Non-current liabilities	(543)	(13,918)	-
Current liabilities	(1,998)	(5,440)	(3,960)
Net assets	18,754	11,905	6,135
Summarised statements of comprehensive income for the financial year ended 31 March 2022			
Revenue	15,540	14,015	20,106
Profit for the financial year	3,389	2,615	5,679
Total comprehensive income	3,451	2,689	5,675
Summarised cash flows information for the financial year ended 31 March 2022			
Cash flows from operating activities	6,787	4,262	4,358
Cash flows used in investing activities	(1,031)	(1,161)	(3)
Cash flows used in financing activities	(4,753)	(2,778)	(4,646)
Net increase/(decrease) in cash and cash equivalents	1,003	323	(291)
Dividends paid to NCI	-	-	2,256

(j) The shareholders' agreements for T&T, HCOS, AQ, MB, TGV, KLD, KLDC and KLDK restrict the subsidiaries to declare dividends to its shareholders unless approval is obtained from all the directors of the subsidiaries, which include the non-controlling shareholders. The assets to which such restriction applied are the cash and cash equivalents of these subsidiaries included in the consolidated financial statements amounting to RM13,384,641 (2022: RM12,758,729).

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares	**300**	300
Loans that are part of net investments	**900**	900
Share of post acquisition results	**(265)**	(176)
	935	1,024

Loans that are part of net investments represent amount due from associate which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Group to treat these amounts as long term source of capital to the associate. As these amounts are, in substance, a part of the Group's net investment in the associate, they are stated at cost less accumulated impairment loss, if any.

Details of the associate are as follows:

Name of associate	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2023 %	2022 %	
Sel Stem Sdn. Bhd. ("SSSB")	Malaysia	**30**	30	Investment holding with its subsidiary, involves in medical and healthcare related fields, which is strategic to the Group's healthcare services.

(a) The Group does not have any material associate.

(b) The financial year end of the associate is 31 December, which is not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management accounts of the associate for the financial period ended 31 March 2023 have been used.

(c) The shareholders' agreement provides that no distribution of dividends shall be made to the shareholders until all shareholders' advances have been paid and settled by SSSB, unless otherwise agreed by the shareholders.

10. INVESTMENT IN JOINT VENTURES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares	**7,650**	4,080	**-**	*
Loans that are part of net investments	**-**	2,500	**-**	-
Share of post-acquisition reserves	**(2,478)**	(338)	**-**	-
	5,172	6,242	**-**	*

* Represents RM50.

Loans that are part of net investments represent amount due from joint venture which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Group to treat these amounts as long term source of capital to the joint venture. As these amounts are, in substance, a part of the Group's net investment in the joint venture, they are stated at cost less accumulated impairment loss, if any.

Details of the joint ventures are as follows:

Name of joint venture	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2023 %	2022 %	
Held by the Company				
LYC & Chung Fertility Centre Sdn. Bhd. ("LYCCFC")	Malaysia	**-**	50	Dormant.
Held by LYCM&C				
LYC SOG Mother & Child Sdn. Bhd. ("LYCSOG")	Malaysia	**51**	51	Provision of confinement care services which is strategic to the Group's healthcare services.

On 7 February 2023, the Company acquired the remaining 50% equity interest in LYCCFC for a total cash consideration of RM50. Consequently, LYCCFC became wholly-owned subsidiary of the Company.

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

(a) Summarised financial information of material joint ventures

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 March 2023:

	LYCSOG	
	2023 RM'000	2022 RM'000
Assets and liabilities		
Non-current assets	**24,866**	23,326
Current assets	**963**	1,735
Non-current liabilities	**(14,125)**	(14,471)
Current liabilities	**(1,561)**	(753)
Net assets	**10,143**	9,837
Included in assets and liabilities are:		
Cash and cash equivalents	**214**	992
Non-current financial liabilities (excluding trade and other payables)	**(14,125)**	(14,471)
Current financial liabilities (excluding trade and other payables)	**(447)**	(373)
Results		
Loss for the financial year	**(4,196)**	(663)
Other comprehensive income	**4**	-
Total comprehensive loss	**(4,192)**	(663)
Included in total comprehensive loss are:		
Revenue	**1,678**	-
Depreciation	**(1,440)**	139
Interest expense	**(701)**	(118)
Reconciliation of net assets to carrying amount:		
Share of net assets at acquisition date, at book value	**7,650**	6,580
Fair value adjustments	**-**	-
Cost of investment	**7,650**	6,580
Share of post-acquisiton profits	**(2,478)**	(338)
Carrying amount in the statements of financial position	**5,172**	6,242
Group's share of results		
Group share of loss	**(2,140)**	(338)
Group share of other comprehensive income	**2**	-
Group share of total comprehensive loss	**(2,138)**	(338)

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) In the previous financial year, the Group has not recognised its share of losses of LYCCFC amounting to RM9,080 because the Group's cumulative share of losses has exceeded its interest in that joint venture and the Group has no obligation in respect of these losses in prior financial year. The Group's cumulative losses not recognised were RM14,946 respectively in prior financial year.

(c) The shareholders' agreements for LYCSOG restrict the joint venture to declare dividends to its shareholders unless approval is obtained from all the directors of the joint venture, which include the joint venture partner.

11. AMOUNT DUE FROM/(TO) NON-CONTROLLING SHAREHOLDER/DIRECTOR OF SUBSIDIARIES

In the previous financial year, the amount due from a non-controlling shareholder/director of a subsidiary was non-trade in nature, unsecured, bore interest at rate of 5.15% per annum, expected to be repaid in 2023 and was expected to be settled in cash.

The amount due to non-controlling shareholder/director of subsidiaries is non-trade in nature, unsecured, interest free, expected to be repaid by 2024 and 2025 (2022: repayable on demand) and is expected to be settled in cash. All non-trade balances are in respect of advances from non-controlling shareholder/director of subsidiaries and consideration payable for acquisition in T&T and HCOS as disclosed in Note 8.

12. INVENTORIES

	Group	
	2023 RM'000	**2022 RM'000**
Computer and electronics parts	**268**	180
Neutraceutical supplements and ingredients	**6,185**	4,909
Healthcare supplies	**1,328**	848
	7,781	5,937
Recognised in profit and loss:		
Write-down to net realisable value	**188**	18
Reversal of write-down of inventories	**(28)**	(24)

During the financial year ended 31 March 2023, the amounts of inventories recognised as an expense in the cost of sales of the Group were RM30,055,000 (2022: RM23,402,825).

13. TRADE AND OTHER RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Trade		
External parties	**8,688**	8,527
Related party	**1,100**	1,150
Less: Allowance for impairment losses	**(311)**	(201)
	9,477	9,476
Non-trade		
Other receivables	**300**	134
Less: Allowance for impairment losses	**(139)**	(14)
	161	120
Deposits	**6,187**	3,031
Prepayments	**1,544**	781
GST refundable	**74**	-
Advance payment to suppliers	**149**	676
Total other receivables	**8,115**	4,608
Total trade and other receivables	**17,592**	14,084

	Company	
	2023 RM'000	2022 RM'000
Other receivables		
Other receivables	**88**	49
Deposits	**2**	30
Prepayments	**16**	47
Total other receivables	**106**	126

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 7 to 90 days (2022: 7 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The related party refers to a company in which a major shareholder of the Company has substantial financial interest. The amount is scheduled to be settled on instalment basis within the financial year 2024 and is guaranteed by the director of the related party.

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

Receivables that are impaired

The movement in the allowance for impairment losses of trade receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 April	**201**	181
Charge for the financial year (Note 27)		
- Individually assessed	**51**	-
- Collectively assessed	**50**	20
Exchange differences	**9**	-
At 31 March	**311**	201

The information about the credit exposures are disclosed in Note 33(b)(i).

(b) Other receivables

The movement in the allowance for impairment losses of other receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 April	**14**	14
Charge for impairment losses (Note 27)	**125**	-
At 31 March	**139**	14

(c) Deposits

Included in deposits of the Group are:

(i) amounts of RM2,370,450 (2022: RM1,843,500) being rental, utilities and security deposits paid for rented properties;

(ii) amounts of RM450,000 (2022: RM903,025) being advance payment for the purchase of property and equipment; and

(iii) amounts of RM2,822,500 being deposit made for the acquisition of 70% shares in Clinical Nutrition Intl (M) Sdn. Bhd., 55% shares in Elite Dental Team Sdn. Bhd. and 75% shares in Nutrogreen Health Industries Sdn. Bhd.

14. AMOUNT DUE FROM/(TO) SUBSIDIARIES AND JOINT VENTURES

	Company	
	2023 RM'000	2022 RM'000
Amount due from subsidiaries		
- Trade	**3,945**	1,985
- Non-trade	**15,514**	3,274
Less: Allowance for impairment losses	**(3,873)**	(4,223)
	15,586	1,036

The amount due from/(to) subsidiaries and joint ventures is non-trade in nature, unsecured, interest free, repayable on demand and is expected to be settled in cash. Trade balances are in respect of unpaid management fees charged by the Company whereas the non-trade balances are in respect of advances to/from subsidiaries and joint ventures.

