



# Touching Lives, Improving Life.



# Confinement



**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.**



## Helping Mom to Embrace

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, our existing prime location for confinement centres are in TTDI, Puchong, Bukit Jalil and Johor Bahru with 33-bedroom, 29-bedroom, 60-bedroom and 67-bedroom facilities respectively. As at 31 March 2024, we had served more than 8,000 mothers and babies.

▶ **Our Services**

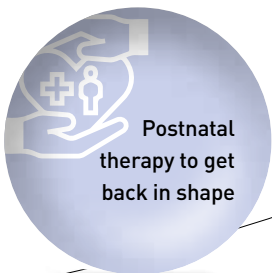
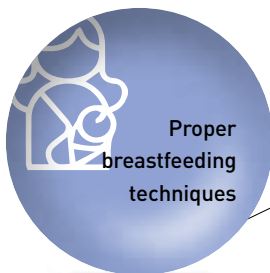
- 1 Professional Baby Care
- 2 Regular Doctor Visits
- 3 Postnatal Therapy By Tanamera
- 4 Meals By Certified Nutritionists
- 5 Weekly Parenthood Activites
- 6 24-Hour Top-Tier Security Control



We had served more than

**8,000**  
mothers and babies.

# Motherhood



We are helping moms to embrace

**Motherhood By Giving Them.**

# Aqurate

# 2

**AQRATE 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.**



We aim to improve  
the quality  
across the

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.



▶ **The Leading Ingredient Supplier for:**



Food & Beverage



Nutraceutical



Pharmaceutical



Cosmeceutical

**OUR SERVICES**

Quality of life  
across the Globe.

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

**1**  
FOODS AND HEALTH INGREDIENTS DISTRIBUTION

- ▽
- Step 1:** Sourcing
- Step 2:** Buying
- Step 3:** Shipping
- Step 4:** Storing
- Step 5:** Distribution

**2**  
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.

**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.

**Label & Packaging**

We provide custom design for packaging of the product, to help bring your product to market.

**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.

**Production & Manufacturing**

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

**Marketing & Training**

We provide tip-top, accurate, custom education materials and training, to support your business comprehensively.

# Childcare

# 3

**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.**

The Best Care  
**for your**

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.





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

**1**  
**INFANT CARE  
- BIRTH  
TO 12 MONTHS**

**OUR  
PROGRAMMES**

child

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

**2**  
**TODDLER  
- 12 TO 24  
MONTHS**

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.

**3**  
**PLAY GROUP  
- 24 MONTHS  
TO 3.5 YEARS OLD**

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

# Orthopaedic & Chronic Disease

**ACQUISITIONS OF T & T MEDICAL GROUP PTE. LTD. ("T&T") AND HC ORTHOPAEDIC SURGERY PTE. LTD. ("HCOS") WERE COMPLETED ON 10 OCTOBER 2022.**

## Giving you a Healthy

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).







Eating a balanced diet



Exercise such as walking, jogging, hiking and cycling



Consume adequate Calcium and Vitamin D



Avoid tobacco and excessive alcohol consumption



# 10 COMMON CHRONIC CONDITIONS FOR ADULTS 65+

**68%**  
have 2 or more chronic conditions

**80%**  
have at least 1 chronic condition

# bone living

**58%**  
Hypertension  
(High blood pressure)

**29%**  
Ischemic Heart Disease

**58%**  
High Cholesterol

**27%**  
Diabetes

**31%**  
Arthritis

**14%**  
Depression

**18%**  
Chronic Kidney Disease

**14%**  
Heart Failure

**11%**  
Alzheimer's Disease and Dementia

**11%**  
Chronic Obstructive Pulmonary Disease

## Management Discussion and Analysis

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## Sustainability Statement





# 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)
- ▷ **SUI DIONG HOE**  
(Managing Director cum Group Chief Executive Officer)
- ▷ **MOHD KHASAN BIN AHMAD**  
(Independent Non-Executive Director)
- ▷ **DATO' MURALY DARAN A/L M NARAYANA MENON**  
(Independent Non-Executive Director)
- ▷ **MS POH ZUAN YIN**  
(Independent Non-Executive Director)

### 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)

### 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)

### 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)

#### 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)

12<sup>th</sup> 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

2<sup>nd</sup> & 3<sup>rd</sup> 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)  
11<sup>th</sup> 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

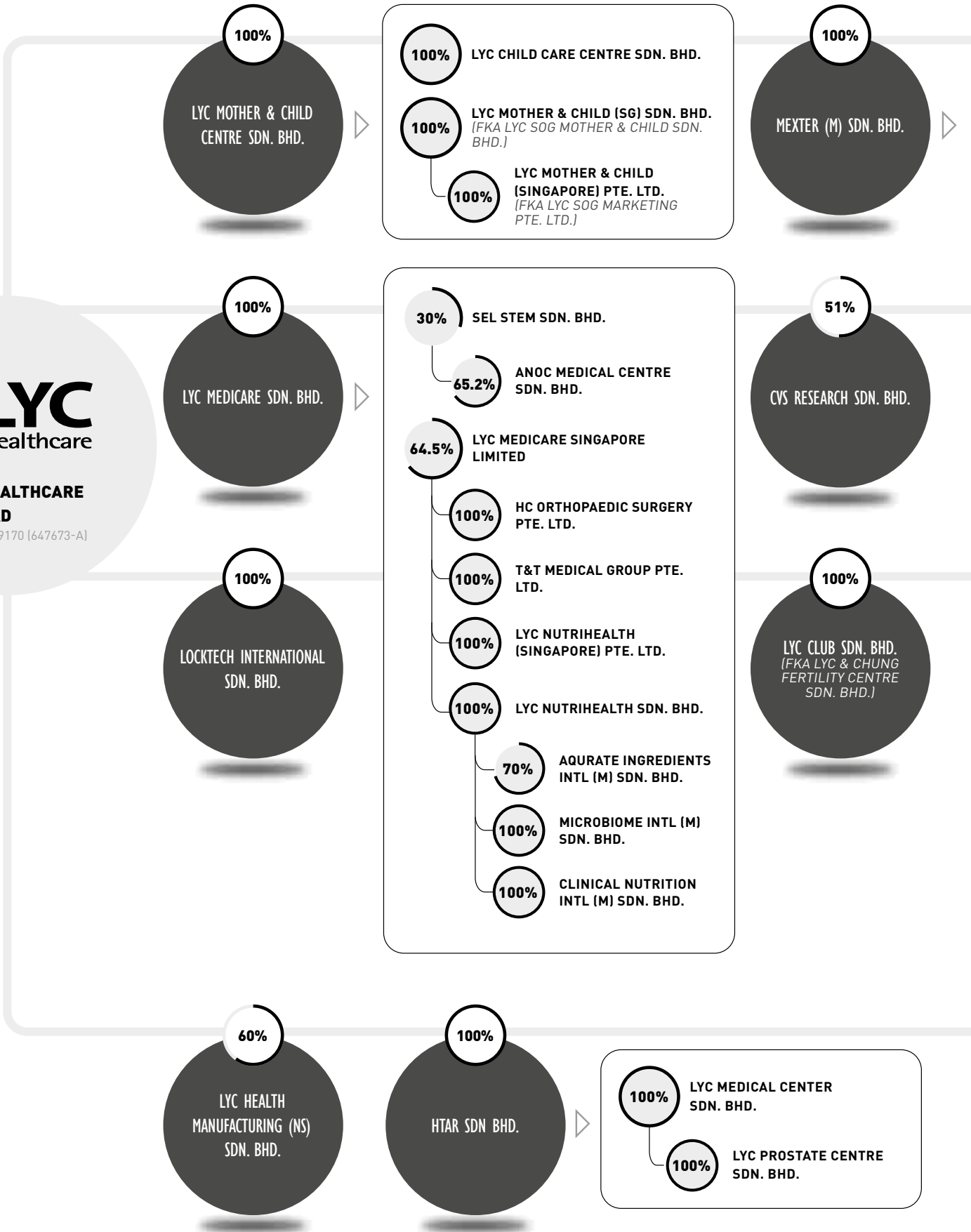
	<b>31.3.2020</b> RM mil	<b>31.3.2021</b> RM mil	<b>31.3.2022</b> RM mil	<b>31.3.2023</b> RM mil	<b>31.3.2024</b> RM mil
Revenue	12.4	26.4	64.6	92.3	<b>130.2</b>
Loss before tax	(10.2)	(11.2)	(1.2)	(11.9)	<b>(10.8)</b>
Loss after tax & non-controlling interest	(10.3)	(11.5)	(4.3)	(14.8)	<b>(14.9)</b>
Property and equipment	18.4	19.7	27.4	29.0	<b>48.4</b>
Current assets	8.1	30.1	51.9	66.3	<b>62.4</b>
Total assets	57.1	136.0	183.2	215.7	<b>242.8</b>
Share capital	67.4	77.7	57.6	90.6	<b>101.4</b>
Reserves	(46.0)	(58.0)	(30.0)	(43.7)	<b>(62.5)</b>
Shareholders' funds	21.4	19.7	27.6	46.9	<b>39.0</b>
Loss per share (cent)	(2.92)	(3.27)	(2.11)	(3.48)	<b>(2.90)</b>
Net assets per share (cent)	0.07	0.07	0.09	0.12	<b>0.11</b>



# Corporate Structure

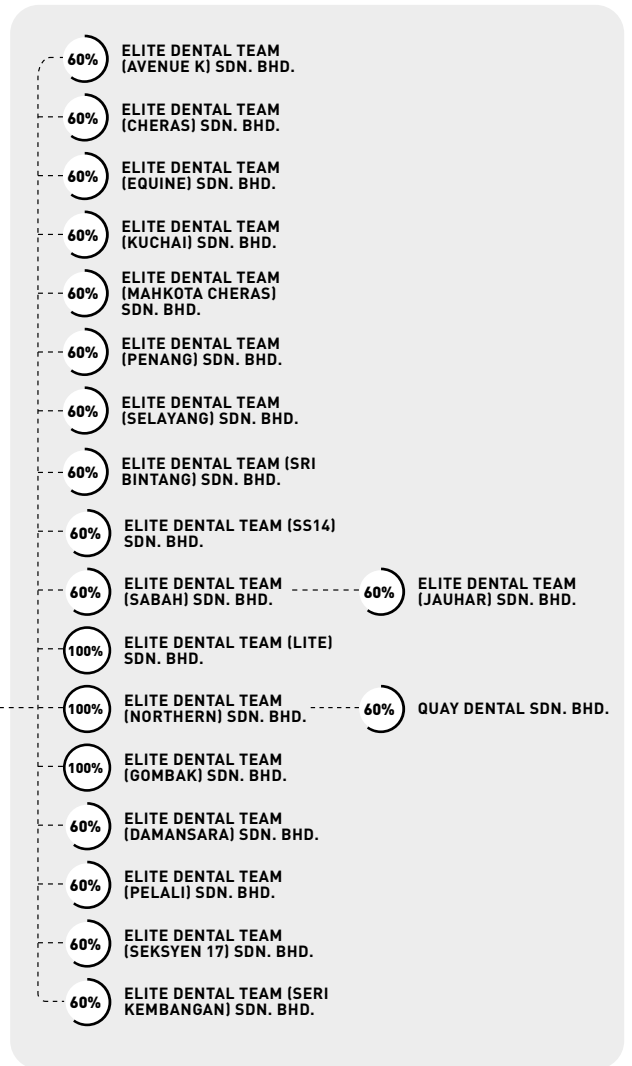
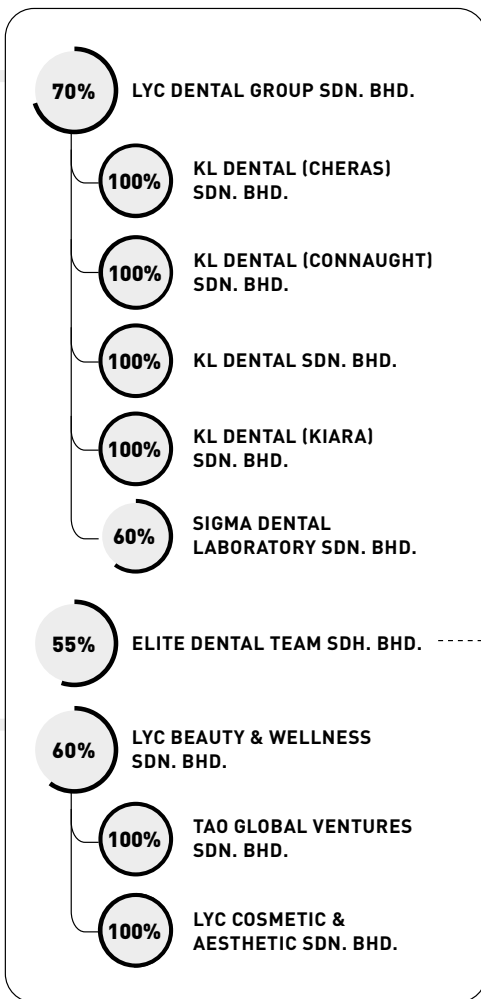
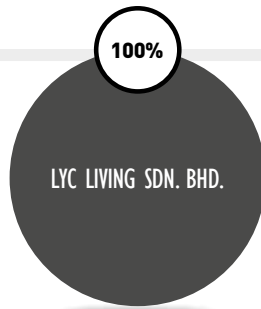
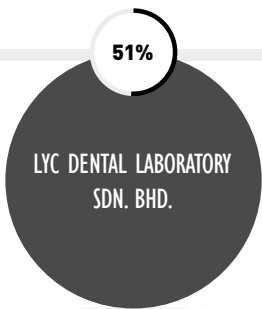
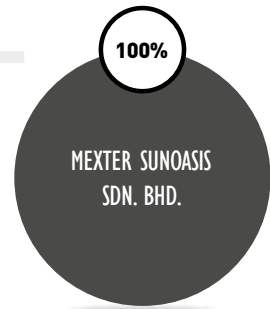
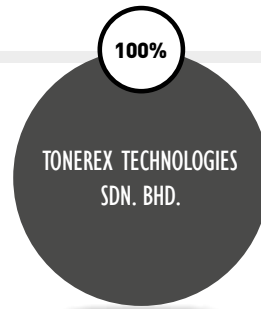
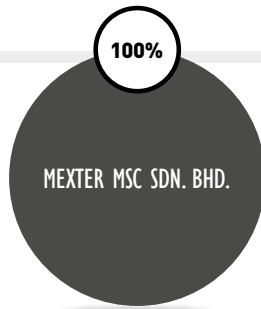
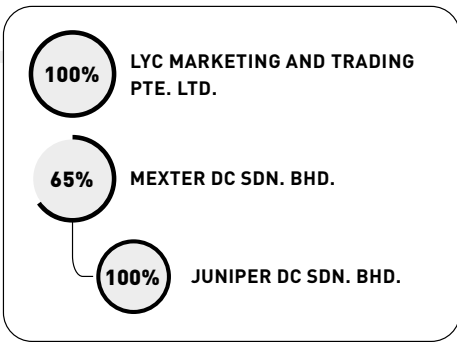


LYC HEALTHCARE BERHAD  
200401009170 (647673-A)





# Corporate Structure





# Directors' Profiles

## Dato' Seri Abdul Azim Bin Mohd Zabidi

Chairman /  
Independent Non-Executive Director

aged 65

Malaysian

Male

Dato' Seri Abdul Azim Bin Mohd Zabidi ("Dato' Seri Azim") was appointed to the Board of Director on 23 February 2021. He is a Fellow of the Chartered Institute of Secretaries, United Kingdom, Fellow of The Malaysian Association of the Institute of Chartered Secretaries and holds an MA (Business Law) from London Metropolitan University, United Kingdom.

With a professional career spanning almost 40 years, Dato' Seri Azim has been involved in a varied number of companies and organisations covering a wide spectrum of industry encompassing from banking to telecommunications. His vast wealth of experience has brought him to the pinnacle of most of the fields he was involved with, both locally and abroad.

From Chairman of Bank Simpanan Nasional, Vice President and Treasurer of the World Savings Banks Institute, President of the Federation of Malaysian Investment Managers, Board Member and Chairman of Audit Committee of the International Investment Funds Association, Chairman of the National Art Gallery and Chairman of the National Sports Institute, his contributions to these establishments had brought about immense positive changes.