The movement in the allowance for impairment losses of amount due from subsidiaries is as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 April	**4,223**	6,040
Impairment loss during the year (Note 27)	**791**	1,259
Reversal of impairment loss (Note 27)	**(1,141)**	(3,076)
At 31 March	**3,873**	4,223

15. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
Contract assets relating to:		
- Medical services	**204**	100
Total contract assets	**204**	100
Contract liabilities relating to:		
- Confinement services	**(1,985)**	(1,100)
- Other services	**(64)**	(111)
- Sales of goods	**(937)**	(1,600)
Total contract liabilities	**(2,986)**	(2,811)

15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

Significant changes in contract balances

	Group			
	2023		2022	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Business combinations	**-**	**-**	-	(1,594)
Revenue recognised that was included in contract liabilities at beginning of the financial year	**-**	**2,811**	-	1,762
Increase due to cash received in advance, excluding amounts recognised as revenue during the financial year	**-**	**(2,986)**	-	(1,217)
Increase due to revenue recognised for unbilled goods or services transferred to customers	**204**	**-**	100	-
Transfer from contract assets recognised at the beginning of the period to receivables	**(100)**	**-**	-	-

16. CASH AND SHORT-TERM DEPOSITS

	2023 RM'000	2022 RM'000
Group		
Cash and bank balances	**21,366**	12,571
Deposits placed with a licensed bank	**18,838**	9,261
	40,204	21,832
Less: Non-short term deposits	**(551)**	(550)
	39,653	21,282
Company		
Bank balances	**106**	37

The deposits with a licensed bank of the Group bear effective interest at rates ranging from 2.30% to 2.75% (2022:1.40% to 1.78%) per annum with maturity period ranging from 7 days to 12 months (2022: 6 days to 12 months).

17. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares Unit'000	RM'000	Number of shares Unit'000	RM'000
Ordinary shares				
Issued and fully paid: (no par value)				
At the beginning of the financial year	**464,525**	**57,580**	391,525	77,661
Issued during the year	**185,453**	**33,365**	73,000	17,791
Capital reduction	**-**	**-**	-	(37,410)
Transaction costs of share issue	**-**	**(387)**	-	(462)
At the end of the financial year	**649,978**	**90,558**	464,525	57,580

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company issued a total of 185,452,500 new ordinary shares pursuant to private placements at issue price ranging from RM0.14 each to RM0.22 each mainly for the purpose of acquisition of subsidiaries, business expansion and working capital.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

On 21 October 2021, the Company has completed the capital reduction by reducing and cancelling RM37.41 million of the issued share capital of the Company.

18. OTHER RESERVES

	Translation reserve RM'000	Revaluation reserve RM'000	Total RM'000
Group			
At 1 April 2021	130	386	516
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Surplus on revaluation of property and equipment	-	57	57
Deferred tax recognised on surplus on revaluation	-	(15)	(15)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	642	-	642
At 31 March 2022	772	428	1,200
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	3,168	-	3,168
At 31 March 2023	**3,940**	**428**	**4,368**

(a) Translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Revaluation reserve

The revaluation reserve of the Group represents net revaluation surplus arising from valuation of freehold land and buildings.

19. LOANS AND BORROWINGS

	Group	
	2023 RM'000	**2022 RM'000**
Secured:		
Non-current		
Term loans	**303**	503
Redeemable preference shares	**55,470**	84,690
Hire purchase payables	**1,346**	446
	57,119	85,639
Current		
Term loans	**200**	459
Hire purchase payables	**657**	214
	857	673
	57,976	86,312
Total loans and borrowings		
Term loans	**503**	962
Redeemable preference shares	**55,470**	84,690
Hire purchase payables	**2,003**	660
	57,976	86,312

(a) Term loans

The term loans bear interest at rates ranging from 5.15% to 6.75% (2022: 4.31% to 6.75%) per annum.

The term loans are secured by:

(i) corporate guarantee by the Company;
(ii) 80% guarantee by Syarikat Jaminan Pembiayaan Perniagaan ("SJPP"); and
(iii) personal guarantee by a director of a subsidiary.

The repayment terms of the term loans are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Within the next twelve months	**200**	459
After the next twelve months		
- not later than two years	**200**	200
- later than two years but not later than five years	**103**	303
	303	503
Total term loans	**503**	962

19. LOANS AND BORROWINGS (CONTINUED)

(b) Redeemable preference shares ("RPS")

	Group	
	2023 RM'000	**2022 RM'000**
Redeemable preference shares	**57,000**	87,000
Less: Transaction costs	**(1,530)**	(2,310)
	55,470	84,690

Redeemable preferences shares 1

On 15 October 2020, LYCM, a wholly-owned subsidiary of the Company, entered into a Subscription Agreement with a third party subscriber for the issuance and subscription of 45,000,000 RPS of RM1 each.

The proceeds raised from the RPS shall be utilised by LYCM for the following purposes:

(i) to acquire shares in T&T and HCOS;

(ii) to pay for the fees and expenses incurred in the issuance of the RPS;

(iii) as working capital of LYCM;

(iv) to reimburse the Company and/or its subsidiaries for any advances made to LYCM and/or expenses that were paid earlier by the Company and/or its subsidiaries on behalf of LYCM; and/or

(v) to pay for any other payments in the ordinary course of business.

The salient features of the RPS are as follows:

(i) The RPS does not carry any voting rights at any general meeting of LYCM, except in the following circumstances:

 (a) upon any resolution or proposal which varies or is deemed to vary the rights and privileges attaching to the RPS;

 (b) upon any resolution for the winding-up of LYCM and during the winding up of LYCM;

 (c) during such period as any dividends on the RPS may have been proposed by the Board of LYCM and approved by the shareholders of LYCM but remains in arrears and unpaid for more than 6 months;

 (d) on a proposal to reduce the share capital of the Company; and/or

 (e) on a proposal for the disposal of the whole of the property, business and undertaking of the Company;

(ii) The holder of the RPS is not entitled to any conversion rights;

(iii) The RPS are not transferable by the RPS holder;

19. LOANS AND BORROWINGS (CONTINUED)

(b) Redeemable preference shares ("RPS") (Continued)

Redeemable preferences shares 1 (Continued)

(iv) The holder of the RPS is entitled to annual dividend payable on semi-annual basis of 9% per annum from year one to year three, annual dividend of 9.5% per annum from year four to year five and profit sharing equivalents to 15% of net profits of LYCM based on the latest audited accounts in year four to year five;

(v) No dividend shall be declared in respect of the ordinary shares unless all the dividends are first declared and paid to the RPS holder. All dividends declared shall be paid to the RPS holder in preference to any dividends declared over the ordinary shares or any other class of shares in the share capital of LYCM;

(vi) The RPS are to be redeemed by LYCM for cash at the redemption price (equivalent to the issue price of RM1.00 of each RPS) at the end of 5th year from the subscription date or such other extended period as mutually agreed by both parties;

(vii) Administrative fee equivalent to 1% of the Subscription Amount shall also be paid by LYCM to the RPS holder on redemption of the RPS;

(viii) LYCM shall have the right to redeem all the subscription shares for cash at the redemption price at any time before the maturity date; and

(ix) In the event of any liquidation, dissolution, winding up or other repayment of capital of LYCM, the RPS holder shall rank as first creditors and subject to insolvency laws, be entitled to receive, in preference to holders of all other ordinary shares and unsecured trade or financial creditors, plus any accrued but unpaid dividends in arrears.

The new RPS issued during the financial year ranked pari passu to all existing and future RPS issued or to be issued by LYCM and in priority to all existing and future ordinary shares issued or to be issued by LYCM.

The RPS are secured by corporate guarantee by the Company.

On 31 March 2023, LYCM redeemed 30,000,000 preference shares out of (i) profit of RM12.4 million; and (ii) the proceeds of a fresh issue of 17,600,000 ordinary shares of RM1 per share.

Redeemable preferences shares 2

On 1 September 2021, LYCM, a wholly-owned subsidiary of the Company, entered into a Subscription Agreement with a third party subscriber for the issuance and subscription of 42,000,000 RPS of RM1 each.

The proceeds raised from the RPS shall be utilised by LYCM for the following purposes:

(i) to acquire shares in AQ and MB;

(ii) to pay for the fees and expenses incurred in the issuance of the RPS;

(iii) as working capital of LYCM; and/or

(iv) to pay for any other payments in the ordinary course of business.