Being passionate about sports since his school days, had led to his appointment by the Minister of Youth and Sports to serve on the Sports Advisory Council, a committee tasked to offer suggestions to the Government on amendments to the Sports Development Act. Subsequent to that, he was appointed Malaysia's Chef-de-Mission to the Asian Games 2018 in Jakarta and Palembang, Indonesia. He was also elected Deputy President of the Olympic Council of Malaysia, for the period 2018 – 2021.

Dato' Seri Azim currently sits on numerous local and foreign boards of companies, both public and private, amongst which he is the Non-Independent Non-Executive Chairman of XOX Berhad and Independent Non-Executive Chairman of Fintec Global Berhad and Seacera Group Berhad.

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 six (6) Board of Directors' Meetings during the financial year ended 31 March 2024.

## Sui Diong Hoe

Managing Director  
cum Group Chief Executive Officer

aged 68

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 5.18% 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 six (6) Board of Directors' Meetings during the financial year ended 31 March 2024.





## Directors' Profiles

### Mohd Khasan Bin Ahmad

Independent Non-Executive  
Director

aged 62

Malaysian

Male

#### Committees:

Chairman of Nomination Committee

Chairman of Remuneration Committee

Member of Audit Committee

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. 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 Boards 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 six (6) Board of Directors' Meetings during the financial year ended 31 March 2024.

### Dato' Muraly Daran A/L M Narayana Menon

Independent Non-Executive  
Director

aged 72

Malaysian

Male

#### Committees:

Chairman of Audit Committee

Member of Nomination Committee

Member of Remuneration Committee

Dato' Muraly Daran A/L M Narayana Menon ("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 was 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 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 is currently a Board member of Gabungan AQRS Berhad. He also holds directorships in several 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 six (6) Board of Directors' Meetings during the financial year ended 31 March 2024.

### Poh Zuan Yin

Independent Non-Executive  
Director

aged 33

Malaysian

Female

#### Committees:

Member of Nomination Committee

Member of Remuneration Committee

Member of Audit Committee

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 October 2020.

Drawing upon her knowledge and experience in the legal, compliance, and regulatory realms, she has honed her expertise in diverse fields such as mergers and acquisitions, general commercial contracts, and corporate advisory work.

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.

She has attended all six (6) Board of Directors' Meeting during the financial year ended 31 March 2024. 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 68

Malaysian

Male

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

## Chong Sook Peng

Group Chief Financial  
Officer

aged 53

Malaysian

Female

Ms. Chong Sook Peng ("Ms. Chong") joined LYC on 1 March 2024 as the Chief Financial Officer.

With over 25 years of experience, Ms. Chong brings a wealth of experience in accounting, controllership, financial and operation management as well as business planning and analysis across various industries, including media and entertainment, telecommunications and technology, and information technology. She is mainly responsible for the financial reporting and planning, as well as enhancement of financial processes and controls.

Ms. Chong holds a Bachelor of Accounting from University of Malaya. She is a member of the Malaysian Institute of Certified Public Accountant ("MICPA") and Malaysian Institute of Accountants ("MIA").

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.

## Chow Lai Ngor

Senior Group Accountant

aged 56

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 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.

## Lim Yan Tong

Chief Investment Officer  
cum Chief Operating  
Officer of Confinement  
Centres

aged 29

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.



## Key Senior Management Profiles

### Dr. Henry Chan Ying Ho

*Executive Director &  
Managing Director of LYC  
Medicare Singapore Limited*

aged 45

Singaporean

Male

Dr. Henry Chan Ying Ho ("Dr. Henry") is the Executive Director and Managing Director of LYC Medicare Singapore Limited ("LYCMS"), and is responsible for the overall management, strategic planning and business development of LYCMS. Dr. Henry Chan was appointed as director in December 2021 and was a director of HC Orthopaedic Surgery Pte. Ltd. ("HCOS") since September 2017. He is also currently the principal specialist at HCOS and is responsible for overseeing and managing the operations of HCOS clinics.

Dr. Henry is a certified Orthopaedic Surgeon in Singapore by the MOH. He became a member of the Royal College of Surgeons of Edinburgh in 2008 and obtained his Master of Medicine (Orthopaedic Surgery) from the National University of Singapore in 2009. Subsequently, he completed his advanced surgical training and became a certified fellow of the Royal College of Surgeons of Edinburgh in the specialty of Orthopaedic Surgery in 2013. Dr. Henry Chan was awarded the prestigious scholarship by the Human Manpower Development Program (HMDP) from the MOH and completed his Revision Hip and Knee arthroplasty fellowship at the Helios Endo-Klinik in Hamburg, Germany in 2014, which is the largest hip and knee reconstruction centre in Europe. Since then, Dr. Henry Chan was a valued member of the Joint Replacement Unit in Department of Orthopaedic Surgery in Tan Tock Seng Hospital during his time there and had performed more than 1,000 joint replacements till date. He is well respected in the region and had been invited as an instructor for basic and advanced joint replacement courses in various countries including Malaysia, Vietnam, Thailand and India. He was also appointed the Adjunct Assistant Professor in the Department of Orthopaedic Surgery in Yong Loo Lin School of Medicine, National University of Singapore as well as a core faculty member of the orthopaedic residency program in the National Healthcare Group.

Dr. Henry graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 2004.

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.

### Dr. Ting Choon Meng

*Managing Director of T&T  
Medical Group Pte Ltd*

aged 65

Singaporean

Male

Dr. Ting Choon Meng ("Dr. Ting") joined the private medical practice in January 1987 and founded T&T Medical Group Pte Ltd ("T&T") in 1989. Dr. Ting was appointed a director of T&T in April 1989. To date he has more than 33 years of private medical practice.

Dr. Ting is currently the Managing Director of T&T and principal doctor at our T&T clinic where he also oversees the operations of the clinic, including the management of all the patients. Since the 1990s he has pioneered disruptive techniques and approaches in the treatment of patients suffering from chronic degenerative painful conditions.

Dr. Ting graduated from the National University of Singapore with Bachelor of Medicine and Bachelor of Surgery in 1984.

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.

### Mr. Ong Kee Leong

*General Manager of  
Nutraceutical Ingredients*

aged 48

Malaysian

Male

Mr. Ong Kee Leong ("Mr. Ong") is the founder and Managing Director of Aqurate Ingredients Intl (M) Sdn. Bhd. ("Aqurate"), and is responsible for overseeing and managing the operations, the research and development and product development and conceptualisation functions, as well as the business development initiatives of our Nutraceutical Supplements and Ingredients segment. Mr. Ong has over 19 years of experience in the nutraceutical industry.

Mr. Ong began his career with Fisher CW Medical (M) Sdn. Bhd., where he was a Product Specialist from January 1996. In May 2003, he joined DPO Malaysia (M) Sdn. Bhd., a food ingredients company, as a Country Manager, where he was responsible for managing sales, marketing and regulatory compliance across multiple territories, including Malaysia and Singapore. Mr. Ong left DPO Malaysia in October 2010 and subsequently set up Aqurate in August 2012 and has since led the growth of Aqurate, by establishing strong links with suppliers, expanding the range of supplements and ingredients offered by Aqurate, and offering unique branded raw ingredients not found in Malaysia. Mr. Ong has also expanded the suite of services offered to customers, providing a one-stop service from formulation, product registration, packaging, manufacturing and delivery.

Mr. Ong obtained an Executive Diploma in Entrepreneurship Management from HELP University in 2021.

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.



# Management Discussion and Analysis

**THE BOARD IS PLEASED TO PRESENT THE MD&A FOR FINANCIAL YEAR ENDED 31 MARCH 2024, 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 2024.**

## 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 care, and confinement care. Over the years, the Group has built up other healthcare businesses such as family clinic, childcare services, and cosmetic & aesthetic and have acquired specialised medical service providers focusing on orthopaedic, osteoporosis and chronic diseases, nutraceutical industry and 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, we have three confinement centres in central of Malaysia which located in TTDI, Puchong and Bukit Jalil with 33-bedroom, 29-bedroom and 60-bedroom facilities respectively. On top of that, we have our fourth and the largest confinement centre with a 67-bedroom facility in southern of Malaysia, Danga Bay in Johor Bahru. As of 31 March 2024, we had served more than 8,000 mothers and babies.

The Johor Bahru centre previously was a joint venture with SOG Health Pte. Ltd. and subsequently became a wholly owned subsidiary of the Group during the financial year under review.

## 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.



# Management Discussion and Analysis

## 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 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 conceptualised 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 conceptualise product type/category, branding, market positioning and product launching, whereby the scope includes customised 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 directions, 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 has added the fourth KL Dental branch in Sunway Velocity, Cheras and commenced its operation in April 2023.

In 2023, LYC via its wholly-owned subsidiary, LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCD&A") had acquired Elite Dental Team Sdn. Bhd. ("EDT Group") which having 26 dental clinics throughout East and West Malaysia including Kuala Lumpur, Selangor, Penang, Johor and Sabah, for a total purchase consideration of RM4.86 million. The dental brands operating under EDT Group are PrimeCare Dental Clinic, Signature PrimeCare Dental, Lite Dental, Phi Dental and Quay Dental. With the acquisition of EDT Group, LYC is now able to service customers in more location in Malaysia other than Kuala Lumpur.

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 Orthopaedic 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) Pte. Ltd. ("LYC Medicare Singapore") for a total purchase consideration of SGD8.1 million and SGD9.16 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 centre 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 specialist clinic located in Mount Elizabeth Novena and in 2024, its fourth specialist clinic located at Gleneagles Medical Centre. This is expected to broaden our reach to our customers and is expected to boost our topline figures. We have hired an additional senior surgeon under HCOS in 2023 and is looking to hire the third surgeon in 2024 to meet the increased demand and also to reduce our dependency on 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.



# Management Discussion and Analysis

## GROUP FINANCIAL PERFORMANCE

The Group recorded a revenue of RM130.19 million and a loss before tax of RM10.83 million in FY2024 compared to a revenue of RM92.28 million and a loss before tax of RM11.86 million in FY2023.

In FY2024, the Healthcare division accounted for 98% of the overall Group's revenue with approximately 2% by the IT Business, Computing & Electronics and other divisions accounting for the rest.

## SEGMENTAL FINANCIAL PERFORMANCE

	FYE 2024		FYE 2023		Variances	
	RM'000	%	RM'000	%	RM'000	%
<b>Revenue</b>						
- Healthcare	<b>126,984</b>	<b>98</b>	88,468	96	38,516	44
- IT	<b>2,924</b>	<b>2</b>	3,802	4	(878)	(23)
- Other	<b>282</b>	<b>0</b>	12	0	270	2,250
<b>Total</b>	<b>130,190</b>	<b>100</b>	<b>92,282</b>	<b>100</b>	<b>37,908</b>	<b>41</b>
<b>PBT/(LBT)</b>						
- Healthcare	<b>2,750</b>	<b>25</b>	399	(3)	2,351	589
- IT	<b>(224)</b>	<b>(2)</b>	116	(1)	(340)	(293)
- Other	<b>(13,353)</b>	<b>(123)</b>	(12,379)	104	(974)	8
<b>Total</b>	<b>(10,827)</b>	<b>100</b>	<b>(11,864)</b>	<b>100</b>	<b>1,037</b>	<b>(9)</b>

## HEALTHCARE SEGMENT

The healthcare segment reported a revenue of RM126.98 million and a profit before tax of RM2.75 million in FY2024 compared to a revenue of RM88.47 million and a profit before tax of RM0.40 million in FY2023, representing an increase in revenue and profit before tax of 44% and 589% respectively. The improvement in revenue performance in the current year was due to the acquisitions of Elite Dental Team Sdn. Bhd. ("EDT"), Clinical Nutrition Inti (M) Sdn. Bhd. ("CNI"), Kitta Enterprise ("Kitta"), Nutrogreen Health Industries Sdn. Bhd. ("NHI"), and LYC Mother & Child (SG) Sdn. Bhd. ("LYCSG") which were consolidated in July 2023, November 2023 and March 2024 respectively. The Group also recorded a twelve-months revenue from the subsidiaries, Tao Global Ventures Sdn. Bhd., KL Dental Sdn. Bhd., KL Dental (Kiara) Sdn. Bhd. and KL Dental (Connaught) Sdn. Bhd. acquired in previous financial year which were consolidated in December 2022 and November 2022. On top of these, Singapore's business under T&T Medical Group Pte. Ltd. and HC Orthopaedic Surgery Pte. Ltd. also reported a better performance with revenue of RM18.78 million and RM30.98 million respectively in FY2024 compared to revenue of RM16.73 million and RM23.95 million in FY2023 respectively, representing an increase in revenue of RM2.05 million and RM7.03 million respectively, due to the increased in demand.

On its profit before tax performance, the healthcare segment recorded a profit before tax of RM2.75 million in FY2024 compared to a profit before tax of RM0.40 million in FY2023, representing an increase in profit before tax of RM2.35 million. This was mainly due to the gain on lease modification, gain on remeasurement of previously held interest in joint venture and gain on settlement of contingent consideration of RM1.27 million, RM0.80 million and RM1.84 million respectively, and offset with cost incurred in delayed for SGX listing of RM2.53 million.

## IT SEGMENT

The IT segment reported a revenue of RM2.92 million and a loss before tax of RM0.22 million in FY2024 compared to a revenue of RM3.80 million and a profit before tax of RM0.12 million in FY2023. The drop in revenue was mainly due to the lower demand for electronic components. In addition to the drop in revenue, the IT segment had reported a loss before tax due to the net of finance income from short-term deposits and finance cost on bank overdraft of RM0.08 million and inventories written down of RM0.08 million.



# Management Discussion and Analysis

## **OTHER SEGMENT**

The other segment reported a revenue of RM0.28 million and a loss before tax of RM13.35 million in FY2024 compared to a revenue of RM0.01 million and a loss before tax of RM12.38 million in FY2023. The loss before tax was higher mainly due to the higher marketing and consultancy cost incurred in Singapore.

## **GROUP FINANCIAL POSITION**

The Group's total assets and total liabilities increased from RM215.74 million and RM135.13 million on 31 March 2023 to RM242.85 million and RM165.32 million on 31 March 2024, mainly due to the consolidation of the new subsidiaries and business, EDT, CNI, NHI, LYCSG and Kitta.

The total shareholders' equity reduced from RM80.60 million on 31 March 2023 to RM77.53 million on 31 March 2024, mainly due to the losses recorded in subsidiaries offset with issuance of ordinary shares, which amounted to RM10.89 million pursuant to the private placement exercise during the financial year.

## **GROUP CASH FLOW**

### **Operating Activities**

Net cash generated from operating activities was RM9.15 million in FY2024 compared to RM4.99 million in FY2023.

### **Investing Activities**

The Group utilised RM25.75 million for investing activities in FY2024 compared to utilisation of RM12.13 million in the preceding year. The amount used in the current year was mainly due to the expansion of the Group's business in relation to acquisitions of subsidiaries and non-controlling interest in EDT, CNI, NHI, LYCSG and Kitta, purchase of investment properties, property and equipment.

## **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.

The new confinement centre in Johor is getting on track and LYC had completed the acquisition of the remaining 49% equity interest from the joint venture partner, SOG Mummy & Baby Centre Pte. Ltd. ("SOG"), taking full control of the Johor confinement centre. This allows LYC to have a higher market share in the confinement field.

With the acquisition of Elite Dental Team Sdn. Bhd. ("EDT"), the Group has expanded its dental business, from 4 to 30 dental clinics throughout East and West Malaysia. The addition of EDT clinics significantly enhances the market presence of our rapidly growing beauty and dental platform that is poised to benefit from the rise in spending amongst Malaysians for aesthetic related services.

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.

During the financial period under review, AQ acquired 3 new properties to expand its warehouse and office facility to cater for higher demand in the future.

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 ensuring 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 LYC Medicare Singapore, 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 recognised 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-border 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

### (a) 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 to list its healthcare business on the Catalist board of the SGX-ST. Prior to the completion of the Proposed Listing, the holding 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.