19. LOANS AND BORROWINGS (CONTINUED)

(b) Redeemable preference shares ("RPS") (Continued)

Redeemable preferences shares 2 (Continued)

The salient features of the RPS are as follows:

(i) The RPS does not carry any voting rights at any general meeting of LYCM, except in the following circumstances:

(a) upon any resolution or proposal which varies or is deemed to vary the rights and privileges attaching to the RPS;

(b) upon any resolution for the winding-up of LYCM and during the winding up of LYCM;

(c) during such period as any dividends on the RPS may have been proposed by the Board of LYCM and approved by the shareholders of LYCM but remains in arrears and unpaid for more than 6 months;

(d) on a proposal to reduce the share capital of the Company; and/or

(e) on a proposal for the disposal of the whole of the property, business and undertaking of the Company.

(ii) The holder of the RPS is not entitled to any conversion rights;

(iii) The RPS are not transferable by the RPS holder;

(iv) The holder of the RPS is entitled to annual dividend payable on semi-annual basis of 9% per annum in year one, annual dividend of 9.5% per annum in year two, annual dividend of 10% per annum in year three and profit sharing equivalents to 10% of net profits of LYCM based on the latest audited accounts in year three;

(v) No dividend shall be declared in respect of the ordinary shares unless all the dividends are first declared and paid to the RPS holder. All dividends declared shall be paid to the RPS holder in preference to any dividends declared over the ordinary shares or any other class of shares in the share capital of LYCM;

(vi) The RPS are to be redeemed by LYCM for cash at the redemption price (equivalent to the issue price of RM1.00 of each RPS) at the end of 3rd year from the subscription date or such other extended period as mutually agreed by both parties;

(vii) Administrative fee equivalent to 1% of the Subscription Amount shall also be paid by LYCM to the RPS holder on redemption of the RPS;

(viii) LYCM shall have the right to redeem all the subscription shares for cash at the redemption price at any time before the maturity date; and

(ix) In the event of any liquidation, dissolution, winding up or other repayment of capital of LYCM, the RPS holder shall rank as first creditors and subject to insolvency laws, be entitled to receive, in preference to holders of all other ordinary shares and unsecured trade or financial creditors, plus any accrued but unpaid dividends in arrears.

The new RPS issued during the financial year ranked pari passu to all existing and future RPS issued or to be issued by LYCM and in priority to all existing and future ordinary shares issued or to be issued by LYCM.

The RPS are secured by corporate guarantee by the Company.

19. LOANS AND BORROWINGS (CONTINUED)

(c) Hire purchase payables

Future minimum hire purchase payments together with the present value of net minimum hire purchase payments are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Minimun hire purchase payments		
Not later than one year	**752**	234
Later than one year and not later than five years	**1,472**	465
Later than five years	**-**	26
	2,224	725
Less: Future finance charges	**(221)**	(65)
Present value of minimum payments	**2,003**	660
Present value of minimum hire purchase payments:		
Not later than one year	**657**	214
Later than one year and not later than five years	**1,346**	446
	2,003	660
Less: Amount due within 12 months	**(657)**	(214)
Amount due after 12 months	**1,346**	446

20. LEASE LIABILITIES

	Group	
	2023 RM'000	**2022 RM'000**
Non-current		
Lease liabilities	**37,899**	33,259
Current		
Lease liabilities	**7,446**	4,297
	45,345	37,556

20. LEASE LIABILITIES (CONTINUED)

The weighted average incremental borrowing rate applied to the other lease liabilities was 4.76% (2022: 3.16%) per annum.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Minimum finance lease payments		
- not later than one year	**9,395**	5,946
- later than one year but not later than five years	**35,597**	26,475
- later than five years	**7,183**	12,570
	52,175	44,991
Less: Future interest charges	**(6,830)**	(7,435)
Present value of lease liabilities	**45,345**	37,556
Represented by:		
Current		
- not later than one year	**7,446**	4,297
Non-current		
- later than one year but not later than five years	**31,023**	21,594
- later than five years	**6,876**	11,665
	45,345	37,556

The Group applies the practical expedient in paragraph 46A of *Amendment to MFRS 16 Leases* and accordingly, account for any reduction in lease payments resulting from the rent concession as other income.

21. PROVISIONS

	Restoration costs RM'000	Unutilised annual leave RM'000	Total RM'000
Group			
At 1 April 2021	1,272	336	1,608
Additions	-	14	14
Reversal during the financial year	(77)	(3)	(80)
Unwinding of discount on provision for restoration cost (Note 26)	52	-	52
Exchange differences	3	1	4
At 31 March 2022	1,250	348	1,598
Additions	113	91	204
Acquisition of subsidiaries (Note 8)	41	-	41
Reversal during the financial year	-	(173)	(173)
Unwinding of discount on provision for restoration cost (Note 26)	49	-	49
Exchange differences	26	22	48
At 31 March 2023	**1,479**	**288**	**1,767**

	Restoration costs RM'000	Unutilised annual leave RM'000	Total RM'000
At 31 March 2023			
Non-current	**1,479**	**-**	**1,479**
Current	**-**	**288**	**288**
	1,479	**288**	**1,767**
At 31 March 2022			
Non-current	1,250	-	1,250
Current	-	348	348
	1,250	348	1,598

22. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
At 1 April	**(497)**	(87)
Recognised in equity	**-**	(20)
Recognised in profit or loss (Note 28)	**123**	(65)
Acquisition of subsidiaries (Note 8)	**(82)**	(325)
Exchange differences	**6**	-
At 31 March	**(450)**	(497)

Presented after appropriate offsetting as follows:

	2023 RM'000	2022 RM'000
Deferred tax assets	**124**	94
Deferred tax liabilities	**(574)**	(591)
	(450)	(497)

The estimated deferred tax assets and liabilities of the Group arising from temporary differences recognised in the financial statements are as follows:

	Property and equipment RM'000	Right-of-use assets RM'000	Contract liabilities RM'000	Surplus on revaluation of land and buildings RM'000	Total RM'000
Group					
At 1 April 2021	(933)	539	354	(47)	(87)
Recognised in equity	-	-	-	(20)	(20)
Recognised in profit or loss	(696)	629	-	2	(65)
Acquisition of subsidiaries	(258)	-	-	(67)	(325)
At 31 March 2022	(1,887)	1,168	354	(132)	(497)
Recognised in profit or loss	86	37	-	-	123
Acquisition of subsidiaries	(82)	-	-	-	(82)
Exchange differences	6	-	-	-	6
At 31 March 2023	**(1,877)**	**1,205**	**354**	**(132)**	**(450)**

22. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deductible temporary differences in respect of expenses	**785**	753	**-**	-
Difference between carrying amounts of property and equipment and their tax base	**245**	389	**-**	-
Right-of-use assets	**328**	285	**-**	-
Unabsorbed capital allowances	**9,551**	7,467	**-**	-
Unutilised tax losses	**40,651**	33,889	**501**	513
	51,560	42,783	**501**	513
Potential deferred tax assets at 24% (2022: 24%)	**12,374**	10,268	**120**	123

The unutilised tax losses are available indefinitely for offset against future taxable profits of the Group and the Company except for certain unutilised tax losses which will expire in the following financial years:

	Group 2023 RM'000	Company 2023 RM'000
2028	**9,001**	**-**
2029	**4,360**	**-**
2030	**5,794**	**163**
2031	**5,305**	**166**
2032	**9,178**	**172**
2033	**6,986**	**-**
	40,624	**501**

Notes to the Financial Statements

23. TRADE AND OTHER PAYABLES

	Group	
	2023 RM'000	**2022 RM'000**
Trade payables		
Trade payables	**5,131**	4,202
Other payables		
Other payables	**2,709**	1,592
Deposits	**146**	182
Accruals	**4,817**	4,049
GST payables	**470**	286
	8,142	6,109
Total trade and other payables	**13,273**	10,311

	Company	
	2023 RM'000	**2022 RM'000**
Other payables		
Other payables	**95**	3
Accruals	**201**	151
Total other payables	**296**	154

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranges from 30 to 90 days (2022: 30 to 90 days).

(b) Other payables

Included in other payables is an amount of RM552,959 (2022: RM552,959) in respect of the renovation costs owing to contractors.

(c) Accruals

Included in accruals are:

(i) an amount of RM132,929 (2022: RM277,762) in respect of the renovation costs; and

(ii) an amount of RM2,025,000 (2022: RM2,025,000) in respect of accrued interest on redeemable preference shares.