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

On 12 June 2024, the holding company announced to withdraw the proposed listing from the Catalist board of the SGX-ST in view of the prevailing market conditions in the Singapore equity market.

### (b) Proposed Acquisition of 60% Equity Interest in Kee Vee Dental Laboratory Sdn. Bhd.

On 22 December 2023, LYCDA, a wholly-owned subsidiary of the Company, entered into a conditional share sale agreement ("SSA") for the proposed acquisition of 60% shares of Kee Vee Dental Laboratory Sdn. Bhd. for a purchase consideration of RM300,000.

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

### (c) On 16 May 2024, the Group reorganised the subsidiaries as follows:

- (i) transferred LYCMC entire 100% equity interest from LYCD&A to HTAR. Consequently, LYCMC became wholly-owned subsidiary of HTAR; and
- (ii) transferred LYCP entire 100% equity interest from LYCD&A to LYCMC. Consequently, LYCP became wholly-owned subsidiary of LYCMC.



# 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](http://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.



# Corporate Governance Overview Statement

## Principle

### A BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities (Continued)

##### 1. Board's roles and responsibilities (Continued)

- 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.
- 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.



# Corporate Governance Overview Statement

## Principle

### A BOARD LEADERSHIP AND EFFECTIVENESS

#### 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.



# Corporate Governance Overview Statement

## Principle

### A BOARD LEADERSHIP AND EFFECTIVENESS

#### 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 regards 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](http://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](http://www.lychealth.com).



# Corporate Governance Overview Statement

## Principle

### A BOARD LEADERSHIP AND EFFECTIVENESS

#### 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. Recognising these values, the Company provides avenues 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](http://www.lychealth.com).

#### II. Board Composition

##### 1. Board Composition and Balance

During the financial year under review, the Board has five (5) Directors, comprising the Chairman (Independent Non-Executive), three (3) Independent Non-Executive Directors and one (1) Executive Director. The Company fulfils 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.

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 fulfill 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 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.



# Corporate Governance Overview Statement

## Principle

### A BOARD LEADERSHIP AND EFFECTIVENESS

## 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 (12th) 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](http://www.lychealth.com).





# Corporate Governance Overview Statement

Principle

## A BOARD LEADERSHIP AND EFFECTIVENESS

### II. Board Composition (Continued)

#### 4. Board Committees (Continued)

##### Audit Committee ("AC")

The AC serves as a focal point for communication between AC, Directors, External Auditors, Internal Auditors and the Management. The AC 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 39 to 41 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 Independent Non-Executive Directors 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)
Ms. Poh Zuan Yin	Member (Independent Non-Executive Director)

During the financial year ended 31 March 2024, the NC held two (2) meetings. Below is a summary of the key activities undertaken by the NC in discharging of its duty:-

- Determined the Directors whom are subject to re-election by rotation;
- Annual assessment of the Board, the Board Committees and the individual Directors;
- Reviewed the performance and term of office of AC;
- Identified and discussed suitable Directors' training programmes for continuous development of Directors;
- Assessed the level of independence of Independent Directors;
- Assessed the composition of the Board and Board Committees;
- 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;
- Identified appropriate trainings, seminars and courses for continuous development of Directors; and
- 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.



# Corporate Governance Overview Statement

Principle

**A BOARD LEADERSHIP AND EFFECTIVENESS**

**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](http://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 Independent Non-Executive Directors and at least three (3) members in total.

The RC consists of the following members:-

<b>Director</b>	<b>Designation</b>
Encik Mohd Khasan Bin Ahmad	Chairman (Independent Non-Executive Director)
Dato’ Muraly Daran A/L M Narayana Menon	Member (Independent Non-Executive Director)
Ms. Poh Zuan Yin	Member (Independent Non-Executive Director)



# Corporate Governance Overview Statement

## Principle

### A BOARD LEADERSHIP AND EFFECTIVENESS

#### II. Board Composition (Continued)

##### 4. Board Committees (Continued)

###### **Remuneration Committee ("RC") (Continued)**

During the financial year ended 31 March 2024, the RC held three (3) meetings. Below is a summary of the key activities undertaken by the RC in discharging of its duty:-

- Reviewed, assessed and recommended the remuneration packages of the Managing Director and Senior Management;
- Reviewed the remuneration packages of Non-Executive Directors and their Meeting Allowances; and
- 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](http://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 endeavours 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 six (6) times during the financial year under review. The details of Directors' attendance are set out as follows:-

<b>Name of Directors</b>	<b>Number of meetings attended</b>	<b>%</b>
Dato' Seri Abdul Azim Bin Mohd Zabidi Independent Non-Executive Director	6/6	100
Mr. Sui Diong Hoe Managing Director cum Group Chief Executive Officer	6/6	100
Encik Mohd Khasan Bin Ahmad Independent Non-Executive Director	6/6	100
Dato' Muraly Daran A/L M Narayana Menon Independent Non-Executive Director	6/6	100
Ms. Poh Zuan Yin Independent Non-Executive Director	6/6	100



# Corporate Governance Overview Statement

## Principle

A

### BOARD LEADERSHIP AND EFFECTIVENESS

## II. Board Composition (Continued)

### 5. Directors' Commitment

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 35 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](http://www.lychealth.com).

### 7. Re-election to the Board

The NC reviewed the Directors' re-election to the Board on 28 May 2024. 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' Seri Abdul Azim Bin Mohd Zabidi	Independent Non-Executive Director	Clause 104(1)
Mr. Sui Diong Hoe	Managing Director cum Group Chief Executive Officer	Clause 104(1)



# Corporate Governance Overview Statement

Principle

**A BOARD LEADERSHIP AND EFFECTIVENESS**

**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.

All Directors have completed the MAP Part I. All the Directors will endeavor 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:

Director	Briefing/Conference/Forum/Seminar/Training attended
Dato’ Seri Abdul Azim Bin Mohd Zabidi	<ul style="list-style-type: none"> <li>5G Introduction for Management</li> <li>Diversity, Equity &amp; Inclusion</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>
Encik Mohd Khasan Bin Ahmad	<ul style="list-style-type: none"> <li>Bursa Malaysia’s Enhanced Conflict of Interest (COI) Disclosure Requirements</li> </ul>
Mr. Sui Diong Hoe	<ul style="list-style-type: none"> <li>Budget 2023 - Key updates &amp; Changes For Corporate Accountant</li> <li>Tax Audits &amp; Investigations Framework – the latest Practical Procedures &amp; Challenges</li> <li>Board of Director Leadership – Effective Climate Governance</li> <li>ESG Risk Management -Importance of Identifying &amp; Managing ESG Risks</li> <li>Integrating Environmental, Social &amp; Governance (ESG) into organisational Financial Reporting Framework</li> <li>Company Taxation Principles &amp; Practice for Business Organised by Maicsa</li> <li>Investigation &amp; Prosecution of Money Laundering (AMLA) cases in Malaysia</li> <li>Conflict of Interest &amp; What can go wrong – unpacking its implications to listed issuers &amp; their Directors</li> <li>Capital Gains Tax on Domestic and International Transactions</li> </ul>
Dato’ Muraly Daran A/L M Narayana Menon	<ul style="list-style-type: none"> <li>Bursa Malaysia’s Enhanced Conflict of Interest (COI) Disclosure Requirements</li> </ul>
Ms. Poh Zuan Yin	<ul style="list-style-type: none"> <li>Bursa Malaysia’s Enhanced Conflict of Interest (COI) Disclosure Requirements</li> </ul>

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.



# Corporate Governance Overview Statement

## Principle

### A BOARD LEADERSHIP AND EFFECTIVENESS

#### 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 ten (10) Key Senior Management (on bands of RM100,000) of the Group and Company comprising during the financial year under review are set out below:-

Name of Directors	Salary (RM'000)	Directors' Fee (RM'000)	#Benefits Payable (RM'000)	*Other (RM'000)	Total (RM'000)
<b>Executive Director</b>					
Mr. Sui Diong Hoe	862	64	-	261	1,187
<b>Non-Executive Director</b>					
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	98	8	-	106
Dato' Muraly Daran A/L M Narayana Menon	-	64	12	-	76
Encik Mohd Khasan Bin Ahmad	-	64	12	-	76
Ms. Poh Zuan Yin	-	54	8	-	62
<b>Total</b>	<b>862</b>	<b>344</b>	<b>40</b>	<b>261</b>	<b>1,507</b>

#Note: Benefits Payable comprise of attendance allowance.

\*Note: Others comprise of allowances, bonus and contribution to the Employees Provident Fund.

##### Range of Remuneration

##### Number of Key Senior Management

RM50,000 – RM150,000	0
RM150,001 – RM250,000	3
RM250,001 – RM350,000	2
RM350,001 – RM450,000	3
RM450,001 – RM550,000	1
RM550,001 – RM650,000	0
RM650,001 – RM750,000	1



# Corporate Governance Overview Statement

## Principle

### **B** EFFECTIVE AUDIT AND RISK MANAGEMENT

#### **I. Audit Committee (“AC”)**

##### **Composition**

The AC consists of three (3) members comprises wholly Independent Non-Executive Directors. 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:-

<b>Director</b>	<b>Designation</b>
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	Member (Independent Non-Executive Director)

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.

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 page 39 to 41 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.



# Corporate Governance Overview Statement

## Principle

### **B** EFFECTIVE AUDIT AND RISK MANAGEMENT

#### **II. Risk Management and Internal Control Framework (Continued)**

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 43 to 47 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.

## 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](http://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 Nineteenth (19<sup>th</sup>) 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 endeavour 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 19<sup>th</sup> 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 30 July 2024.





# Audit Committee Report

## COMPOSITION AND ATTENDANCE AT MEETINGS

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

Director	Designation
<b>Dato' Muraly Daran A/L M Narayana Menon</b>	Chairman (Independent Non-Executive Director)
<b>Encik Mohd Khasan Bin Ahmad</b>	Member (Independent Non-Executive Director)
<b>Ms. Poh Zuan Yin</b>	Member (Independent Non-Executive Director)

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

A total of five (5) meetings were held during the financial year ended 31 March 2024. The attendance records of the members of the AC are as follows:-

Name of Directors	Number of meetings attended	%
<b>Dato' Muraly Daran A/L M Narayana Menon</b> <i>Chairman (Independent Non-Executive Director)</i>	5/5	100
<b>Encik Mohd Khasan Bin Ahmad</b> <i>Member (Independent Non-Executive Director)</i>	5/5	100
<b>Ms. Poh Zuan Yin</b> <i>Member (Independent Non-Executive Director)</i>	4/5	80

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 2024;
- (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, Governance Advisory.com Sdn. Bhd.;
- (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 2024;
- (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 2024.

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Terms of Reference is available on the Company's website at [www.lychealth.com](http://www.lychealth.com) for further reference.

## TRAINING AND EDUCATION

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



# Audit Committee Report

## 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. Purchasing and Outsourcing Management – Standard Operating Policy and Procedure (“SOPP”), Supplier/Outsourced Service Provider (“OSP”) Evaluation, Appointment of Supplier/OSP (Agreement/Contract), Procurement Process.
2. Property Management – Standard Operating Policy and Procedure, Property Maintenance Budget, Execution of Property Management Activity, Property Management Payment.

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) 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
- (c) 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 43 to 47 of this Annual Report.

The total fees incurred for the outsourcing of the internal audit function for the financial year ended 31 March 2024 was RM26,000.

The AC Report was approved by the Board of Directors on 30 July 2024.



# 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 30 July 2024.



# 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 2024. 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”) framework of 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.** ”

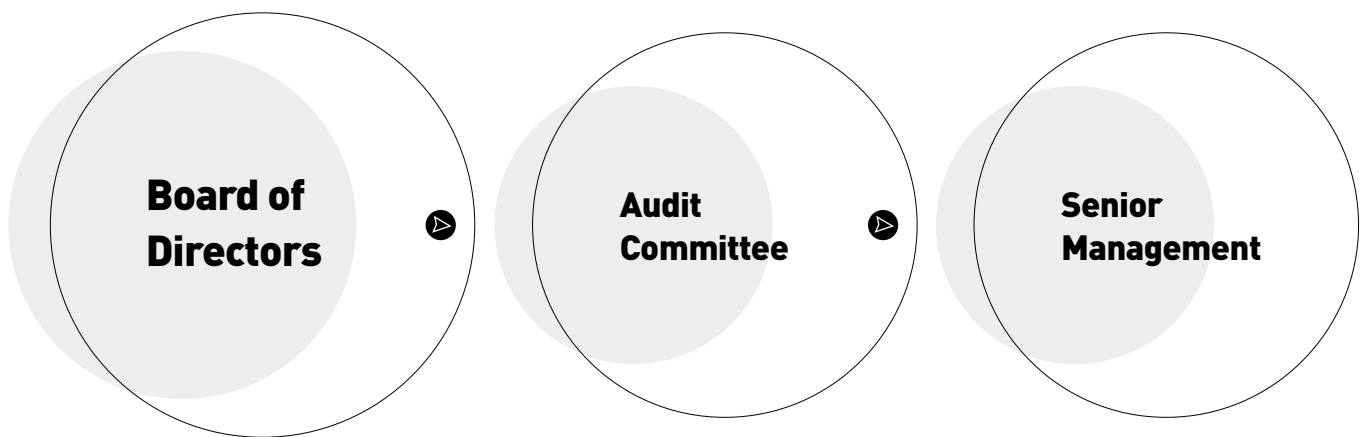


# Statement on Risk Management and Internal Control

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.



# Statement on Risk Management and Internal Control

## 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	<ul style="list-style-type: none"> <li>• Changes in the rules and regulations</li> <li>• Oversight/negligence by staff</li> <li>• Ineffective training on knowledge/ understanding of the operational procedures</li> <li>• Inadequate monitoring in deciphering the statutory and regulatory requirements</li> <li>• Non-compliance to policies and procedures</li> <li>• Unfamiliar/insufficient knowledge of statutory laws and regulatory requirements</li> </ul>	<p><b>[Preventive]</b></p> <ul style="list-style-type: none"> <li>• Establish SOPs.</li> <li>• Conduct/attend training.</li> <li>• Continuous engagement with regulatory authorities.</li> </ul> <p><b>[Detective]</b></p> <ul style="list-style-type: none"> <li>• Regular internal audit review performed by Internal Auditors.</li> <li>• Continuously update on regulatory changes through training, seminars and conferences.</li> <li>• Strict Quality Control.</li> </ul> <p><b>[Corrective]</b></p> <ul style="list-style-type: none"> <li>• Rectify breaches.</li> <li>• Appeal and explain to authorities.</li> </ul>
Unable to meet desired level of service	<ul style="list-style-type: none"> <li>• Staff lackadaisical attitude and discipline issue</li> <li>• Inexperienced and lack of knowledgeable staff</li> <li>• Lack of SOPs/policies and procedures</li> <li>• Poor quality in sourcing food ingredients</li> <li>• Poor quality of service from outsourced service providers (i.e., masseuse, doctors/consultants, cleaners, security)</li> </ul>	<p><b>[Preventive]</b></p> <ul style="list-style-type: none"> <li>• Appointed confinement specialists and experienced registered nurses.</li> <li>• Ongoing SOP trainings to the employees.</li> <li>• On-the-job training and supervision.</li> <li>• Conduct trainings (external trainings and internal trainings).</li> <li>• Established SOPs.</li> <li>• Formalise service level agreement with service providers.</li> </ul> <p><b>[Detective]</b></p> <ul style="list-style-type: none"> <li>• Conduct weekly Sales and Operations meeting.</li> <li>• Annual review of staff competencies and skills adequacy.</li> <li>• Established SOPs.</li> <li>• Customer feedback.</li> <li>• Food quality control.</li> <li>• Market intelligence.</li> </ul> <p><b>[Corrective]</b></p> <ul style="list-style-type: none"> <li>• To respond to customers' complaints and take necessary action.</li> <li>• Disciplinary action.</li> <li>• Established SOPs.</li> </ul>
Safety, health and environmental risk	<ul style="list-style-type: none"> <li>• Lack of/ineffective training</li> <li>• Employee negligence</li> <li>• Poor housekeeping</li> <li>• Non-compliance to policies and procedures</li> <li>• Hazardous events (e.g., fire, accidents, theft/intruders etc.)</li> <li>• Wear and tear, ageing of equipment</li> <li>• Improper handling of healthcare product disposal</li> <li>• Epidemic/Pandemic</li> </ul>	<p><b>[Preventive]</b></p> <ul style="list-style-type: none"> <li>• Proper food receiving, storing, cooking, preparing, and serving.</li> <li>• Established SOPs.</li> <li>• Strict security control.</li> </ul> <p><b>[Corrective]</b></p> <ul style="list-style-type: none"> <li>• Disciplinary action.</li> <li>• Various insurance policies.</li> <li>• Fire fighting equipment.</li> </ul>



# 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	<ul style="list-style-type: none"> <li>• Competition with new entrants or smaller industry players with leaner cost structures to tap certain segments of existing market share</li> <li>• Potential expansion of existing healthcare providers to increase market share</li> <li>• Intensified competition with existing market players</li> </ul>	<p><b>[Detective]</b></p> <ul style="list-style-type: none"> <li>• Market intelligence.</li> <li>• Study of customers behavior and demands.</li> </ul> <p><b>[Corrective]</b></p> <ul style="list-style-type: none"> <li>• To expand business model by entering into strategic business alliances with local/foreign partners.</li> <li>• Advertising and promotion with bundles and packages.</li> <li>• Cross-selling between healthcare services.</li> <li>• Participate in baby fair and expo.</li> <li>• Review strategy and planning to meet affordability of different markets.</li> <li>• Maintain good customer relationships.</li> <li>• Upholding superior quality.</li> <li>• Service differentiation by increasing value added services.</li> </ul>

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 2024, 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 Purchasing and Outsourcing Management and Property Management. 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 relation 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.





# Statement on Risk Management and Internal Control

## 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 2024 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:

- consider whether the Statement on Risk Management and Internal Control covers all risks and controls;
- 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
- 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 30 July 2024.



# Sustainability Statement

## ABOUT THIS REPORT

This report presents information for the financial year ended 31 March 2024 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 and has further expanded its wings to Johor in 2021. We currently have a combined room capacity of 189 rooms, making us the largest confinement centre in Malaysia.

Through T&T Medical Group Pte. Ltd. ("T&T"), HC Orthopaedic Surgery Pte. Ltd. ("HCOS") and Aqurate Ingredients Intl (M) Sdn. Bhd. ("AQ"), LYC enhances 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.



# Sustainability Statement

## **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 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, dental, nutraceutical and other new healthcare related projects.

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.



# Sustainability Statement

## **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 26 August 2021, the Company announced that it is considering listing its healthcare business on the Catalist board of the SGX-ST.

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

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

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

On 29th March 2024, the Company announced that Evolve Capital Advisory Private Limited (being the Sponsor, Issue Manager and Placement Agent for the Proposed Listing) has on 28 March 2024 lodged the preliminary Offer Document of LYCMS with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore.

On 12 June 2024, the Company announced that in view of the prevailing market conditions in the Singapore equity market, the Board and the directors of LYCSG have resolved to withdraw the Proposed Listing from the Catalist board of the SGX-ST ("Withdrawal").

The Withdrawal is not expected to have any material impact on the consolidated earnings per share and net asset per share of the Company for the FYE 31 March 2025.

Notwithstanding the Withdrawal, the Board is considering on the possibility of listing LYCMS in other exchanges, subject to evaluation on the listing suitability and structure by advisers to be appointed. Having considered all aspects, the Board is of the opinion that the Withdrawal is in the best interest of the Company.

## II. PRIVATE PLACEMENTS

### A. 30% of the Total Number of Issued Shares

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

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

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

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.



## Additional Compliance Information

### II. PRIVATE PLACEMENTS

#### A. 30% of the Total Number of Issued Shares (Continued)

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
<b>Total</b>	<b>23,378</b>	<b>13,378</b>	<b>10,000</b>	

#### B. 10% of the Total Number of Issued Shares

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

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

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

On 6 December 2023, 19,392,000 Placement Shares issued pursuant to the Private Placement at price of RM0.1970 per unit.

Bursa Malaysia Securities Berhad had, vide its letter dated 15 December 2023, resolved to grant the Company an extension of time of 6 months from 13 December 2023 to 12 June 2024 to complete the implementation of the Proposed Private Placement.

On 28 February 2024, 22,926,000 Placement Shares issued pursuant to the Private Placement at price of RM0.1550 per unit.

On 25 March 2024, 22,650,000 Placement Shares issued pursuant to the Private Placement at price of RM0.1550 per unit.

Purpose	Proceed Raised (RM'000)	Actual Utilisation (RM'000)	Remaining Balance (RM'000)	Intended Timeframe
a. Working Capital	10,805	10,805	-	within 12 months
b. Estimated Expenses	80	80	-	upon completion
<b>Total</b>	<b>10,885</b>	<b>10,885</b>	<b>-</b>	



## Additional Compliance Information

### III. PROPOSED ACQUISITION OF 75% EQUITY INTEREST IN NUTROGREEN HEALTH INDUSTRIES SDN. BHD.

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 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.

All 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 Acquisitions has taken place on 4 October 2023.

### IV. 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.

All 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 29 September 2023.



## Additional Compliance Information

### V. MEMORANDUM OF UNDERSTANDING ENTERED BETWEEN AQURATE INGREDIENTS INTL (M) SDN. BHD., BEREUM CO LTD AND HYUNDAI C SQUARE CO LTD

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

### VI. MEMORANDUM OF UNDERSTANDING ENTERED BETWEEN LYC AND LYC WELLNESS SDN. BHD.

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

### VII. ACQUISITION OF THE REMAINING 49.0% EQUITY INTEREST IN LYC SOG MOTHER & CHILD SDN. BHD.

On 2 January 2024, the Group announced that LYC Mother & Child Centre Sdn. Bhd. ("LYCMCC" or the "Purchaser"), a wholly-owned subsidiary of LYC, had on 30 December 2023, entered into a share sale agreement ("SSA") with SOG Mummy & Baby Centre Pte. Ltd. ("SOGMBC" or the "Vendor") for the proposed acquisition by LYCMCC of 1,960,000 ordinary shares and 5,390,000 redeemable preference shares in LYC SOG Mother & Child Sdn. Bhd. ("LYCSOG") ("LYCSOG Share(s)"), representing 49.0% equity interest in LYCSOG, for a purchase consideration of RM4,500,000 to be satisfied entirely via cash, subject to the terms and conditions contained in the SSA.

All 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 Acquisitions has taken place on 15 March 2024.

### AUDIT AND NON-AUDIT FEES

During the financial year ended 31 March 2024, 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		
- Baker Tilly Monteiro Heng PLT	133	521
- Affiliates of BT Malaysia	-	381
Non-statutory audit services rendered*		
- Baker Tilly Monteiro Heng PLT	6	36
- Affiliates of BT Malaysia	-	-
<b>Total</b>	<b>139</b>	<b>938</b>

\* During the financial year, the amount comprised review of Statement of Risk Management and Internal Control and audit of interim financial statements for the Proposed Listing in SGX-ST.



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# 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 2024.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include information technology services, healthcare related services, confinement care services, food and health supplement manufacturing and distribution, dealing in food ingredients, dental and medical services, nutraceutical trading, childcare, cosmetics, personal care products, medical aesthetics, prostate cancer treatment, medical and surgical advisory services and investment holding.

## RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss for the financial year, net of tax	(14,904)	(15,178)
(Loss)/Profit attributable to:		
Owners of the Company	(19,160)	(15,178)
Non-controlling interests	4,256	-
	<u>(14,904)</u>	<u>(15,178)</u>

## 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 2024.

## 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.



# Directors' Report

## **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 there were no known bad debts 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 it necessary to write off any bad debts or render 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.



# Directors' Report

## 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 RM902,000 and RM133,000 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 64,968,000 new ordinary shares pursuant to private placements at issue prices ranging from RM0.155 each to RM0.197 each mainly for the purpose of 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)

\* 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:

Andy Ooi Yet Lee  
Augustin Shii Chuan-Ming  
Beh Wen Ren  
Carmen Yuen Chia-Wen  
Chan Ying Ho  
Dato' Foo Ho Cheng



# Directors' Report

## DIRECTORS (CONTINUED)

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: (Continued)

Dinesh A/L Kanasen	
Dr. Chew Shih May	
Fona Virgin D'Cruz	
Goh Miao Ling	
Kenneth Wong Pak Ken	
Loo Chien Win	
Ng Chun Jie	
Ngoh Wai Meng	
Ong Kee Leong	
Ong Wei Shen	
Savena A/P Bala Kumar	
Sylvia Lim Sze Wei	
Soh Hoo Hong	
Ting Choon Meng	
Tan Sri Dato' Sri Liow Tiong Lai	
Wong Chew Weng	
Woon Wei Yang	
Yee Xin Le	
Ai Sze Yin	(Appointed on 27 June 2023 and resigned on 19 July 2024)
Dr Mahmood Bin Awg Kechik	(Appointed on 15 January 2024)
Koh Choon Hui	(Appointed on 27 June 2023 and resigned on 19 July 2024)
Lau Cheng Huat David	(Appointed on 27 June 2023 and resigned on 19 July 2024)
Lee Kok Yoong	(First director)
Lim Huat Chye	(First director)
Lim Yan Tong	(Appointed on 12 July 2024)
Wong See Kit	(Appointed on 30 January 2024)
Ahmad Rafique Bin Mat Tahir	(Resigned on 19 July 2024)
Chong Hui Xian	(Resigned on 1 November 2023)
Goh Kok Neng	(Resigned on 8 December 2023)
Lim Lee Ping	(Resigned on 8 December 2023)
Tan Sook Yong	(Resigned on 8 December 2023)

## 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 31.03.2024
	At 01.04.2023	Bought	Sold	
<b>The Company</b>				
<b>LYC Healthcare Berhad</b>				
Direct interests:				
Sui Diong Hoe	37,000,000	-	-	37,000,000



# Directors' Report

## DIRECTORS' INTERESTS (CONTINUED)

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 Company are as follows:

	<b>Company RM'000</b>
<b>Directors of the Company:</b>	
Fees	344
Salaries, bonuses and allowances	1,042
Employees Provident Fund	121
	<hr/> 1,507 <hr/>

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.

## 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 was RM5,000,000 and RM25,000, and of the subsidiaries was RM4,500,000 and RM9,280 respectively.



# Directors' Report

## SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Held by the Company</b>				
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 & Child Centre 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 Dental Laboratory Sdn. Bhd. ("LYCDL")	Malaysia	51	51	Dormant.
CVS Research Sdn. Bhd. ("CVS")	Malaysia	51	51	Dormant.



## Directors' Report

### SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Held by the Company (Continued)</b>				
LYC Club Sdn. Bhd. ("LYCCSB") (formerly known as LYC & Chung Fertility Centre Sdn. Bhd. ("LYCCFC"))	Malaysia	100	100	Dormant.
LYC Health Manufacturing Group Sdn. Bhd. ("LYCHM")	Malaysia	100	100	Manufacture food and health supplements and activities of investment holding company.
LYC Health Manufacturing (NS) Sdn. Bhd. ("LYCHMNS")	Malaysia	60	100	Manufacture food and health supplements and activities of investment holding company.
LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCD&A")	Malaysia	100	100	Investment holding and dental and medical-related institutions for consultation and treatment.
HTAR Sdn. Bhd. ("HTAR")	Malaysia	100	-	Investment holding.
<b>Held through LYCHM</b>				
Nutrogreen Health Industries Sdn. Bhd. ("NHI")	Malaysia	75	-	Trading in all kinds of pharmaceuticals and healthcare supplement products.
<b>Held through MMSB</b>				
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").
LYC Marketing and Trading Pte. Ltd. ("LYCM&T")	Singapore	100	100	Provision of IT solutions and management consultancy services.





# Directors' Report

## SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Held through LYCM&amp;C</b>				
LYC Child Care Centre Sdn. Bhd. ("LYCCCC")	Malaysia	100	100	Provision of child daycare services.
LYC Mother & Child (SG) Sdn. Bhd. (formerly known as LYC SOG Mother & Child Sdn. Bhd.) ("LYCSG")	Malaysia	100	-	Provision of confinement care services.
<b>Held through LYCM</b>				
LYC Medicare Singapore Limited ("LYCMS")	Singapore	64.5	64.5	Investment holding.
<b>Held through LYCD&amp;A</b>				
LYC Dental Group Sdn. Bhd. ("LYCDG")	Malaysia	70	70	Investment holding and provision of dental treatment and consultation services.
LYC Beauty & Wellness Sdn. Bhd. ("LYCBW")	Malaysia	60	60	Provision of cosmetics, personal care, wellness, related products and services.
LYC Medical Center Sdn. Bhd. ("LYCMC")	Malaysia	100	100	Dormant.
LYC Prostate Centre Sdn. Bhd. ("LYCPC")	Malaysia	100	-	Specialised in prostate cancer treatment.
Elite Dental Team Sdn. Bhd. ("EDT")	Malaysia	55	-	Provision of consultancy services and dental treatments.
<b>Held through MDC</b>				
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.



# Directors' Report

## SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Held through LYCSG</b>				
LYC Mother & Child (Singapore) Pte. Ltd. (formerly known as LYC SOG Marketing Pte. Ltd.) ("LYCMCSG")	Singapore	100	-	Provision of management consultancy services.
<b>Held through LYCMS</b>				
T & T Medical Group Pte. Ltd. ("T&T")	Singapore	100	100	Provision of medical and surgical advisory services.
HC Orthopaedic Surgery Pte. Ltd. ("HCOS")	Singapore	100	100	Provision of specialised medical services (including day surgical centres) and clinics and other general medical services (western).
LYC Nutrihealth (Singapore) Pte. Ltd. ("LYCNS")	Singapore	100	-	Wholesale of health supplements.
LYC Nutrihealth Sdn. Bhd. ("LYCN")	Malaysia	100	100	Manufacture, wholesale, and retail sales of nutraceuticals, pharmaceutical and healthcare related products.
<b>Held through LYCDG</b>				
KL Dental Sdn. Bhd. ("KLD")	Malaysia	100	100	Provision of dental treatment and consultancy services.
KL Dental (Connaught) Sdn. Bhd. ("KLDC")	Malaysia	100	100	Provision of dental treatment and consultancy services.



# Directors' Report

## SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Held through LYCDG (Continued)</b>				
KL Dental (Kiara) Sdn. Bhd. ("KLDK")	Malaysia	100	100	Provision of dental treatment and consultancy services.
KL Dental (Cheras) Sdn. Bhd. ("KLD Cheras")	Malaysia	100	100	Provision of dental and medical related institutions for consultation and treatment and activities of investment holding company.
Sigma Dental Laboratory Sdn. Bhd. ("SDL")	Malaysia	60	-	Provision of dental laboratory business.
<b>Held through LYCBW</b>				
LYC Cosmetic & Aesthetic Sdn. Bhd. ("LYCCA")	Malaysia	100	100	Provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.
Tao Global Ventures Sdn. Bhd. ("TGV")	Malaysia	100	100	Provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.
<b>Held through LYCN</b>				
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	100	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.
Clinical Nutrition Intl (M) Sdn. Bhd. ("CNI")	Malaysia	100	-	Supply of nutraceutical ingredients.



# Directors' Report

## SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Held through EDT</b>				
Elite Dental Team (Avenue K) Sdn. Bhd. ("EDT (AK)")	Malaysia	60	-	Dental services.
Elite Dental Team (Cheras) Sdn. Bhd. ("EDT (CHR)")	Malaysia	60	-	Dental services.
Elite Dental Team (Equine) Sdn. Bhd. ("EDT (EQ)")	Malaysia	60	-	Dental services.
Elite Dental Team (Kuchai) Sdn. Bhd. ("EDT (KU)")	Malaysia	60	-	Dental services.
Elite Dental Team (Mahkota Cheras) Sdn. Bhd. ("EDT (MC)")	Malaysia	60	-	Dental services.
Elite Dental Team (Penang) Sdn. Bhd. ("EDT (PNG)")	Malaysia	60	-	Dental services.
Elite Dental Team (Selayang) Sdn. Bhd. ("EDT (SL)")	Malaysia	60	-	Dental services.
Elite Dental Team (Sri Bintang) Sdn. Bhd. ("EDT (SB)")	Malaysia	60	-	Dental services.
Elite Dental Team (SS14) Sdn. Bhd. ("EDT (SS14)")	Malaysia	60	-	Dental services.