24. REVENUE

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue from contract customers:				
Sales of goods	**35,205**	19,986	**-**	-
Rendering of services	**57,077**	44,611	**3,794**	2,866
	92,282	64,597	**3,794**	2,866

(a) Disaggregation of revenue

The Group and the Company report the following major segments: healthcare services, computing and electronic services and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Healthcare Services RM'000	**Computing and Electronic Services RM'000**	**Others RM'000**	**Total RM'000**
Group				
2023				
Major goods or services				
Computing products	**-**	**3,802**	**-**	**3,802**
Confinement services	**14,121**	**-**	**-**	**14,121**
Child daycare services	**569**	**-**	**-**	**569**
Electronic and security products	**-**	**-**	**12**	**12**
Medical services	**41,377**	**-**	**-**	**41,377**
Neutraceutical supplements and ingredients	**30,939**	**-**	**-**	**30,939**
Dental services	**1,462**	**-**	**-**	**1,462**
	88,468	**3,802**	**12**	**92,282**
2022				
Major goods or services				
Computing products	-	4,421	-	4,421
Confinement services	8,671	-	-	8,671
Child daycare services	353	-	-	353
Electronic and security products	-	-	4	4
Medical services	35,408	-	-	35,408
Neutraceutical supplements and ingredients	15,542	-	-	15,542
Senior nursing services	198	-	-	198
	60,172	4,421	4	64,597

24. REVENUE (CONTINUED)

(a) Disaggregation of revenue (Continued)

	Healthcare Services RM'000	Computing and Electronic Services RM'000	Others RM'000	Total RM'000
Company				
2023				
Major goods or services				
Management services	**-**	**-**	**3,794**	**3,794**
2022				
Major goods or services				
Management services	-	-	2,866	2,866

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Timing of revenue recognition:				
At a point in time	**77,548**	55,290	**-**	-
Over time	**14,734**	9,307	**3,794**	2,866
	92,282	64,597	**3,794**	2,866

(b) Transactions price allocated to the remaining performance obligation

The Group and the Company do not have performance obligations that are unsatisfied for contracts that have an original duration of more than one year at the reporting date.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and accordingly, do not disclose information about remaining performance obligations that have original expected durations of one year or less.

25. COST OF SALES

	Group	
	2023 RM'000	**2022 RM'000**
Cost of goods	**31,934**	24,158
Cost of services	**18,767**	8,250
	50,701	32,408

26. FINANCE COSTS, NET

	Group	
	2023 RM'000	**2022 RM'000**
Interest income	**260**	107
Interest expenses on:		
- lease liabilities	**(2,009)**	(1,809)
- hire purchase	**(42)**	(24)
- term loan	**(33)**	(116)
- redeemable preference shares	**(9,138)**	(6,810)
Unwinding of discount on provision for restoration cost	**(49)**	(52)
	(11,271)	(8,811)
	(11,011)	(8,704)

27. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Auditors' remuneration:				
Audit services:				
- current year	**407**	286	**104**	76
- prior year	**5**	-	**-**	-
Non-statutory audit services: *				
- current year	**479**	74	**135**	74
Bad debts written off	**3**	167	**-**	-
Deposit written off	**9**	-	**-**	-
Depreciation of property and equipment	**3,224**	2,711	**-**	-
Depreciation of right-of-use assets	**6,013**	4,844	**-**	-
Directors' remuneration				
- fees	**288**	261	**288**	261
- emoluments	**992**	814	**992**	814
Subsidiaries' directors' remuneration				
- fees	**2**	-	**-**	-
- emoluments	**7,182**	5,626	**-**	-
Expenses relating to:				
- low value leases	**39**	30	**-**	-
- short term leases	**604**	246	**-**	-
Impairment losses on:				
- property and equipment	**361**	-	**-**	-
- right-of-use assets	**658**	-	**-**	-
- investment in subsidiaries	**-**	-	**15,225**	7,045
- amount due from subsidiaries	**-**	-	**791**	1,259
- trade and other receivables	**226**	20	**-**	-
- goodwill on business combination	**43**	-	**-**	-
Inventories written down	**188**	18	**-**	-
(Gain)/Loss on foreign exchange				
- realised	**(79)**	(48)	**(2)**	1
- unrealised	**(21)**	(3)	**-**	3
Property and equipment written off	**41**	12	**-**	-
Loss/(Gain) on disposal of:				
- investment in subsidiaries	**-**	-	**882**	-
- property and equipment	**-**	(22)	**-**	-
- assets classified as held for sale	**-**	(124)	**-**	-
Compensation	**-**	(300)	**-**	-
COVID-19-related rent concession income	**-**	(644)	**-**	-
Gain on termination of lease	**-**	(340)	**-**	-
Government wage subsidies	**(254)**	(1,000)	**-**	-
Rental income	**(303)**	(706)	**-**	-

27. LOSS BEFORE TAX (CONTINUED)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax: (Continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Reversal of impairment losses on:				
- investment in subsidiaries	**-**	-	**-**	(1,032)
- amount due from subsidiaries	**-**	-	**(1,141)**	(3,076)
- property and equipment	**-**	(2)	**-**	-
Bad debts recovered	**(4)**	-	**-**	-
Reversal of inventories written down	**(28)**	(24)	**-**	-
Staffs costs				
- Employees Provident Fund	**1,553**	1,183	**236**	185
- wages, salaries and others	**14,017**	10,192	**2,043**	1,624
Waiver of debts	**(71)**	(4,699)	**-**	-

* *During the financial year, this amount comprised professional fees in relation to acquisition of subsidiaries, review of Statement of Risk Management and Internal Control and audit of interim financial statements for the Proposed Listing in SGX-ST.*

28. INCOME TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense:				
Malaysian income tax:				
- current financial year	**2,051**	1,266	**-**	-
- over provision in prior financial year	**(67)**	(39)	**-**	-
Real property gains tax	**-**	28	**-**	-
Overseas income tax:				
- current financial year	**1,283**	1,713	**-**	-
- over provision in prior financial year	**(213)**	-	**-**	-
	3,054	2,968	**-**	-
Deferred tax (Note 22):				
- (Reversal)/Origination of temporary differences	**(33)**	22	**-**	-
- (Over)/Under provision in prior financial year	**(90)**	43	**-**	-
	(123)	65	**-**	-
Income tax expense recognised in profit or loss	**2,931**	3,033	**-**	-
Income tax recognised directly in equity				
- Surplus on revaluation of building	**-**	20	**-**	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) whilst the foreign entities in Singapore are subject to statutory income tax rate of 17% (2022: 17%) of the estimated taxable profit for the financial year.

Notes to the Financial Statements

28. INCOME TAX EXPENSE (CONTINUED)

The reconciliations of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax	**(11,864)**	(1,221)	**(17,534)**	(5,403)
Tax at Malaysian statutory income tax rate of 24% (2022: 24%)	**(2,847)**	(293)	**(4,208)**	(1,297)
Lower tax rates in foreign jurisdiction	**(358)**	(594)	**-**	-
Adjustments:				
- non-deductible expenses	**4,513**	2,005	**4,211**	1,297
- non-taxable income	**-**	(119)	**-**	-
- tax exemptions	**(113)**	(108)	**-**	-
Utilisation of previously unrecognised deferred tax assets	**(54)**	(150)	**(3)**	-
Effect of real property gains tax rates	**-**	28	**-**	-
Deferred tax assets not recognised	**2,160**	2,260	**-**	-
(Over)/Under provision in prior financial years:				
- current tax	**(280)**	(39)	**-**	-
- deferred tax	**(90)**	43	**-**	-
Income tax expense for the financial year	**2,931**	3,033	**-**	-

29. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023 RM'000	2022 RM'000
Loss for the financial year attributable to owners of the Company	**(19,187)**	(9,227)
Weighted average number of ordinary shares:		
Number of shares in issue as of 1 April	**464,525**	391,525
Effect of issuance of ordinary shares pursuant to placements	**85,941**	44,195
Weighted average number of ordinary shares in issue at 31 March	**550,466**	435,720
Basic loss per share for the financial year (sen)	**(3.48)**	(2.11)

29. LOSS PER SHARE (CONTINUED)

(b) Diluted

The diluted loss per share of the Company is the same as the basic loss per ordinary share of the Company as there is no potential dilutive ordinary shares for the financial year ended 31 March 2023 and 31 March 2022.

30. SEGMENTS INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports that are regularly reviewed by the Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

(a) General information

The information reported to the Group Managing Director to make decisions about resources to be allocated and for assessing their performance is based on business segments.

(b) Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment profit or loss is profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance income/costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets and liabilities are allocated to reportable segments.

The Group is organised into three major business segments:

	Segments	Products and services
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 daycare 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 its related products.
iii.	Others	- Investment holding and provision of management services.