# Directors' Report

## SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Held through EDT (Continued)</b>				
Elite Dental Team (Sabah) Sdn. Bhd. ("EDT SBH")	Malaysia	60	-	Dental services.
Elite Dental Team (Damansara) Sdn. Bhd. ("EDT (UT)")	Malaysia	60	-	Dental services.
Elite Dental Team (Gombak) Sdn. Bhd.	Malaysia	100	-	Dental services.
Elite Dental Team (Lite) Sdn. Bhd.	Malaysia	100	-	Dental services.
Elite Dental Team (Northern) Sdn. Bhd. ("EDT Northern")	Malaysia	100	-	Dental services.
Elite Dental Team (Pelali) Sdn. Bhd. ("EDT (PLL)")	Malaysia	60	-	Dental services.
Elite Dental Team (Seksyen 17) Sdn. Bhd. ("EDT (S17)")	Malaysia	60	-	Dental services.
Elite Dental Team (Sri Kembangan) Sdn. Bhd. ("EDT (SK)")	Malaysia	60	-	Dental services.
<b>Held through EDT SBH</b>				
Elite Dental Team (Jauhar) Sdn. Bhd. ("EDT (JHR)")	Malaysia	60	-	Dental services.
<b>Held through EDT Northern</b>				
Quay Dental Sdn. Bhd. ("QDSB")	Malaysia	60	-	Dental services.



# Directors' Report

## SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024 %	2023 %	
<b>Other interests</b>				
LYC Clinic Sdn. Bhd. ("LYCC")	Malaysia	-	-	Provision of healthcare services.
LYC Beauty Clinic Sdn. Bhd. ("LYCBC")	Malaysia	-	-	Provision of general medical services.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

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

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 in the previous financial year as disclosed in Note 9 to the financial statements.

On 12 June 2024, the Company announced to withdraw the proposed listing from the Catalist board of the SGX-ST in view of the prevailing market conditions in the Singapore equity market.

- (b) On 22 December 2023, LYCD&A, a wholly-owned subsidiary of the Company, entered into a conditional share sale agreement ("SSA") for the proposed acquisition of 60% shares of Kee Vee Dental Laboratory Sdn. Bhd. for a purchase consideration of RM300,000.

As at the date of authorisation of these financial statements, the proposal has yet to be completed pending the fulfilment of conditions precedent.

- (c) On 16 May 2024, the Group reorganised the subsidiaries as follows:
- (i) transferred LYCMC entire 100% equity interest from LYCD&A to HTAR. Consequently, LYCMC became wholly-owned subsidiary of HTAR; and
  - (ii) transferred LYCP entire 100% equity interest from LYCD&A to LYCMC. Consequently, LYCP became wholly-owned subsidiary of LYCMC.



# Directors' Report

## 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: 31 July 2024



# Statements of Financial Position

As at 31 March 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property and equipment	5	48,405	29,007	10	-
Right-of-use assets	6	42,801	41,960	-	-
Investment properties	7	3,251	-	-	-
Intangible assets	8	85,152	72,191	-	-
Investment in subsidiaries	9	-	-	40,444	52,344
Investment in an associate	10	812	935	-	-
Investment in joint ventures	11	-	5,172	-	-
Deferred tax assets	23	41	124	-	-
<b>Total non-current assets</b>		<b>180,462</b>	<b>149,389</b>	<b>40,454</b>	<b>52,344</b>
<b>Current assets</b>					
Inventories	12	10,141	7,781	-	-
Current tax assets		857	475	-	-
Trade and other receivables	13	26,562	17,592	40	106
Amount due from subsidiaries	14	-	-	22,993	15,586
Amount due from joint ventures	14	-	91	-	2
Contract assets	15	122	204	-	-
Cash and short-term deposits	16	24,705	40,204	614	106
<b>Total current assets</b>		<b>62,387</b>	<b>66,347</b>	<b>23,647</b>	<b>15,800</b>
<b>TOTAL ASSETS</b>		<b>242,849</b>	<b>215,736</b>	<b>64,101</b>	<b>68,144</b>





# Statements of Financial Position

As at 31 March 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	17	101,443	90,558	101,443	90,558
Other reserves	18	4,773	4,368	-	-
Accumulated losses		(67,241)	(48,016)	(39,368)	(24,190)
		38,975	46,910	62,075	66,368
Non-controlling interests		38,557	33,693	-	-
<b>TOTAL EQUITY</b>		<b>77,532</b>	<b>80,603</b>	<b>62,075</b>	<b>66,368</b>
<b>Non-current liabilities</b>					
Loans and borrowings	19	21,638	57,119	-	-
Lease liabilities	20	36,903	37,899	-	-
Amount due to a non-controlling shareholder/director of subsidiary	21	-	1,180	-	-
Provisions	22	2,011	1,479	-	-
Deferred tax liabilities	23	1,369	574	-	-
<b>Total non-current liabilities</b>		<b>61,921</b>	<b>98,251</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Loans and borrowings	19	54,197	857	-	-
Lease liabilities	20	8,893	7,446	-	-
Provisions	22	345	288	-	-
Current tax liabilities		1,197	1,317	-	-
Trade and other payables	24	26,907	13,273	478	296
Amount due to subsidiaries	14	-	-	1,548	1,480
Amount due to non-controlling shareholder/director of subsidiaries	21	4,983	10,715	-	-
Contract liabilities	15	6,874	2,986	-	-
<b>Total current liabilities</b>		<b>103,396</b>	<b>36,882</b>	<b>2,026</b>	<b>1,776</b>
<b>TOTAL LIABILITIES</b>		<b>165,317</b>	<b>135,133</b>	<b>2,026</b>	<b>1,776</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>242,849</b>	<b>215,736</b>	<b>64,101</b>	<b>68,144</b>

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



# Statements of Comprehensive Income

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	25	130,190	92,282	4,517	3,794
Cost of sales	26	(61,516)	(50,701)	-	-
<b>Gross profit</b>		<b>68,674</b>	<b>41,581</b>	<b>4,517</b>	<b>3,794</b>
Other operating income		7,647	1,683	-	11
Selling and distribution expenses		(4,177)	(4,581)	-	-
Administrative expenses		(71,262)	(35,545)	(5,471)	(5,577)
Net impairment losses on receivables		(4)	(226)	(1,703)	350
Other expenses		(1,427)	(1,536)	(12,521)	(16,112)
<b>(Loss)/Profit from operations</b>		<b>(549)</b>	<b>1,376</b>	<b>(15,178)</b>	<b>(17,534)</b>
Finance costs, net	27	(8,876)	(11,011)	-	-
Share of results of an associate, net of tax		(123)	(89)	-	-
Share of results of joint ventures, net of tax		(1,279)	(2,140)	-	-
<b>Loss before tax</b>	28	<b>(10,827)</b>	<b>(11,864)</b>	<b>(15,178)</b>	<b>(17,534)</b>
Income tax expense	29	(4,077)	(2,931)	-	-
<b>Loss for the financial year</b>		<b>(14,904)</b>	<b>(14,795)</b>	<b>(15,178)</b>	<b>(17,534)</b>
<b>Other comprehensive income, net of tax</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		1,884	3,429	-	-
<b>Other comprehensive income for the financial year</b>		<b>1,884</b>	<b>3,429</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the financial year</b>		<b>(13,020)</b>	<b>(11,366)</b>	<b>(15,178)</b>	<b>(17,534)</b>



# Statements of Comprehensive Income

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>(Loss)/Profit for the financial year attributable to:</b>					
Owners of the Company		(19,160)	(19,187)	(15,178)	(17,534)
Non-controlling interests		4,256	4,392	-	-
		<u>(14,904)</u>	<u>(14,795)</u>	<u>(15,178)</u>	<u>(17,534)</u>
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the Company		(18,755)	(16,019)	(15,178)	(17,534)
Non-controlling interests		5,735	4,653	-	-
		<u>(13,020)</u>	<u>(11,366)</u>	<u>(15,178)</u>	<u>(17,534)</u>
<b>Loss per share (sen)</b>					
Basic loss per share	30	(2.90)	(3.48)		
Diluted loss per share	30	(2.90)	(3.48)		

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



# Statements of Changes in Equity

For the Financial Year Ended 31 March 2024

←	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	
	57,580	1,200	(31,197)	27,583	Total equity RM'000
	-	-	(19,187)	(19,187)	42,044
	-	3,168	-	3,168	Non-controlling interests RM'000
	-	3,168	(19,187)	(16,019)	4,653
					4,392
					261
					(14,795)
					3,429
					(11,366)

**Group**

**At 1 April 2022**

**Total comprehensive income/(loss) for the financial year**

Loss for the financial year  
Other comprehensive income for the financial year

**Total comprehensive income/(loss)**



# Statements of Changes in Equity

For the Financial Year Ended 31 March 2024

Note	← Attributable to owners of the Company →					Total equity RM'000
	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	
	33,365	-	-	33,365	-	33,365
17	(387)	-	-	(387)	-	(387)
9 (e)	-	-	(45,429)	(45,429)	(10,735)	(56,164)
	-	-	20,699	20,699	11,498	32,197
9 (g)	-	-	27,098	27,098	15,016	42,114
	-	-	-	-	(1,200)	(1,200)
	32,978	-	2,368	35,346	14,579	49,925
	90,558	4,368	(48,016)	46,910	33,693	80,603

## Group (Continued)

### Transactions with owners

Issue of ordinary shares  
 Transaction costs of share issue  
 Acquisition of non-controlling interests  
 Changes in ownership interests in subsidiaries  
 Divestment of investments in a subsidiary  
 Dividend paid to non-controlling shareholders of the subsidiaries  
 Total transactions with owners

**At 31 March 2023**



# Statements of Changes in Equity

For the Financial Year Ended 31 March 2024

	← 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
<b>Group (Continued)</b>						
<b>At 1 April 2023</b>	90,558	4,368	(48,016)	46,910	33,693	80,603
<b>Total comprehensive income/(loss) for the financial year</b>	-	-	(19,160)	(19,160)	4,256	(14,904)
Loss for the financial year	-	-	-	-	-	-
Other comprehensive income for the financial year	-	405	-	405	1,479	1,884
<b>Total comprehensive income/(loss)</b>	-	405	(19,160)	(18,755)	5,735	(13,020)

Note

Group (Continued)

At 1 April 2023

Total comprehensive income/(loss) for the financial year

Loss for the financial year

Other comprehensive income for the financial year

Total comprehensive income/(loss)



# Statements of Changes in Equity

For the Financial Year Ended 31 March 2024

	← Attributable to owners of the Company		→ Equity attributable to owners of the Company		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Company RM'000		
<b>Note</b>						
<b>Group (Continued)</b>						
<b>Transaction with owners</b>						
Issue of ordinary shares	10,885	-	-	10,885	-	10,885
Acquisition of non-controlling interests	-	-	(97)	(97)	(23)	(120)
Changes in ownership interests in subsidiaries	-	-	32	32	368	400
Disposal of subsidiaries	-	-	-	-	7	7
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	617	617
Dividend paid to non-controlling shareholders of the subsidiaries	-	-	-	-	(1,840)	(1,840)
Total transactions with owners	10,885	-	(65)	10,820	(871)	9,949
<b>At 31 March 2024</b>	101,443	4,773	(67,241)	38,975	38,557	77,532



# Statements of Changes in Equity

For the Financial Year Ended 31 March 2024

Company	Note	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
<b>At 1 April 2022</b>		57,580	(6,656)	50,924
<b>Total comprehensive loss for the financial year</b>		-	(17,534)	(17,534)
<b>Transactions with owners</b>				
Issue of ordinary shares	17	33,365	-	33,365
Transaction costs of shares issued		(387)	-	(387)
Total transactions with owners		32,978	-	32,978
<b>At 31 March 2023</b>		90,558	(24,190)	66,368
<b>Total comprehensive loss for the financial year</b>		-	(15,178)	(15,178)
<b>Transaction with owners</b>				
Issue of ordinary shares	17	10,885	-	10,885
Total transaction with owners		10,885	-	10,885
<b>At 31 March 2024</b>		101,443	(39,368)	62,075

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





# Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Group		Company	
	2024	2023	2024	2023
Note	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>				
Loss before tax	(10,827)	(11,864)	(15,178)	(17,534)
Adjustments for:				
Amortisation of intangible assets	44	-	-	-
Bad debts recovered	-	(4)	-	-
Bad debts written off	-	3	-	-
Depreciation of investment properties	12	-	-	-
Depreciation of property and equipment	6,788	3,224	1	-
Depreciation of right-of-use assets	8,547	6,013	-	-
Impairment losses on:				
- amount due from subsidiaries	-	-	1,703	791
- goodwill on business combination	-	43	-	-
- investment in subsidiaries	-	-	12,500	15,225
- property and equipment	290	361	-	-
- right-of-use assets	530	658	-	-
- trade and other receivables	20	226	-	-
Interest expense	9,199	11,222	-	-
Interest income	(393)	(260)	-	-
Inventories written down	121	188	-	-
Gain on modification of lease	(1,273)	-	-	-
Gain on remeasurement of previously held interest in joint venture	(796)	-	-	-
Gain on disposal of property and equipment	(138)	-	-	-
Loss on termination of lease	184	-	-	-
Loss on disposal of investment in subsidiaries	7	-	-	882
Reversal of impairment losses on:				
- amount due from subsidiaries	-	-	-	(1,141)
- right-of-use assets	(5)	-	-	-
- trade and other receivables	(16)	-	-	-
Net provision/(reversal) for unutilised leave	41	(82)	-	-
Net (reversal)/provision for restoration costs	(412)	113	-	-
Property and equipment written off	74	41	-	-
Reversal of inventories written down	(86)	(28)	-	-
Unrealised gain on foreign exchange, net	(4)	(21)	(21)	-
Unwinding of discount on provision for restoration cost	70	49	-	-
Waiver of debts	(419)	(71)	-	-
Share of results of an associate, net of tax	123	89	-	-
Share of results of joint ventures, net of tax	1,279	2,140	-	-
	12,960	12,040	(995)	(1,777)



# Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from operating activities</b>					
<b>(Continued)</b>					
Changes in working capital:					
Inventories		(2,262)	(1,901)	-	-
Receivables		(5,856)	(3,087)	(3,029)	(2,731)
Payables		4,393	1,819	182	142
Contract liabilities		3,970	71	-	-
Net cash generated from/(used in) operations		13,205	8,942	(3,842)	(4,366)
Income tax paid		(4,156)	(4,110)	-	-
Income tax refunded		100	160	-	-
Net cash from/(used in) operating activities		9,149	4,992	(3,842)	(4,366)
<b>Cash flows from investing activities</b>					
Interest received		393	260	-	-
Net advances to subsidiaries		-	-	(5,924)	(10,085)
Repayment from/(Advances to) joint ventures		91	(64)	-	25
Repayment from a non-controlling shareholder/director of subsidiary		-	9,824	-	-
Acquisition of subsidiaries, net of cash acquired	9	(6,739)	(4,139)	-	-
Acquisition of subsidiary previously held interest in joint venture, net of cash acquired	9	(4,117)	-	-	-
Acquisition of non-controlling interests	9	(120)	(26,525)	-	-
Subscription of shares in subsidiaries		-	-	(600)	(18,823)
Subscription of shares in a joint venture		-	(1,070)	-	-
Placement of deposits with a licensed bank		(10,024)	(1)	-	-
Proceeds from divestment of investment in a subsidiary		-	12,114	-	-
Proceeds from disposal of:					
- property and equipment		465	2	-	-
- investment in subsidiaries		-	-	-	340



# Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from investing activities (Continued)</b>					
Purchase of property and equipment	(b)	(5,702)	(2,533)	(11)	-
Net cash used in investing activities		(25,753)	(12,132)	(6,535)	(28,543)
<b>Cash flows from financing activities</b>					
	(a)				
Proceeds from issuance of ordinary shares		10,885	33,365	10,885	33,365
Interest paid		(8,419)	(10,442)	-	-
Drawdown of term loans		562	-	-	-
Repayment of term loans		(738)	(459)	-	-
Repayment of hire purchase payables		(1,490)	(244)	-	-
Transaction costs of share issue		-	(387)	-	(387)
Payment of lease liabilities (Repayment to)/Advances from non-controlling shareholder/director of subsidiaries		(8,074)	(5,706)	-	-
Dividend paid to non-controlling shareholders of subsidiary		(8,511)	11,026	-	-
Net cash (used in)/from financing activities		(17,625)	25,953	10,885	32,978
Net (decrease)/increase in cash and cash equivalents		(34,229)	18,813	508	69
Effect of exchange differences on translation		(1,250)	(442)	-	-
<b>Cash and cash equivalents at the beginning of the financial year</b>		39,653	21,282	106	37
<b>Cash and cash equivalents at the end of the financial year</b>	16	4,174	39,653	614	106



# Statements of Cash Flows

For the Financial Year Ended 31 March 2024

(a) Reconciliation of liabilities arising from financing activities:

Group	At 1 April 2022 RM'000	Cash flows RM'000	<-----Non-cash flows----->			At 31 March 2023 RM'000
			Acquisitions of leases RM'000	Acquisitions of subsidiaries RM'000	Others RM'000	
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

Group	At 1 April 2023 RM'000	Cash flows RM'000	<-----Non-cash flows----->			At 31 March 2024 RM'000
			Acquisitions of leases RM'000	Acquisitions of subsidiaries RM'000	Others RM'000	
Term loans	503	(176)	-	783	-	1,110
Hire purchase payables	2,003	(1,490)	2,435	-	-	5,256
Lease liabilities	45,345	(8,074)	4,228	15,088	(10,791)	45,796
Redeemable preference shares	55,470	-	-	-	780	56,250
	103,321	(9,740)	6,663	18,179	(10,791)	108,412



# Statements of Cash Flows

For the Financial Year Ended 31 March 2024

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

Included in others are:

	2024 RM'000	2023 RM'000
<b>Redeemable preference shares</b>		
Redemption	-	(30,000)
Amortisation of transaction costs	780	780
	780	(29,220)

Company

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

(b) Total cash outflows for property and equipment

During the financial year, the Company made the following cash payments to purchase property and equipment.

	2024 RM'000	2023 RM'000
Purchase of property and equipment	8,137	2,533
Financed by way of hire purchase arrangements	(2,435)	-
Cash payments on purchase of equipment	5,702	2,533

Total cash outflows for investment properties

	2024 RM'000	2023 RM'000
Purchase of investment properties	3,251	-
Financed by term loans	(3,251)	-
Cash payments on investment properties	-	-

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM11,388,000 (2023: RM8,358,000).

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 9 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 31 July 2024.

## 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 new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

#### New MFRS

MFRS 17	Insurance Contracts
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#### Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments 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, except as discussed below:

#### ***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments require an entity 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.



# Notes to the Financial Statements

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.2 Adoption of new MFRS and amendments to MFRSs (Continued)

#### *Amendments to MFRS 101 Presentation of Financial Statements (Continued)*

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

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

<u>New MFRS</u>		<b>Effective for financial periods beginning on or after</b>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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

#### ***MFRS 18 Presentation and Disclosure in Financial Statements***

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.



# Notes to the Financial Statements

## 2. BASIS OF PREPARATION (CONTINUED)

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

#### ***MFRS 18 Presentation and Disclosure in Financial Statements (Continued)***

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

#### ***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.

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.

The initial application of the above applicable new MFRS and amendments 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.





# Notes to the Financial Statements

## 2. BASIS OF PREPARATION (CONTINUED)

### 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. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information 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

#### (a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

#### (b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.



# Notes to the Financial Statements

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.1 Basis of consolidation (Continued)

#### (c) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

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

The Group classifies its joint arrangements as disclosed in Note 11 as joint venture and accounts its interests using the equity method as the Group has rights to the net assets of the arrangements.

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.

### 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.

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 Financial instruments

#### Financial assets – subsequent measurement and gains and losses

##### Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Financial liabilities – subsequent measurement and gains and losses

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### 3.4 Property and equipment

Property and equipment (other than freehold land and buildings and right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.



# Notes to the Financial Statements

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.4 Property and equipment (Continued)

Freehold land and buildings are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. 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.

The revaluation reserve is transferred to retained earnings when the assets are derecognised.

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

All other property and equipment (other than right-of-use assets as disclosed in Note 3.5) 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 and medical equipment and renovation	10 – 50%
Computer equipment	10 – 33.33%
Motor vehicles	10 – 20%

### 3.5 Leases

#### (a) Lessee accounting

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

#### 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 (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

#### Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are 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.

#### Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

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



# Notes to the Financial Statements

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.5 Leases (Continued)

#### (b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

### 3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment loss.

Freehold land has an unlimited useful life and therefore is not depreciated. All other investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Buildings 2%

### 3.7 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

Intellectual property rights are depreciated on a straight-line basis by allocating their depreciable amount over their remaining useful lives of 15 years.

### 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.
- nutraceutical 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 Preference shares

The Group classifies preference shares as financial liability as the preference shares are redeemable on a specific date at the option of the equity holders and the dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.



# Notes to the Financial Statements

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.10 Revenue and other income

#### 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 as 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.



# Notes to the Financial Statements

## 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 8)

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 9)

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 Funding requirements and ability to meet short term obligations

The Group applies judgement in determining the funding requirements and its ability to meet short term obligations. The Group considered the facts and circumstances and make assumptions about the future, including the cash flows to be generated from the operations of the Group and the available financing facilities.

The details of funding requirements and ability to meet short term obligations are disclosed in Note 34(b)(iii).



# Notes to the Financial Statements

## 5. PROPERTY AND EQUIPMENT

Group 2024	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
<b>Cost/Valuation</b>									
At 1 April 2023	4,955	1,860	274	9,156	21,592	1,311	1,884	280	41,312
Acquisition of subsidiaries (Note 9)	-	-	78	3,275	14,948	147	160	-	18,608
Additions	1,161	290	27	262	5,532	230	635	-	8,137
Reclassification	-	-	-	161	119	-	-	(280)	-
Disposal	-	-	-	(26)	(184)	-	-	-	(210)
Disposal of a subsidiary	-	-	-	(2)	(439)	(6)	-	-	(447)
Written off	-	-	(7)	(108)	(141)	-	-	-	(256)
Exchange differences	-	-	-	178	762	112	-	-	1,052
At 31 March 2024	6,116	2,150	372	12,896	42,189	1,794	2,679	-	68,196
Representing:									
- cost	-	-	372	12,896	42,189	1,794	2,679	-	59,930
- valuation	6,116	2,150	-	-	-	-	-	-	8,266
	6,116	2,150	372	12,896	42,189	1,794	2,679	-	68,196



## Notes to the Financial Statements

### 5. PROPERTY AND EQUIPMENT (CONTINUED)

Group 2024	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
At 1 April 2023	-	53	205	3,013	7,433	995	606	-	12,305
Depreciation for the financial year	-	45	31	941	5,330	129	312	-	6,788
Disposal	-	-	-	(7)	(143)	-	-	-	(150)
Disposal of a subsidiary	-	-	-	(1)	(177)	(2)	-	-	(180)
Impairment loss	-	-	-	3	287	-	-	-	290
Written off	-	-	(7)	(56)	(119)	-	-	-	(182)
Exchange differences	-	-	-	164	597	110	49	-	920
At 31 March 2024	-	98	229	4,057	13,208	1,232	967	-	19,791
<b>Carrying amount at 31 March 2024</b>	6,116	2,052	143	8,861	28,679	562	1,712	280	48,405
Representing:	-	-	143	8,861	28,679	562	1,712	280	40,237
- cost	6,116	2,052	-	-	-	-	-	-	8,168
- valuation	6,116	2,052	143	8,861	28,679	562	1,712	280	48,405





## Notes to the Financial Statements

### 5. PROPERTY AND EQUIPMENT (CONTINUED)

Group 2023	Freehold land		Buildings		Equipment		Furniture and fittings		Office and medical equipment		Motor vehicles		Capital work-in-progress		Total RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2022	4,955	1,860	265	9,001	17,526	1,191	1,415	-	36,213						
Acquisition of subsidiaries (Note 9)	-	-	-	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						



# Notes to the Financial Statements

## 5. PROPERTY AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Equipment	Furniture and fittings	Office and medical equipment and renovation	Computer equipment	Motor vehicles	Capital work-in-progress	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	-	14	184	2,326	5,001	913	370	-	8,808
	-	39	21	702	2,123	109	230	-	3,224
Accumulated depreciation and impairment	-	-	-	-	(1)	(1)	-	-	(2)
At 1 April 2022	-	-	-	-	361	-	-	-	361
Depreciation for the financial year	-	-	-	(21)	(76)	(30)	-	-	(127)
Disposal	-	-	-	6	25	4	6	-	41
Impairment loss	-	-	-	-	-	-	-	-	-
Written off	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-
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:	-	-	69	6,143	14,159	316	1,278	280	22,245
- cost	4,955	1,807	-	-	-	-	-	-	6,762
- valuation	4,955	1,807	69	6,143	14,159	316	1,278	280	29,007



## Notes to the Financial Statements

### 5. PROPERTY AND EQUIPMENT (CONTINUED)

<b>Company</b>	<b>Computer Equipment RM'000</b>
<b>Cost</b>	
At 1 April 2023	-
Addition	11
At 31 March 2024	<u>11</u>
<b>Accumulated depreciation</b>	
At 1 April 2023	-
Charge for the financial year	1
At 31 March 2024	<u>1</u>
<b>Net carrying amount</b>	
At 31 March 2024	<u>10</u>

#### (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:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Buildings	1,161	-
Freehold land	285	-
Motor vehicles	1,531	1,086
Medical and dental equipment	5,157	1,596
	<u>8,134</u>	<u>2,682</u>

#### (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 be included in the financial statements of the Group is as follows:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
- Freehold land	5,379	4,218
- Buildings	1,409	1,235
	<u>6,788</u>	<u>5,453</u>



## Notes to the Financial Statements

### 5. PROPERTY AND EQUIPMENT (CONTINUED)

#### (c) Fair value information

Fair value of land and buildings are categorised as follow:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2024</b>				
- Freehold land	-	-	6,116	6,116
- Buildings	-	-	2,150	2,150
	-	-	8,266	8,266
<b>2023</b>				
- 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.

#### 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 RM632 - RM774 (2023: RM246 and RM524 - RM528), and construction cost per square foot of RM60 and RM91 - RM98 (2023: RM60 and RM91 - RM98)	The higher the price/cost per square foot, the higher the fair value



## Notes to the Financial Statements

### 5. PROPERTY AND EQUIPMENT (CONTINUED)

#### (c) Fair value information (Continued)

##### Valuation process applied by the Group

The fair value of freehold land and buildings of the Group amounting to RM7.62 million are determined based on the valuation performed by an external independent firm of professional valuers on 26 March 2024. The fair value of the other freehold land and building was estimated via internal research of comparable properties in year 2023.

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

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 April 2023/2022	6,815	6,815
Additions	1,451	-
At 31 March	8,266	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.

#### (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 RM23,400,000 in view of the performance of the subsidiaries. The Group recognised in profit or loss under other expenses, an impairment loss of RM239,000 and RM313,000, in respect of certain property and equipment and right-of-use assets of confinement centre 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 14%.



## Notes to the Financial Statements

### 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:

	<b>Buildings RM'000</b>	<b>Medical equipment RM'000</b>	<b>Total RM'000</b>
<b>Group</b>			
<b>2024</b>			
<b>Cost</b>			
At 1 April 2023	47,272	9,119	56,391
Acquisition of subsidiaries (Note 9)	14,483	-	14,483
Additions	4,228	-	4,228
Modification of lease	(9,518)	-	(9,518)
Termination of lease	(339)	-	(339)
Expiry of lease	(2,944)	-	(2,944)
Exchange differences	5,315	486	5,801
At 31 March 2024	<u>58,497</u>	<u>9,605</u>	<u>68,102</u>
<b>Accumulated depreciation and impairment</b>			
At 1 April 2023	13,823	608	14,431
Depreciation for the financial year	7,599	948	8,547
Termination of lease	(155)	-	(155)
Impairment loss	530	-	530
Expiry of lease	(2,944)	-	(2,944)
Exchange differences	4,852	45	4,897
Reversal of impairment loss	(5)	-	(5)
At 31 March 2024	<u>23,700</u>	<u>1,601</u>	<u>25,301</u>
<b>Carrying amount at 31 March 2024</b>	<u>34,797</u>	<u>8,004</u>	<u>42,801</u>



## Notes to the Financial Statements

### 6. RIGHT-OF-USE ASSETS (CONTINUED)

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

	Buildings RM'000	Medical equipment RM'000	Total RM'000
<b>Group</b>			
<b>2023</b>			
<b>Cost</b>			
At 1 April 2022	46,200	-	46,200
Acquisition of subsidiaries (Note 9)	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
<b>Accumulated depreciation and impairment</b>			
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
<b>Carrying amount at 31 March 2023</b>	33,449	8,511	41,960

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 8 years. The leases include renewal option for additional terms of 1 to 15 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.



## Notes to the Financial Statements

### 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
<b>Group</b>			
<b>2024</b>			
Extension options expected not to be exercised	1,095	151	1,246
<b>2023</b>			
Extension options expected not to be exercised	914	93	1,007

### 7. INVESTMENT PROPERTIES

	Group	
	2024 RM'000	2023 RM'000
<b>Cost</b>		
At 1 April 2023/2022	-	-
Addition	3,263	-
At 31 March	3,263	-
<b>Accumulated depreciation</b>		
At 1 April 2023/2022	-	-
Depreciation for the financial year	12	-
At 31 March	12	-
<b>Carrying amount at 31 March</b>	3,251	-

#### (a) Assets pledged as security

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

	Group	
	2024 RM'000	2023 RM'000
Freehold land	2,610	-
Buildings	641	-
	3,251	-





## Notes to the Financial Statements

### 7. INVESTMENT PROPERTIES (CONTINUED)

#### (b) Assets pledged as security

The following are recognised in profit or loss in respect of investment properties:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental income	(102)	-
Direct operating expenses:		
- income generating investment	2	-
	<hr/>	<hr/>

#### (c) Fair value information

Fair value of investment properties are categorised as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
<b>2024</b>				
- Freehold land	-	-	2,860	2,860
- Buildings	-	-	715	715
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	3,575	3,575

#### Level 3 fair value

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

The significant inputs into this valuation approach are location, size, time lapse, tenure and market sentiment, if any.

#### 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.

#### Transfer between levels of fair value hierarchy

There was no transfer between level 1 and level 2 during the financial year ended 31 March 2024.



## Notes to the Financial Statements

### 8. INTANGIBLE ASSETS

Group	Note	Software			Total RM'000
		Goodwill RM'000	development RM'000	Patent RM'000	
<b>Cost</b>					
At 1 April 2022		62,513	1,942	-	64,455
Acquisition of subsidiaries	9	7,085	-	-	7,085
Exchange differences		2,636	-	-	2,636
At 31 March 2023		72,234	1,942	-	74,176
Acquisition of subsidiaries	9	8,838	-	2,000	10,838
Exchange differences		2,167	-	-	2,167
At 31 March 2024		83,239	1,942	2,000	87,181
<b>Accumulated amortisation and impairment loss</b>					
At 1 April 2022		-	1,942	-	1,942
Impairment		43	-	-	43
At 31 March 2023		43	1,942	-	1,985
Charge for the financial year		-	-	44	44
At 31 March 2024		43	1,942	44	2,029
<b>Net carrying amount</b>					
At 31 March 2023		72,191	-	-	72,191
At 31 March 2024		83,196	-	1,956	85,152

#### (a) Goodwill

Goodwill arose 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"), KL Dental (Connaught) Sdn. Bhd. ("KLDC"), Elite Dental Team Sdn. Bhd. ("EDT"), Nutrogreen Health Industries Sdn. Bhd. ("NHI"), Kitta Enterprise ("Kitta"), Clinical Nutrition Intl (M) Sdn. Bhd. ("CNI") and LYC Mother & Child (SG) Sdn. Bhd. (formerly known as LYC SOG Mother & Child Sdn. Bhd.) ("LYCSG") 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.