30. SEGMENTS INFORMATION (CONTINUED)

(c) Business segments

	Healthcare Services		Computing and Electronic Services		Others		Eliminations		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from external customers	**88,468**	60,172	**3,802**	4,421	**12**	4	**-**	-	**92,282**	64,597
Inter-segment revenue	**931**	809	**11**	186	**2,241**	-	**(3,183)**	(995)	**-**	-
Total segment revenue	**89,399**	60,981	**3,813**	4,607	**2,253**	4	**(3,183)**	(995)	**92,282**	64,597
Segment results	**13,621**	14,719	**74**	496	**(12,319)**	(7,218)	**-**	-	**1,376**	7,997
Results from operating activities	**13,621**	14,719	**74**	496	**(12,319)**	(7,218)	**-**	-	**1,376**	7,997
Interest income	**214**	86	**42**	21	**4**	-	**-**	-	**260**	107
Finance cost	**(11,207)**	(8,755)	**-**	(56)	**(64)**	-	**-**	-	**(11,271)**	(8,811)
Share of results of an associate, net of tax	**(89)**	(176)	**-**	-	**-**	-	**-**	-	**(89)**	(176)
Share of results of joint ventures, net of tax	**(2,140)**	(338)	**-**	-	**-**	-	**-**	-	**(2,140)**	(338)
Profit/(Loss) before tax	**399**	5,536	**116**	461	**(12,379)**	(7,218)	**-**	-	**(11,864)**	(1,221)
Income tax expense	**(2,900)**	(3,006)	**(31)**	(27)	**-**	-	**-**	-	**(2,931)**	(3,033)
(Loss)/Profit for the financial year	**(2,501)**	2,530	**85**	434	**(12,379)**	(7,218)	**-**	-	**(14,795)**	(4,254)
Segments assets	**411,448**	315,712	**10,566**	13,012	**222,514**	170,052	**(428,792)**	(315,595)	**215,736**	183,181
Unallocated assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total assets	**411,448**	315,712	**10,566**	13,012	**222,514**	170,052	**(428,792)**	(315,595)	**215,736**	183,181
Segment liabilities	**211,257**	200,704	**7,207**	7,850	**55,580**	8,360	**(138,911)**	(75,777)	**135,133**	141,137
Unallocated liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total liabilities	**211,257**	200,704	**7,207**	7,850	**55,580**	8,360	**(138,911)**	(75,777)	**135,133**	141,137

30. SEGMENTS INFORMATION (CONTINUED)

(c) Business segments (Continued)

	Healthcare Services		Computing and Electronic Services		Others		Eliminations		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital expenditure	**14,070**	3,324	**6**	39	**1,204**	12	**-**	-	**15,280**	3,375
Depreciation of property and equipment	**3,171**	2,665	**29**	27	**24**	19	**-**	-	**3,224**	2,711
Depreciation of right-of-use assets	**5,702**	4,844	**-**	-	**311**	-	**-**	-	**6,013**	4,844
Other material non-cash items other than depreciation										
Bad debts written off	**3**	167	**-**	-	**-**	-	**-**	-	**3**	167
COVID-19-related rent concession income	**-**	(640)	**-**	(4)	**-**	-	**-**	-	**-**	(644)
Gain on termination of lease	**-**	(321)	**-**	(19)	**-**	-	**-**	-	**-**	(340)
Impairment losses on:										
- property and equipment	**361**	-	**-**	-	**-**	-	**-**	-	**361**	-
- right-of-use assets	**658**	-	**-**	-	**-**	-	**-**	-	**658**	-
- trade and other receivables	**226**	20	**-**	-	**-**	-	**-**	-	**226**	20
Inventories written down	**175**	14	**13**	4	**-**	-	**-**	-	**188**	18
Property and equipment written off	**41**	12	**-**	-	**-**	-	**-**	-	**41**	12
Reversal of impairment losses on:										
- investment in subsidiaries	**-**	-	**-**	-	**-**	(1,032)	**-**	1,032	**-**	-
- amount due from subsidiaries	**-**	(876)	**-**	(197)	**(1,141)**	(3,076)	**1,141**	4,149	**-**	-
Reversal of inventories written down	**-**	-	**(9)**	(17)	**(19)**	(7)	**-**	-	**(28)**	(24)
Waiver of debts	**(71)**	(4,699)	**-**	-	**-**	-	**-**	-	**(71)**	(4,699)

30. SEGMENTS INFORMATION (CONTINUED)

(d) Reconciliation of reportable segment assets and liabilities

	Segment assets	
	2023 RM'000	2022 RM'000
Total reportable segments	**644,528**	498,776
Elimination of inter-segment balances	**(428,792)**	(315,595)
Consolidated total	**215,736**	183,181

	Segment liabilities	
	2023 RM'000	2022 RM'000
Total reportable segments	**274,044**	216,914
Elimination of inter-segment balances	**(138,911)**	(75,777)
Consolidated total	**135,133**	141,137

(e) Information about major customers

There is no major customer with revenue equal or more than 10% of the Group's total revenue during the financial year ended 31 March 2023 and 31 March 2022.

(f) Geographical information

Revenue and non-current assets (other than financial instruments and deferred tax assets) information based on the geographical location of customers are as follows:

	Revenue RM'000	Non-current assets RM'000
2023		
Malaysia	**51,606**	**84,203**
Singapore	**40,676**	**65,062**
	92,282	**149,265**
2022		
Malaysia	30,347	77,334
Singapore	34,250	53,849
	64,597	131,183

31. RELATED PARTIES

(a) Identity of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Joint ventures;
(iii) Associate;
(iv) Non-controlling shareholder/director of subsidiary;
(v) Company in which a major shareholder of the Company has substantial financial interests; and
(vi) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Related Party Transactions and Balances

Other than as disclosed elsewhere in the financial statements, related party transactions are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Transaction with a non-controlling shareholder/director of subsidiary		
Interest income on amount due from non-controlling shareholder/director of subsidiary	**-**	27
Transactions with firms which directors are sole proprietor		
Consultation fees	**(14)**	(29)
Professional fees	**(24)**	(15)
Transactions with a director of the subsidiary		
License fee	**(10)**	-
Transactions with companies in which a key management personnel has substantial financial interest		
Purchases	**-**	(26)
Transactions with a company which a director of the subsidiary has substantial financial interest		
Sales	**120**	58
Purchases	**(400)**	(200)
Royalties/Licensing/Agency fees	**(38)**	-

31. RELATED PARTIES (CONTINUED)

(b) Related Party Transactions and Balances (Continued)

Information on outstanding balances with related parties of the Group and the Company are disclosed in Note 11, 13 and 14 to the financial statements.

(c) Compensation of Key Management Personnel

The remuneration of the key management personnel during the financial year is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors				
Fees	**288**	261	**288**	261
Salaries, bonuses and allowances	**7,803**	6,179	**889**	730
Employees Provident Fund	**371**	261	**103**	84
	8,462	6,701	**1,280**	1,075
Other key management personnel				
Fees	**2**	-	**-**	-
Salaries, bonuses and allowances	**2,151**	1,470	**631**	476
Employees Provident Fund	**211**	150	**71**	57
	2,364	1,620	**702**	533

32. OPERATING LEASE ARRANGEMENTS

The Group has entered into non-cancellable operating lease arrangements for the use of office equipment. The leases are for a period of 5 years.

	Group	
	2023 RM'000	2022 RM'000
Not later than one year	**24**	30
Later than one year but not later than five years	**6**	32
	30	62

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The financial table analyses the financial instruments in the statements of financial position by classes of financial instruments to which they are assigned:

(i) Amortised cost

	Amortised cost RM'000	Total RM'000
Group		
2023		
Financial Assets		
Trade and other receivables *	**15,375**	**15,375**
Amount due from joint ventures	**91**	**91**
Cash and short-term deposits	**40,204**	**40,204**
	55,670	**55,670**
Financial Liabilities		
Loans and borrowings	**57,976**	**57,976**
Trade and other payables #	**12,803**	**12,803**
Amount due to non-controlling shareholder/director of subsidiaries	**11,895**	**11,895**
	82,674	**82,674**
2022		
Financial Assets		
Trade and other receivables *	11,724	11,724
Amount due from a non-controlling shareholder/director of subsidiary	9,824	9,824
Amount due from a joint venture	27	27
Cash and short-term deposits	21,832	21,832
	43,407	43,407
Financial Liabilities		
Loans and borrowings	86,312	86,312
Trade and other payables #	10,025	10,025
Amount due to a non-controlling shareholder/director of subsidiary	174	174
	96,511	96,511

* *Exclude prepayments, GST refundable and advance payment to suppliers.*

\# *Exclude GST payables.*

33. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (Continued)

	Amortised cost RM'000	Total RM'000
Company		
2023		
Financial Assets		
Other receivables *	**90**	**90**
Amount due from subsidiaries	**15,586**	**15,586**
Amount due from a joint venture	**2**	**2**
Cash and short-term deposits	**106**	**106**
	15,784	**15,784**
Financial Liabilities		
Other payables	**296**	**296**
Amount due to subsidiaries	**1,480**	**1,480**
	1,776	**1,776**
2022		
Financial Assets		
Other receivables *	79	79
Amount due from subsidiaries	1,036	1,036
Amount due from a joint venture	27	27
Cash and short-term deposits	37	37
	1,179	1,179
Financial Liabilities		
Other payables	154	154
Amount due to subsidiaries	116	116
	270	270

* *Exclude prepayments.*

(b) Financial risk management objectives and policies

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk, and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an individual credit limits are defined in accordance with this assessment.

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables are not secured by any collateral or supported by any other credit enhancements other than the trade receivable owing by a related party with guarantee from its director as disclosed in Note 13(a) to the financial statements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

<u>Credit risk concentration profile</u>

As at the end of the reporting period the Group has significant concentration of credit risk in the form of outstanding balances owing by 11 (2022: 10) customers representing 64% (2022: 68%) of the total receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on the days past due. The Group also individually assessed ECL of individual customers based on indicators such as changes in financial capability of the receivables, payment trends of the receivable and default or significant delay in payments. The determination of impairment losses also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions, over these periods would not materially impact the impairment calculation of the receivables.

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

Trade receivables (Continued)

The information about the credit risk exposure on the Group's trade receivables are as follows:

	Expected credit loss			
	Gross carrying amount RM'000	Individual impairment RM'000	Collective impairment RM'000	Net balance RM'000
Group				
2023				
Current	**2,359**	**-**	**(43)**	**2,316**
1 to 30 days past due	**2,766**	**-**	**(18)**	**2,748**
31 to 60 days past due	**1,296**	**(1)**	**(17)**	**1,278**
61 to 120 days past due	**1,515**	**(2)**	**(21)**	**1,492**
More than 121 days past due	**1,852**	**(144)**	**(65)**	**1,643**
	9,788	**(147)**	**(164)**	**9,477**
2022				
Current	1,235	-	(2)	1,233
1 to 30 days past due	2,646	-	(15)	2,631
31 to 60 days past due	2,008	-	(16)	1,992
61 to 120 days past due	2,474	-	(20)	2,454
More than 121 days past due	1,314	(95)	(53)	1,166
	9,677	(95)	(106)	9,476

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

Other receivables and other financial assets

For other receivables and other financial assets (including deposits and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Intercompany loans between entities within the Group are repayable on demand. The Group monitors the results of the subsidiaries in determining the recoverability of intercompany balances. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient liquid reserves when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the advances.

The Group and the Company consider these financial assets to have low credit risk. As such, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than as disclosed in Note 13 and 14.

Refer to Note 3.10(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and its repayment on an ongoing basis. The maximum exposure to credit risks amounts to RM59,861,000 (2022: RM89,728,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 33(b)(iii). Generally, the Company considers the financial guarantees have low credit risk. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(ii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from deposits placed with licensed banks and borrowings. The deposits placed with licensed banks at fixed rate expose the Group to fair value interest rate risk.

Borrowings at floating rate amounting to RM503,000 (2022: RM962,000) expose the Group to cash flow interest rate risk. The Group manages its interest rate risk exposure by maintaining a mix of fixed and floating rate loans and borrowings.

The Group does not have any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

<u>Sensitivity analysis for interest rate risk</u>

The exposure to interest rate risk of the Group is insignificant and hence, sensitivity analysis is not presented.

(iii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage their operating cash flows by maintaining sufficient level of cash to meet their working capital requirements and availability of funding through an adequate amount of credit facilities and private placements.

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual repayment obligations.

	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000
Group					
2023					
Trade and other payables #	**12,803**	**12,803**	**12,803**	**-**	**-**
Amount due to non-controlling shareholder/ director of subsidiaries	**11,895**	**11,895**	**10,715**	**1,180**	**-**
Loans and borrowings	**57,976**	**67,950**	**5,675**	**62,275**	**-**
Lease liabilities	**45,345**	**52,175**	**9,395**	**35,597**	**7,183**
	128,019	**144,823**	**38,588**	**99,052**	**7,183**
2022					
Trade and other payables #	10,025	10,025	10,025	-	-
Amount due to a non-controlling shareholder/ director of subsidiary	174	174	174	-	-
Loans and borrowings	86,312	111,148	7,886	103,262	-
Lease liabilities	37,556	44,991	5,946	26,475	12,570
	134,067	166,338	24,031	129,737	12,570

\# *Exclude GST payables.*

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000
Company					
2023					
Other payables	**296**	**296**	**296**	**-**	**-**
Amount due to subsidiaries	**1,480**	**1,480**	**1,480**	**-**	**-**
Financial guarantee contracts	**-**	**59,861**	**59,861**	**-**	**-**
	1,776	**61,637**	**61,637**	**-**	**-**
2022					
Other payables	154	154	154	-	-
Amount due to subsidiaries	116	116	116	-	-
Financial guarantee contracts	-	89,728	89,728	-	-
	270	89,998	89,998	-	-

(iv) Foreign currency risk

Foreign currency risk is the risk of the fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Singapore Dollar, US Dollar, Euro and Australian Dollar. In the management of foreign currency risk, the Group does not hedge these exposures by purchasing forward currency contracts.

The Group is also exposed to foreign currency risk in respect of its investment in foreign subsidiaries. The Company does not hedge this exposure by having foreign currency loans and borrowings in view of the insignificant amount of investment in the foreign subsidiaries.

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iv) Foreign currency risk (Continued)

	Group	
	Functional currency	
	Ringgit Malaysia RM'000	Total RM'000
At 31 March 2023		
Financial assets and liabilities not held in functional currencies:		
Trade receivables		
US Dollar	73	73
Cash and short-term deposits		
US Dollar	89	89
Singapore Dollar	195	195
Euro	15	15
Australian Dollar	119	119
	418	418
Trade payables		
US Dollar	(523)	(523)
Euro	(26)	(26)
	(549)	(549)
Total		
US Dollar	(361)	(361)
Singapore Dollar	195	195
Euro	(11)	(11)
Australian Dollar	119	119
	(58)	(58)

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iv) Foreign currency risk (Continued)

	Group	
	Functional currency	
	Ringgit Malaysia RM'000	Total RM'000
At 31 March 2022		
Financial assets and liabilities not held in functional currencies:		
Trade receivables		
US Dollar	243	243
Singapore Dollar	1	1
	244	244
Cash and short-term deposits		
US Dollar	109	109
Singapore Dollar	131	131
Euro	61	61
Australian Dollar	46	46
	347	347
Trade payables		
US Dollar	(40)	(40)
Euro	(11)	(11)
	(51)	(51)
Total		
US Dollar	312	312
Singapore Dollar	132	132
Euro	50	50
Australian Dollar	46	46
	540	540

Sensitivity analysis for foreign currency risk

The exposure to foreign currency risk of the Group is insignificant and hence, sensitivity analysis is not presented.

33. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair values of financial instruments

Determination of fair value

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(i) Cash and bank balances, trade and other receivables and payables

The carrying amounts of cash and bank balances, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

The carrying amounts of long term amount due from/(to) non-controlling shareholder/director of subsidiaries is estimated using discounted cash flow analysis, based on current lending rate for similar types of instrument.

(ii) Loans and borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of redeemable preferences shares is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowings.

(iii) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:

(i) Level 1: Quoted prices (unadjusted) in active markets for the identical assets or liabilities that the Group can access at the measurement date.

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3: Unobservable inputs for the asset or liability.

There have been no transfers between fair value measurement hierarchy during the financial year.

33. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair values of financial instruments (Continued)

(iii) Fair value hierarchy (Continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
2023					
Financial liabilities					
Redeemable preference shares	**55,470**	**-**	**-**	**55,470**	**55,470**
Hire purchase payables	**2,003**	**-**	**-**	**1,997**	**1,997**
2022					
Financial assets					
Amount due from a non-controlling shareholder/ director of subsidiary	9,824	-	-	9,824	9,824
Financial liabilities					
Redeemable preference shares	84,690	-	-	84,690	84,690
Hire purchase payables	660	-	-	642	642

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within its net debt, loans and borrowings, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company.

34. CAPITAL MANAGEMENT (CONTINUED)

The gearing ratio of the Group is as follows:

	Note	Group 2023 RM'000	Group 2022 RM'000
Loans and borrowings	19	**57,976**	86,312
Less: Cash and short-term deposits	16	**(40,204)**	(21,832)
Net cash		**17,772**	64,480
Equity attributable to owners of the Company		**46,910**	27,583
Capital and net cash		**64,682**	92,063
Gearing ratio		**0.27**	0.70

35. CAPITAL COMMITMENTS

	Group 2023 RM'000	Group 2022 RM'000
Capital expenditure in respect of purchase of property and equipment		
- Contracted but not provided for	**5,067**	9,154

36. COMPARATIVE FIGURES

In the previous financial year, motor vehicles under hire purchase arrangement and the related hire purchase payables were classified in right-of-use assets and lease liabilities respectively.

During the financial year, the nature of the hire purchase arrangement was re-assessed and the motor vehicles were reclassified as property and equipment and loans and borrowings respectively.

The comparative figures have been reclassified to conform with the current year's presentation. The reclassifications have no effect on the profit, cash flows and loss per share of the Group for the current and previous financial years.

37. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than as disclosed elsewhere in the financial statements, the significant events during and subsequent to the end of the financial year are as follows:

(a) On 26 August 2021, the Company announced that it is considering to list its healthcare business on the Catalist board of the SGX-ST. Prior to the completion of the Proposed Listing, the Company intends to undertake a reorganisation of some of its subsidiaries involved in the healthcare business, for the purpose of forming a listing group vehicle to be listed on the Catalist board of the SGX-ST.

The Internal Reorganisation was completed during the financial year as disclosed in Note 8 to the financial statements.

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

As at the date of authorisation of these financial statements, the proposed listing has yet to be completed.

(b) On 4 July 2022, LYCDA, wholly-owned subsidiary of the Company, entered into a conditional share sale agreement ("SSA") for the proposed acquisition of 55% equity interest in Elite Dental Team Sdn. Bhd. for a purchase consideration of RM5,500,000.

The proposed acquisition was completed on 3 May 2023.

(c) On 15 July 2022, the Company announced the proposals to undertake the following:

(i) proposed acquisition by LYCHM, a wholly-owned subsidiary of the Company, of the 75% equity interest in Nutrogreen Health Industries Sdn. Bhd. for a purchase consideration of RM525,000; and

(ii) proposed acquisition by LYCNS, a wholly-owned subsidiary of the Company, 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 for a purchase consideration of RM1,000,000.

On 28 March 2023, LYCHM and LYCNS entered supplemental agreements to amend, modify, supplement and further clarify certain terms of the agreements.

As at the date of authorisation of these financial statements, the proposals have yet to be completed pending the fulfilment of conditions precedent.

(d) On 8 November 2022, the Company announced that LYCN, an indirect partially owned subsidiary of the Company, entered into a conditional share sales agreement ("SSA 1") for the proposed acquisition of 70% equity interest in Clinical Nutrition Intl (M) Sdn. Bhd. ("CNI") for a purchase consideration of RM2,240,000.

On 9 February 2023, LYCN entered into a supplemental agreement to amend, modify, supplement, and further clarify certain terms of the SSA 1; and a share sale agreement ("SSA 2") to acquire the remaining 30,000 CNI shares, representing the remaining 30% equity interest in CNI.

As at the date of authorisation of these financial statements, the proposals have yet to be completed pending the fulfilment of conditions precedent.

37. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

Other than as disclosed elsewhere in the financial statements, the significant events during and subsequent to the end of the financial year are as follows (Continued):

(e) On 14 March 2023, the Company announced that AQ, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") for the proposed acquisition of three units of 1 ½ storey light industrial factory located in Pekan Cheras, Daerah Ulu Langat, Negeri Selangor for a total purchase consideration of RM4,500,000.

On 25 May 2023, AQ completed the acquisition of three units of commercial warehouse properties in Malaysia, for an aggregate purchase consideration of RM4,500,000. Such purchase consideration is financed by internal resources of RM675,000 and the balances of RM3,825,000 is financed via term loan. The term loan is subject to interest rate of 4.2% per annum and is repayable over 120 monthly instalments.

(f) On 18 April 2023, LYCDG incorporated a 60% equity interest in Sigma Dental Laboratory Sdn. Bhd. ("SDL"). The intended principal activities are to operate a dental laboratory business and its related services.

Statement by Directors

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **MOHD KHASAN BIN AHMAD** and **SUI DIONG HOE**, being two of the directors of LYC HEALTHCARE BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 67 to 177 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

MOHD KHASAN BIN AHMAD
Director

....

SUI DIONG HOE
Director

Kuala Lumpur

Date: 18 July 2023

Statutory Declaration

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **CHOW LAI NGOR**, being the officer primarily responsible for the financial management of LYC HEALTHCARE BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 67 to 177 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

....

CHOW LAI NGOR
Officer
MIA Membership No: 12687

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 July 2023.

Before me,

....

Commissioner for Oaths

Independent Auditors' Report

TO THE MEMBERS OF LYC HEALTHCARE BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LYC Healthcare Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including significant accounting policies, as set out on pages 67 to 177.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group and Company

Property and equipment (Note 4.1 and 5 to the financial statements)
Right-of-use assets (Note 4.1 and 6 to the financial statements)
Investment in subsidiaries (Note 4.3 and 8 to the financial statements)

The directors determined that indication of impairment on property and equipment, right-of-use assets and investment in subsidiaries existed at the end of the financial year and accordingly, had performed impairment testing on those assets. For the purpose of impairment testing, property and equipment and right-of-use assets of the subsidiaries are grouped together into cash-generating units ("CGUs"). We focus on this area as the recoverable amount of CGUs and investment in subsidiaries were determined based on value-in-use which involve exercise of significant judgement by the directors on the discount rates applied and the assumptions supporting the underlying cash flow projections which include future sales and gross margins.

Key Audit Matters (Continued)

Group and Company (Continued)

Our audit response:

Our audit procedures included, among others:

- discussing the valuation methodology adopted by the Group;
- comparing the actual results with previous budgets to assess the performance of the business;
- discussing the basis adopted by directors in relation to key assumptions;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around key assumptions that are expected to be more sensitive to the recoverable amount, where applicable.

Goodwill on business combination (Note 4.2 and 7 to the financial statements)

The Company has a significant balance of goodwill on business combination The accounting policy of the Group is to test goodwill annually for impairment.

We focused on this area because the Group's assessment of the recoverable amount involved significant judgement and estimates made by the directors. The recoverable amount of cash generating unit to which the goodwill was allocated was determined based on value-in-use. The value-in-use calculation involves the discount rate applied and the assumptions supporting the underlying cash flow projections which include future revenue and gross margins.

Our audit response:

Our audit procedures included, among others:

- discussing the appropriateness of the valuation methodology adopted by the Company;
- comparing the actual results with previous budgets to assess the performance of the business;
- discussing the basis adopted by directors in relation to key assumptions of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around key assumptions that are expected to be more sensitive to the recoverable amount.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

TO THE MEMBERS OF LYC HEALTHCARE BERHAD (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

TO THE MEMBERS OF LYC HEALTHCARE BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, is disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Jason Wong Yew Ming
03668/06/2024 J
Chartered Accountant

Kuala Lumpur

Date: 18 July 2023

List of Properties Held

The details of the properties of LYC Group as at 31 March 2023:

Location	Description/ Existing use	Tenure	Date of acquisition	Approximate age of building (years)	Land area (square feet)	Built-up area (square feet)	Audited NBV as at 31.3.2023 (RM'000)
H.S.(M) 441 for PT No. 4787 in the Mukim of Bachang, District of Melaka. Bearing the postal address No. 15, 1-15, 2-15 Jalan Bachang Jaya 1, Taman Bachang Jaya, Off Jalan Tun Fatimah, 75250 Melaka.	3-storey shophouse used as Melaka branch office for sales, support & engineering	Freehold	16.12.1994	26	1,561	4,620	623
Geran 204917, Lot 32008, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan. Bearing the postal address No. 33, Jalan Awana 15, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	18.12.2018	5	2,691	5,930	1,989
Geran 204918, Lot 32009, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan. Bearing the postal address No. 31 Jalan Awana 15, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	18.12.2018	5	2,002	5,050	1,511
Geran 204921, Lot 32012, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan. Bearing the postal address No. 25 Jalan Awana 15, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	20.06.2014	9	2,002	3,250	1,344
Geran 204922, Lot 32013, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan. Bearing the postal address No. 23 Jalan Awana 15, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	20.06.2014	9	2,002	2,750	1,295

Analysis of Shareholdings

As at 30 June 2023

SHARE CAPITAL

Issued Share Capital : RM91,407,095.50 (649,978,240 Units)
Class of Shares : Ordinary Shares with equal voting rights
Number of Shareholders : 3,497

DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of Holders	%	Total Holdings	%
1 - 99	21	0.601	724	0.000
100 - 1,000	352	10.066	210,095	0.032
1,001 - 10,000	1,457	41.664	9,223,405	1.419
10,001 - 100,000	1,348	38.547	49,299,001	7.585
100,001 - 32,498,911 (*)	314	8.979	316,360,515	48.672
32,498,911 and above (**)	5	0.143	274,884,500	42.292
Total	**3,497**	**100**	**649,978,240**	**100**

*Remark: * - Less than 5% of issued shares*
*** - 5% and above of issued shares*

THIRTY LARGEST ORDINARY SHARES ACCOUNT HOLDERS

Name	Shareholdings	%
1. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KENANGA INVESTORS BERHAD FOR LYC CAPITAL SDN. BHD.	95,432,000	14.682
2. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENANGA ISLAMIC INVESTORS BERHAD	50,000,000	7.693
3. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KENANGA INVESTORS BERHAD FOR BLM HOLDINGS SDN. BHD.	46,452,500	7.147
4. CARTABAN NOMINEES (TEMPATAN) SDN. BHD. RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	46,000,000	7.077
5. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KENANGA INVESTORS BERHAD FOR SUICAP VENTURE SDN. BHD.	37,000,000	5.692
6. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENANGA INVESTORS BHD	30,000,000	4.616
7. TEE CHEE CHIANG	20,500,000	3.154
8. KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOO WENG SENG	16,507,000	2.540
9. GUNUNG RESOURCES SDN. BHD.	15,233,700	2.344
10. AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP	13,700,000	2.108
11. CHONG YOKE BEEY	13,223,400	2.034
12. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM YIN CHOW (PB)	11,488,700	1.768
13. AMSEC NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH ALAN	9,941,300	1.529
14. CHONG KWEE SIONG	7,085,000	1.090
15. LIM SIN KHONG	7,000,000	1.077
16. CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE CHEE CHIANG (M55008)	6,630,300	1.020

Analysis of Shareholdings

As at 30 June 2023

THIRTY LARGEST ORDINARY SHARES ACCOUNT HOLDERS (CONTINUED)

Name		Shareholdings	%
17.	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG AH CHIEW	5,670,000	0.872
18.	LEE CHOONG KONG	4,108,500	0.632
19.	LU WEI	4,040,000	0.622
20.	SOUTHERN REALTY RESOURCE SDN. BHD.	3,900,000	0.600
21.	WING KWONG @ CHAN WING KWONG	3,764,400	0.579
22.	LIM SOOK NYI	3,300,000	0.508
23.	LOO KUAN CHIN	3,290,000	0.506
24.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JULIAN SURESH CANDIAH	3,200,000	0.492
25.	AHMAD RAFIQUE BIN MAT TAHIR	3,018,600	0.464
26.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	3,000,000	0.462
27.	OH ENG LEONG	3,000,000	0.462
28.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMMED AMIN BIN MAHMUD (MM1004)	2,427,100	0.373
29.	CHOU, YING-HSIEN	2,368,900	0.364
30.	MOHAMAD RIDZHUAN FIRDAUS MAULA RAJA AZNIN	2,205,000	0.339

SUBSTANTIAL SHAREHOLDERS

Name		Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1.	LYC Capital Sdn. Bhd.	95,432,000	14.68	-	-
2.	Lim Yin Chow	11,488,700	1.77	95,432,000*	14.68
3.	Exempt AN for Kenanga Islamic Investors Berhad	50,000,000	7.69	-	-
4.	RHB Trustee Berhad	46,000,000	7.08	-	-
5.	Kenanga Investors Berhad for BLM Holdings Berhad	46,452,500	7.15	-	-
6.	Suicap Venture Sdn. Bhd.	37,000,000	5.69	-	-
7.	Sui Diong Hoe	-	-	37,000,000**	5.69

* *Deemed interested by virtue of his direct interest in LYC Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

** *Deemed interested by virtue of his direct interest in Suicap Venture Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

DIRECTORS' SHAREHOLDINGS

Name		Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1.	Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
2.	Sui Diong Hoe	-	-	37,000,000*	5.69
3.	Mohd Khasan Bin Ahmad	-	-	-	-
4.	Dato' Muraly Daran A/L M Narayana Menon	-	-	-	-
5.	Poh Zuan Yin *(Appointed on 29 May 2023)*	-	-	-	-
6.	Dr Lim Geng Yan *(Resigned on 29 November 2022)*	40,000	0.006	-	-

* *Deemed interested by virtue of his direct interest in Suicap Venture Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN the Nineteenth Annual General Meeting ("**19th AGM**") of LYC Healthcare Berhad ("**LYC**" or the "**Company**") will be at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 21 September 2023, at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors' and Auditors' thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and benefit payable to the Directors of the Company of up to RM750,000 from 22 September 2023 until the conclusion of the next Annual General Meeting to be held in 2024. — **Ordinary Resolution 1**

3. To re-elect the following Directors retiring in accordance with the Constitution of the Company, and who being eligible, offered themselves for re-election:-

   a) Dato' Muraly Daran A/L M Narayana Menon — Clause 104(1) — **Ordinary Resolution 2**
   b) Poh Zuan Yin — Clause 111 — **Ordinary Resolution 3**

4. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

As Special Business

To consider and, if thought fit, to pass the following resolution:-

5. **AUTHORITY UNDER SECTION 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS** — **Ordinary Resolution 5**

   "THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

   THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 and Clause 9 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

6. To transact any other business, of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

By Order of the Board

Tan Ai Ning (MAICSA 7015852)
SSM PC NO.: 202008000067
Tai Yuen Ling (LS 0008513)
SSM PC NO.: 202008001075
Company Secretaries

Petaling Jaya
28 July 2023

Notice of Annual General Meeting

Notes:-

1. *A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.*

2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*

3. *Where a member of the Company is authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

4. *If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the Annual General Meeting ("AGM") or Adjourned AGM.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 14 September 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

7. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

8. *Last date and time for lodging the proxy form is 19 September 2023, 10.00 a.m.*

Explanatory Notes:-

1. **To receive the Audited Financial Statements**

   Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. **Ordinary Resolution 1**
   - **To approve the payment of Directors' Fees and benefit payable to the Directors of the Company**

     Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board had recommended the payment of Directors' Fees and benefit payable to the Directors for shareholders' approval at the 19th AGM in a resolution as follows:-

     "To approve the payment of Directors' fees and benefit payable to the Directors of the Company of up to RM750,000 from 22 September 2023 until the conclusion of the next AGM to be held in 2024."

     The payment of the Directors' fees and benefit payable will only be made if the proposed Ordinary Resolution 1 has been passed at the 19th AGM pursuant to Clause 112 of the Company's Constitution and Section 230(1) of the Companies Act 2016.

     In the event that the proposed Directors' fees and benefits payable during the above period exceed the estimated amount sought at the 19th AGM, approval will be sought at the next AGM for additional Directors' fees and benefits payable to meet the shortfall, prior to the payment is made.

3. **Ordinary Resolution 5**
   - Authority pursuant to Section 76 of the Companies Act 2016 for the Directors to Allot and Issue Shares

   The Company had, during its Eighteenth AGM held on 22 September 2022, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Companies Act 2016.

   The proposed Ordinary Resolution 5 is a renewal mandate of the general mandate for the issuance of shares by the Company under Section 76 of the Companies Act 2016. The mandate, if passed, will give the Directors of the Company, the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors would consider to be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

   The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 9 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

   This mandate would provide the Company the flexibility to raise fund including but not limited to placing of shares to finance future projects, working capital and/or acquisitions without having to convene a general meeting. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

PERSONAL DATA PRIVACY:

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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Proxy Form

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

No. of Shares Held	
CDS Account No.	

I/We ____________________________ *NRIC No./Passport No./Company No. ____________________
(NAME OF SHAREHOLDER AS PER NRIC, IN BLOCK CAPITAL)

*Tel No.: ____________________ of ____
(FULL ADDRESS)

being *a member/members of **LYC HEALTHCARE BERHAD** hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	**Proportion of Shareholdings**	
		No. of Shares	**%**
Email Address			
Contact No.			

and/or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	**Proportion of Shareholdings**	
		No. of Shares	**%**
Email Address			
Contact No.			

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and to vote for *me/us on *my/our behalf at the Nineteenth Annual General Meeting of the Company to be conducted at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 21 September 2023, at 10.00 a.m. or any adjournment thereof.

*My/our proxy/proxies is/are to vote as indicated below:

RESOLUTION		**FOR**	**AGAINST**
ORDINARY RESOLUTION 1	To approve the payment of Directors' Fees and benefit payable to the Directors of the Company of up to RM750,000 from 22 September 2023 until the conclusion of the next Annual General Meeting to be in 2024.		
ORDINARY RESOLUTION 2	To re-elect Dato' Muraly Daran A/L M Narayana Menon as Director.		
ORDINARY RESOLUTION 3	To re-elect Poh Zuan Yin as Director.		
ORDINARY RESOLUTION 4	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
ORDINARY RESOLUTION 5	Authority under Section 76 of the Companies Act 2016 for the Directors to allot shares or grant rights.		

Please indicate with an " X " in the spaces provided whether you wish your vote to be cast for or against the resolution. If the absence of specific directions, your proxy/proxies will vote or abstain at he/she thinks fit.

* *Strike out whichever is not applicable*

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:-

	No. of Shares	**Percentage**
Proxy 1		%
Proxy 2		%
Total		**100%**

____
Signature/Common Seal
Contact No.: ______________________
Date: ______________________

NOTES:

1. *A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his/ her stead. A proxy may but need not be a member of the Company.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*
3. *Where a member of the Company is authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the Annual General Meeting ("AGM") or Adjourned AGM.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 14 September 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

7. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

8. *Last date and time for lodging the proxy form is 19 September 2023, 10.00 a.m.*

PERSONAL DATA PRIVACY:
By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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AFFIX
STAMP

The Share Registrar

LYC HEALTHCARE BERHAD
Registration No. 200401009170 (647673-A)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

FOLD HERE

www.lychealth.com

LYC HEALTHCARE BERHAD
Registration No. 200401009170 (647673-A)
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No.1 Jalan Tun Mohd Fuad, Taman Tun Dr. Ismail,
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