## Notes to the Financial Statements

### 8. INTANGIBLE ASSETS (CONTINUED)

#### (a) Goodwill (Continued)

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
<b>2024</b>				
Healthcare services	7% - 28%	43% - 87%	7% - 16%	2%
Nutraceutical supplements and ingredients	10% - 35%	35% - 57%	14% - 16%	2%
<b>2023</b>				
Healthcare services	3% - 19%	39% - 66%	10% - 19%	1.5% - 2%
Nutraceutical supplements and ingredients	7%	40%	13%	2%

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.

#### (b) Patent

Intellectual property rights arose from the acquisition of a subsidiary and is in relation to the purchase of patent of the probiotic strain.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
<b>At cost</b>		
Unquoted shares	33,182	32,582
Loans that are part of net investments	59,799	59,799
Less: Accumulated impairment loss	(52,537)	(40,037)
	<u>40,444</u>	<u>52,344</u>

The movement in accumulated impairment loss is as follows:

	Company	
	2024	2023
	RM'000	RM'000
At 1 April 2023/2022	40,037	24,860
Impairment loss during the year (Note 28)	12,500	15,225
Reversal of impairment loss (Note 28)	-	(48)
At 31 March	<u>52,537</u>	<u>40,037</u>

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 14%.



## Notes to the Financial Statements

### 9. 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		Principal activities
		2024 %	2023 %	
<b>Held by the Company</b>				
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 & Child Centre 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 Dental Laboratory Sdn. Bhd. ("LYCDL")	Malaysia	51	51	Dormant.
CVS Research Sdn. Bhd. ("CVS")	Malaysia	51	51	Dormant.



## Notes to the Financial Statements

### 9. 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
		2024 %	2023 %	
<b>Held by the Company (Continued)</b>				
LYC Club Sdn. Bhd. ("LYCCSB") (formerly known as LYC & Chung Fertility Centre Sdn. Bhd. ("LYCCFC"))	Malaysia	100	100	Dormant.
LYC Health Manufacturing Group Sdn. Bhd. ("LYCHM")	Malaysia	100	100	Manufacture food and health supplements and activities of investment holding company.
LYC Health Manufacturing (NS) Sdn. Bhd. ("LYCHMNS")	Malaysia	60	100	Manufacture food and health supplements and activities of investment holding company.
LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCD&A")	Malaysia	100	100	Investment holding and dental and medical-related institutions for consultation and treatment.
HTAR Sdn. Bhd. ("HTAR") #	Malaysia	100	-	Investment holding.
<b>Held through LYCHM</b>				
Nutrogreen Health Industries Sdn. Bhd. ("NHI")	Malaysia	75	-	Trading in all kinds of pharmaceuticals and healthcare supplement products.
<b>Held through MMSB</b>				
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").



## Notes to the Financial Statements

### 9. 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
		2024 %	2023 %	
<b>Held through MMSB (Continued)</b>				
LYC Marketing and Trading Pte. Ltd. ("LYCM&T") *	Singapore	100	100	Provision of IT solutions and management consultancy services.
<b>Held through LYCM&amp;C</b>				
LYC Child Care Centre Sdn. Bhd. ("LYCCCC")	Malaysia	100	100	Provision of child daycare services.
LYC Mother & Child (SG) Sdn. Bhd. (formerly known as LYC SOG Mother & Child Sdn. Bhd.) ("LYCSG")	Malaysia	100	-	Provision of confinement care services.
<b>Held through LYCM</b>				
LYC Medicare Singapore Limited ("LYCMS") *	Singapore	64.5	64.5	Investment holding.
<b>Held through LYCD&amp;A</b>				
LYC Dental Group Sdn. Bhd. ("LYCDG")	Malaysia	70	70	Investment holding and provision of dental treatment and consultation services.
LYC Beauty & Wellness Sdn. Bhd. ("LYCBW")	Malaysia	60	60	Provision of cosmetics, personal care, wellness, related products and services.
LYC Medical Center Sdn. Bhd. ("LYCMC")	Malaysia	100	100	Dormant.
LYC Prostate Centre Sdn. Bhd. ("LYCPC")	Malaysia	100	-	Specialised in prostate cancer treatment.
Elite Dental Team Sdn. Bhd. ("EDT")	Malaysia	55	-	Provision of consultancy services and dental treatments.



## Notes to the Financial Statements

### 9. 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
		2024 %	2023 %	
<b>Held through MDC</b>				
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.
<b>Held through LYCSG</b>				
LYC Mother & Child (Singapore) Pte. Ltd. (formerly known as LYC SOG Marketing Pte. Ltd.) ("LYCMCSG")*	Singapore	100	-	Provision of management consultancy services.
<b>Held through LYCMS</b>				
T & T Medical Group Pte. Ltd. ("T&T") *	Singapore	100	100	Provision of medical and surgical advisory services.
HC Orthopaedic Surgery Pte. Ltd. ("HCOS") *	Singapore	100	100	Provision of specialised medical services (including day surgical centres) and clinics and other general medical services (western).
LYC Nutrihealth (Singapore) Pte. Ltd. ("LYCNS") *	Singapore	100	-	Wholesale of health supplements.
LYC Nutrihealth Sdn. Bhd. ("LYCN")	Malaysia	100	100	Manufacture, wholesale, and retail sales of nutraceuticals, pharmaceutical and healthcare related products.





## Notes to the Financial Statements

### 9. 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
		2024 %	2023 %	
<b>Held through LYCDG</b>				
KL Dental Sdn. Bhd. ("KLD")	Malaysia	100	100	Provision of dental treatment and consultancy services.
KL Dental (Connaught) Sdn. Bhd. ("KLDC")	Malaysia	100	100	Provision of dental treatment and consultancy services.
KL Dental (Kiara) Sdn. Bhd. ("KLDK")	Malaysia	100	100	Provision of dental treatment and consultancy services.
KL Dental (Cheras) Sdn. Bhd. ("KLD Cheras")	Malaysia	100	100	Provision of dental and medical related institutions for consultation and treatment and activities of investment holding company.
Sigma Dental Laboratory Sdn. Bhd. ("SDL")	Malaysia	60	-	Provision of dental laboratory business.
<b>Held through LYCBW</b>				
LYC Cosmetic & Aesthetic Sdn. Bhd. ("LYCCA")	Malaysia	100	100	Provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.
Tao Global Ventures Sdn. Bhd. ("TGV")	Malaysia	100	100	Provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment.



## Notes to the Financial Statements

### 9. 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
		2024 %	2023 %	
<b>Held through LYCN (Continued)</b>				
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	100	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.
Clinical Nutrition Intl (M) Sdn. Bhd. ("CNI")	Malaysia	100	-	Supply of nutraceutical ingredients.
<b>Held through EDT</b>				
Elite Dental Team (Avenue K) Sdn. Bhd. ("EDT (AK)")	Malaysia	60	-	Dental services.
Elite Dental Team (Cheras) Sdn. Bhd. ("EDT (CHR)")	Malaysia	60	-	Dental services.
Elite Dental Team (Equine) Sdn. Bhd. ("EDT (EQ)")	Malaysia	60	-	Dental services.
Elite Dental Team (Kuchai) Sdn. Bhd. ("EDT (KU)")	Malaysia	60	-	Dental services.
Elite Dental Team (Mahkota Cheras) Sdn. Bhd. ("EDT (MC)")	Malaysia	60	-	Dental services.



## Notes to the Financial Statements

### 9. 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
		2024 %	2023 %	
<b>Held through EDT (Continued)</b>				
Elite Dental Team (Penang) Sdn. Bhd. ("EDT (PNG)")	Malaysia	60	-	Dental services.
Elite Dental Team (Selayang) Sdn. Bhd. ("EDT (SL)")	Malaysia	60	-	Dental services.
Elite Dental Team (Sri Bintang) Sdn. Bhd. ("EDT (SB)")	Malaysia	60	-	Dental services.
Elite Dental Team (SS14) Sdn. Bhd. ("EDT (SS14)")	Malaysia	60	-	Dental services.
Elite Dental Team (Sabah) Sdn. Bhd. ("EDT SBH")	Malaysia	60	-	Dental services.
Elite Dental Team (Damansara) Sdn. Bhd. ("EDT (UT)")	Malaysia	60	-	Dental services.
Elite Dental Team (Gombak) Sdn. Bhd.	Malaysia	100	-	Dental services.
Elite Dental Team (Lite) Sdn. Bhd.	Malaysia	100	-	Dental services.
Elite Dental Team (Northern) Sdn. Bhd. ("EDT Northern")	Malaysia	100	-	Dental services.
Elite Dental Team (Pelali) Sdn. Bhd. ("EDT (PLL)")	Malaysia	60	-	Dental services.
Elite Dental Team (Seksyen 17) Sdn. Bhd. ("EDT (S17)")	Malaysia	60	-	Dental services.



## Notes to the Financial Statements

### 9. 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
		2024 %	2023 %	
<b>Held through EDT (Continued)</b>				
Elite Dental Team (Sri Kembangan) Sdn. Bhd. ("EDT (SK)")	Malaysia	60	-	Dental services.
<b>Held through EDT SBH</b>				
Elite Dental Team (Jauhar) Sdn. Bhd. ("EDT (JHR)")	Malaysia	60	-	Dental services.
<b>Held through EDT Northern</b>				
Quay Dental Sdn. Bhd. ("QDSB")	Malaysia	60	-	Dental services.
<b>Other interests</b>				
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.

^ 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 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.

# Consolidated using unaudited management financial statements.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (a) Incorporation of subsidiaries

##### 2024

On 18 April 2023, Sigma Dental Laboratory Sdn. Bhd. ("SDL") became a subsidiary of LYC Dental Group Sdn. Bhd. ("LYCDG") by way of subscription of 600 ordinary shares in SDL for a total cash consideration of RM600. Consequently, SDL became an indirect subsidiary of the Company.

On 7 September 2023, LYC Prostate Centre Sdn. Bhd. ("LYCPC") became a wholly-owned subsidiary of LYC Dental & Aesthetic Holdings Sdn. Bhd. ("LYCD&A") by way of subscription of 1,000 ordinary shares in LYCPC for a total cash consideration of RM1,000. Consequently, LYCPC became an indirect subsidiary of the Company.

On 10 October 2023, LYC Nutrihealth (Singapore) Pte. Ltd. (LYCNS) became a wholly-owned subsidiary of LYC Medicare Singapore Limited ("LYCMS") by way of subscription of 1 ordinary shares in LYCMS for a total cash consideration of SGD1. Consequently, LYCNS became an indirect subsidiary of the Company.

On 28 February 2024, the Company subscribed for 1,000 ordinary shares in HTAR Sdn. Bhd. ("HTAR") for a total cash consideration of RM1,000, representing 100% equity interest in HTAR. Consequently, HTAR became a wholly-owned subsidiary of the Company.

##### 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. ("LYCHMNS") for a total cash consideration of RM1,000, representing 100% equity interest in LYCHMNS. Consequently, LYCHMNS 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. ("LYCD&A") for a total cash consideration of RM1,000, representing 100% equity interest in LYCD&A. Consequently, LYCD&A 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. ("LYCD&A") 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.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (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.

#### (c) Acquisition of subsidiaries

##### 2024

On 30 June 2023, LYCD&A acquired 55% of equity interest in the shares of Elite Dental Team Sdn. Bhd. ("EDT"). EDT is involved in the provision of consultancy services and dental treatments.

On 4 October 2023, LYCHM acquired 75% of equity interest in the shares of Nutrogreen Health Industries Sdn. Bhd. ("NHI") and LYCHMNS entered into a business sale agreement to acquire Kitta Enterprise ("KITTA"). NHI and Kitta are involved in the trading and manufacturing in all kinds of food products and food supplement products that mainly targets the nutraceutical segment.

On 31 October 2023, LYCN acquired 100% of equity interest in the shares of Clinical Nutrition Intl (M) Sdn. Bhd. ("CNI"). CNI is involved in supply of nutraceutical ingredients.

#### (i) Provisional fair value of consideration transferred:

	EDT	CNI	NHI	KITTA	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash consideration	4,862	3,200	525	600	9,187
Ordinary shares	-	-	-	400	400
	4,862	3,200	525	1,000	9,587

As part of the share sale agreement, the vendors of EDT 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 RM1,250,000 per financial year. Contingent consideration asset was recognised amounting to RM638,000 as the directors believe that the guaranteed profit is not achievable.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (c) Acquisition of subsidiaries (Continued)

##### 2024 (Continued)

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

	EDT RM'000	CNI RM'000	NHI RM'000	KITTA RM'000	Total RM'000
<b>Assets</b>					
Property and equipment (Note 5)	8,193	-	6	108	8,307
Right-of-use assets (Note 6)	1,217	-	79	-	1,296
Intangible assets (Note 8)	-	2,000	-	-	2,000
Deferred tax assets	2	-	-	-	2
Current tax assets	187	8	41	-	236
Trade and other receivables	2,266	37	96	74	2,473
Cash and cash equivalents	1,519	714	187	28	2,448
<b>Total assets</b>	<b>13,384</b>	<b>2,759</b>	<b>409</b>	<b>210</b>	<b>16,762</b>
<b>Liabilities</b>					
Deferred tax liabilities	269	240	-	-	509
Provision	688	-	-	-	688
Lease liabilities	1,041	-	82	-	1,123
Loans and borrowings	3,051	-	-	-	3,051
Amount due to director	1,599	-	-	-	1,599
Amount due to holding company	-	598	-	-	598
Current tax liabilities	63	-	-	-	63
Trade and other payables	5,347	800	4	66	6,217
<b>Total liabilities</b>	<b>12,058</b>	<b>1,638</b>	<b>86</b>	<b>66</b>	<b>13,848</b>
<b>Total identifiable net assets acquired</b>					
	1,326	1,121	323	144	2,914
Goodwill arising on acquisition (Note 8)	4,072	2,079	283	856	7,290
Non-controlling interest	(536)	-	(81)	-	(617)
Provisional fair value of consideration transferred	4,862	3,200	525	1,000	9,587

The purchase price allocation for acquisitions is provisional and adjustments will be made, if any, upon completion of the purchase price allocations within the measurement period of up to 12 months after the acquisition date.

#### 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 RM70,900, which were recognised in profit or loss as administrative expenses.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (c) Acquisition of subsidiaries (Continued)

##### 2024 (Continued)

##### (iii) Effects of acquisitions on cash flows:

	EDT	CNI	NHI	KITTA	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Provisional fair value of consideration transferred	4,862	3,200	525	1,000	9,587
Less: Non-cash consideration					
- Ordinary shares	-	-	-	(400)	(400)
Consideration paid in cash	4,862	3,200	525	600	9,187
Less: Cash and cash equivalents of subsidiaries acquired	(1,519)	(714)	(187)	(28)	(2,448)
Net cash outflows on acquisitions	3,343	2,486	338	572	6,739

##### (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:

	EDT	CNI	NHI	KITTA
	RM'000	RM'000	RM'000	RM'000
Revenue	16,092	356	100	301
Loss for the financial year	(367)	(7)	(67)	(44)

If the acquisition had occurred on 1 April 2023, the consolidated results for the financial year ended 31 March 2024 would have been as follows:

	RM'000
Revenue	136,317
Loss for the financial year	(15,194)

On 2 January 2024, LYCM&C acquired the remaining 49% equity interest in LYC Mother & Child (SG) Sdn. Bhd. (formerly known as LYC SOG Mother & Child Sdn. Bhd.) ("LYCSG") for a total purchase consideration of RM4,500,000. Consequently, LYCSG became a wholly-owned subsidiary of LYCM&C.

The purchase consideration of RM4,500,000 for the acquisition of 49% in LYCSG is satisfied in cash via 15 monthly instalments in the amount of RM300,000 starting from 10 January 2024.





## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (c) Acquisition of subsidiaries (Continued)

##### 2024 (Continued)

##### (i) Provisional fair value of consideration transferred/payable:

	<b>LYCSG RM'000</b>
Cash consideration	4,500

##### (ii) Provisional fair values of identifiable assets acquired and liabilities recognised:

	<b>LYCSG RM'000</b>
<b>Assets</b>	
Property and equipment (Note 5)	10,301
Right-of-use assets (Note 6)	13,187
Inventories	133
Trade and other receivables	651
Cash and cash equivalents	383
<b>Total assets</b>	<b>24,655</b>
<b>Liabilities</b>	
Provisions	164
Lease liabilities	13,965
Loans and borrowings	40
Trade and other payables	2,845
<b>Total liabilities</b>	<b>17,014</b>
<b>Total identifiable net assets acquired</b>	<b>7,641</b>
Fair value of previously held equity interests in joint venture	(4,689)
Goodwill arising on acquisition (Note 8)	1,548
Provisional fair value of consideration transferred/payable	4,500

The purchase price allocation for acquisitions is provisional and adjustments will be made, if any, upon completion of the purchase price allocations within the measurement period of up to 12 months after the acquisition date.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (c) Acquisition of subsidiaries (Continued)

##### 2024 (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 RM2,000, which were recognised in profit or loss as administrative expenses.

- (iii) Gain on remeasurement:

	<b>LYCSG RM'000</b>
Fair value of previously held equity interests in joint venture	4,689
Less: Carrying amount immediately before acquisition date	(3,893)
Gain on remeasurement of previously held interest in joint venture	<u>796</u>

- (iv) Effects of acquisitions on cash flows:

	<b>LYCSG RM'000</b>
Consideration paid/payable in cash	4,500
Less: Cash and cash equivalents of subsidiaries acquired	(383)
Net cash outflows on acquisitions	<u>4,117</u>

- (v) Effects of acquisition in statements of comprehensive income are as follows:

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

	<b>LYCSG RM'000</b>
Revenue	620
Loss for the financial year	<u>(454)</u>

If the acquisition had occurred on 1 April 2023, the consolidated results for the financial year ended 31 March 2024 would have been as follows:

	<b>RM'000</b>
Revenue	134,133
Loss for the financial year	<u>(17,268)</u>



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (c) Acquisition of subsidiaries (Continued)

##### 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.

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.

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	KLD	KLDC	KLDK	LYCCFC	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	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.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (c) Acquisition of subsidiaries (Continued)

##### 2023 (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
<b>Assets</b>						
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
<b>Total assets</b>	<b>1,882</b>	<b>888</b>	<b>372</b>	<b>1,406</b>	<b>-</b>	<b>4,548</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>1,662</b>	<b>945</b>	<b>392</b>	<b>1,407</b>	<b>43</b>	<b>4,449</b>
<b>Total identifiable net assets acquired</b>	<b>220</b>	<b>(57)</b>	<b>(20)</b>	<b>(1)</b>	<b>(43)</b>	<b>99</b>
Goodwill arising on acquisition (Note 8)	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.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (c) Acquisition of subsidiaries (Continued)

##### 2023 (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)

#### (d) Disposal of subsidiaries

##### 2024

On 1 March 2024, EDT disposed of its 60% equity investment in Elite Dental Team (Shah Alam) Sdn. Bhd. for a total consideration of RM50,000.

##### 2023

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.



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (d) Acquisition of subsidiaries (Continued)

##### 2023 (Continued)

	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)

#### (e) Acquisition of non-controlling interest

##### 2024

On 1 November 2023, LYCN acquired the remaining 30% equity interest in Microbiome Intl (M) Sdn. Bhd. ("MI") for a total consideration of RM120,000. Consequently, MI became wholly-owned subsidiary of LYCN.

##### 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



# Notes to the Financial Statements

## 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (f) Changes in ownership interest

#### 2024

On 15 July 2022, LYCHMNS had entered into a business sale agreement with Wong See Kit and Wong Looi Cheng for the acquisition of Kitta. The purchase consideration for the acquisition of Kitta is satisfied by way of:

- (i) cash of RM600,000; and
- (ii) the allotment and issuance of 400,000 ordinary shares in LYCHMNS.

Consequently, LYCHMNS became 60% owned subsidiary of the Company.

The transfer was completed on 4 October 2023.

The consideration received are as follows:

	<b>LYCHMNS RM'000</b>
Ordinary shares	400
Less: Carrying value of shares sold	(32)
Excess charged directly to equity	<u>368</u>

On 3 May 2023, LYCD&A acquired 55% of equity interest in the shares of Elite Dental Team Sdn. Bhd. ("EDT") and the shares sale agreement ("SSA") stated that there will be restructuring of ownership of Elite Dental Team (Sri Bintang) Sdn. Bhd. ("EDTSB") from 100% to 60%. As a result of the acquisition, EDTSB transferred EDT's 40% equity interest in EDTSB to director of EDT and third parties for a total consideration of RM40.

Consequently, EDTSB became 60% owned subsidiary of EDT.

	<b>EDTSB RM'000</b>
Cash consideration	*
Less: Carrying value of shares sold	(113)
Excess charged directly to equity	<u>(113)</u>

\* Represents RM40.

## Notes to the Financial Statements

### 9. 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:

	<b>LYCMS RM'000</b>
Cash consideration	12,114
Redemption of RPS	30,000
Less: Carrying value of shares sold	(15,016)
Excess charged directly to equity	<u>27,098</u>

#### (h) Non-controlling interest in subsidiaries

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

	<b>LYCMS RM'000</b>	<b>T&amp;T RM'000</b>	<b>HCOS RM'000</b>	<b>AQ RM'000</b>	<b>EDT RM'000</b>	<b>Other individually immaterial subsidiary companies RM'000</b>	<b>Total RM'000</b>
<b>2024</b>							
<b>NCI percentage of ownership interest and voting interest</b>	35.50%	35.50%	35.50%	54.85%	45.00%		
Carrying amount of NCI	22,424	1,152	1,541	12,588	418	434	38,557
(Loss)/Profit allocated to NCI	(1,311)	592	1,694	4,231	(155)	(795)	4,256
Total other comprehensive (loss)/income allocated to NCI	(2,014)	1,640	2,823	4,231	(155)	(790)	5,735





## Notes to the Financial Statements

### 9. 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	AQ RM'000	Other individually immaterial subsidiary companies RM'000	Total RM'000
<b>2023</b>						
<b>NCI percentage of ownership interest and voting interest</b>	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



## Notes to the Financial Statements

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (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	EDT RM'000
<b>Summarised statements of financial position as at 31 March 2024</b>					
Non-current assets	67,883	10,979	1,474	13,327	8,850
Current assets	841	3,337	9,280	17,088	4,367
Non-current liabilities	(153)	(4,599)	(604)	(3,806)	(2,730)
Current liabilities	(5,405)	(6,472)	(5,810)	(3,660)	(9,559)
Net assets	63,166	3,245	4,340	22,949	928
<b>Summarised statements of comprehensive income for the financial year ended 31 March 2024</b>					
Revenue	-	18,781	30,980	36,745	16,093
(Loss)/Profit for the financial year	(3,694)	1,669	4,772	7,713	(345)
Total comprehensive (loss)/income	(5,673)	4,620	7,952	7,713	(345)
<b>Summarised cash flows information for the financial year ended 31 March 2024</b>					
Cash flows (used in)/from operating activities	(2,408)	4,251	5,830	7,322	2,281
Cash flows used in investing activities	(7)	(1,501)	(7,775)	(6,196)	39
Cash flows from/(used in) financing activities	3,347	(4,311)	(511)	(2,522)	(2,499)
Net increase/(decrease) in cash and cash equivalents	932	(1,561)	(2,456)	(1,396)	(179)
Dividends paid to NCI	-	-	-	1,800	40



## Notes to the Financial Statements

### 9. 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)

	LYCMS RM'000	T&T RM'000	HCOS RM'000	AQ RM'000
<b>Summarised statements of financial position as at 31 March 2023</b>				
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
<b>Summarised statements of comprehensive income for the financial year ended 31 March 2023</b>				
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
<b>Summarised cash flows information for the financial year ended 31 March 2023</b>				
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

- (j) The shareholders' agreements for LYCMS restrict LYCMS and its 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 RM8,712,630 (2023: RM15,728,681).



## Notes to the Financial Statements

### 10. INVESTMENT IN AN ASSOCIATE

	Group	
	2024	2023
	RM'000	RM'000
Unquoted shares	300	300
Loans that are part of net investments	900	900
Share of post acquisition results	(388)	(265)
	812	935

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
		2024	2023	
		%	%	
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 2024 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.



## Notes to the Financial Statements

### 11. INVESTMENT IN JOINT VENTURES

	Group	
	2024 RM'000	2023 RM'000
Unquoted shares	7,650	7,650
Share of post-acquisition reserves	(3,757)	(2,478)
Derecognised	(3,893)	-
	-	5,172

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 ventures	Principal place of business/ Country of incorporation	Ownership interest and voting interest		Principal activities
		2024	2023	
		%	%	
<b>Held by LYCM&amp;C</b>				
LYC Mother & Child (SG) Sdn. Bhd. (formerly known as LYC SOG Mother & Child Sdn. Bhd. ("LYCSG"))	Malaysia	- **	51	Provision of confinement care services which is strategic to the Group's healthcare services.
<b>Held through LYCSG</b>				
LYC Mother & Child (Singapore) Pte. Ltd. (formerly known as LYC SOG Marketing Pte. Ltd.) ("LYCMCSG")*	Singapore	- **	100	Provision of management consultancy services.

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

\*\* On 2 January 2024, LYCM&C acquired the remaining 49% equity interest in LYCSG for a total cash consideration of RM4,500,000. Consequently, LYCSG became wholly-owned subsidiary of LYCM&C.



## Notes to the Financial Statements

### 11. 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 follows:

	<b>LYCSG 2023 RM'000</b>
<b>Assets and liabilities</b>	
Non-current assets	24,866
Current assets	963
Non-current liabilities	(14,125)
Current liabilities	(1,561)
Net assets	<u>10,143</u>
<b>Included in assets and liabilities are:</b>	
Cash and cash equivalents	214
Non-current financial liabilities (excluding trade and other payables)	(14,125)
Current financial liabilities (excluding trade and other payables)	<u>(447)</u>
<b>Results</b>	
Loss for the financial year	(4,196)
Other comprehensive income	4
Total comprehensive loss	<u>(4,192)</u>
<b>Included in total comprehensive loss are:</b>	
Revenue	1,678
Depreciation	(1,440)
Interest expense	<u>(701)</u>



## Notes to the Financial Statements

### 11. INVESTMENT IN JOINT VENTURES (CONTINUED)

#### (a) Summarised financial information of material joint ventures (Continued)

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 follows:

	LYCSG	
	2024 RM'000	2023 RM'000
<b>Reconciliation of net assets to carrying amount:</b>		
Share of net assets at acquisition date, at book value	7,650	7,650
Fair value adjustments	-	-
Cost of investment	7,650	7,650
Share of post-acquisition profits	(3,757)	(2,478)
Derecognised	(3,893)	-
Carrying amount in the statements of financial position	-	5,172
<b>Group's share of results</b>		
Group share of loss	(1,279)	(2,140)
Group share of other comprehensive income	7	2
Group share of total comprehensive loss	(1,272)	(2,138)

(b) The shareholders' agreements for LYCSG 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.

### 12. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
Computer and electronics parts	93	268
Nutraceutical supplements and ingredients	8,245	6,185
Healthcare supplies	1,803	1,328
	10,141	7,781
Recognised in profit and loss:		
Write-down to net realisable value	121	188
Reversal of write-down of inventories	(86)	(28)

During the financial year ended 31 March 2024, the amounts of inventories recognised as an expense in the cost of sales of the Group were RM39,518,000 (2023: RM30,055,000).



## Notes to the Financial Statements

### 13. TRADE AND OTHER RECEIVABLES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade</b>		
External parties	10,763	8,688
Related party	900	1,100
Less: Allowance for impairment losses	(325)	(311)
	11,338	9,477
<b>Non-trade</b>		
Other receivables	2,198	300
Related party	574	-
Less: Allowance for impairment losses	(139)	(139)
	2,633	161
Deposits	8,855	6,187
Prepayments	3,517	1,544
GST refundable	130	74
Advance payment to suppliers	89	149
	15,224	8,115
Total other receivables	15,224	8,115
Total trade and other receivables	26,562	17,592
<b>Company</b>		
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Other receivables</b>		
Other receivables	4	88
Deposits	2	2
Prepayments	34	16
	40	106
Total other receivables	40	106

#### (a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 7 to 90 days (2023: 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 2025 and is guaranteed by the director of the related party.





## Notes to the Financial Statements

### 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	
	2024 RM'000	2023 RM'000
At 1 April 2023/2022	311	201
Impairment loss during the financial year (Note 28)		
- Individually assessed	12	51
- Collectively assessed	8	50
Reversal	(16)	-
Exchange differences	10	9
At 31 March	325	311

The information about the credit exposures are disclosed in Note 34(b)(i).

#### (b) Other receivables

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 2025 and is guaranteed by the director of the related party.

Included in other receivables are amounts of RM638,000 (2023: nil) being contingent consideration asset recognised in relation to the acquisition of Elite Dental Team Sdn. Bhd.

##### Other receivables that are impaired

The movement in the allowance for impairment losses of other receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 April 2023/2022	139	14
Impairment loss during the financial year (Note 28)	-	125
At 31 March	139	139



## Notes to the Financial Statements

### 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (c) Deposits

Included in deposits of the Group are:

- (i) amounts of RM3,625,980 (2023: RM2,370,450) being rental, utilities and security deposits paid for rented properties;
- (ii) amounts of RM2,722,105 (2023: RM450,000) being advance payment for the purchase of property and equipment;
- (iii) amounts of RM nil (2023: 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.; and
- (iv) amounts of RM300,000 being deposit made for the acquisition of Kee Vee Dental Laboratory Sdn. Bhd. as disclosed in Note 37.

### 14. AMOUNT DUE FROM/(TO) SUBSIDIARIES AND JOINT VENTURES

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Amount due from subsidiaries		
- Trade	7,040	3,945
- Non-trade	21,529	15,514
Less: Allowance for impairment losses	(5,576)	(3,873)
	22,993	15,586

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:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 April 2023/2022	3,873	4,223
Impairment loss during the financial year (Note 28)	1,703	791
Reversal of impairment loss (Note 28)	-	(1,141)
At 31 March	5,576	3,873



## Notes to the Financial Statements

### 15. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024	2023
	RM'000	RM'000
<b>Contract assets relating to:</b>		
- Medical services	122	204
<b>Total contract assets</b>	122	204
<b>Contract liabilities relating to:</b>		
- Confinement services	(3,823)	(1,985)
- Cosmetic services	(566)	(49)
- Other services	(24)	(15)
- Sales of goods	(2,461)	(937)
<b>Total contract liabilities</b>	(6,874)	(2,986)

#### Significant changes in contract balances

	Group			
	2024		2023	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000
Revenue recognised that was included in contract liabilities at beginning of the financial year	-	2,986	-	2,811
Increase due to cash received in advance, excluding amounts recognised as revenue during the financial year	-	(6,874)	-	(2,986)
Increase due to revenue recognised for unbilled goods or services transferred to customers	122	-	204	-
Transfer from contract assets recognised at the beginning of the period to receivables	(204)	-	(100)	-
	(204)	-	(100)	-



## Notes to the Financial Statements

### 16. CASH AND SHORT-TERM DEPOSITS

	2024	2023
	RM'000	RM'000
<b>Group</b>		
Cash and bank balances	12,985	21,366
Deposits placed with a licensed bank	11,720	18,838
	<u>24,705</u>	<u>40,204</u>
Less: Bank overdrafts (Note 19)	(9,956)	-
Less: Non-short term deposits	(10,575)	(551)
	<u>4,174</u>	<u>39,653</u>
<b>Company</b>		
Bank balances	614	106

The deposits with a licensed bank of the Group bear effective interest at rates ranging from 2.50% to 3.10% (2023: 2.30% to 2.75%) per annum with maturity period ranging from 30 days to 12 months (2023: 7 days to 12 months).

Included in the deposits placed with a licensed bank of the Group with amounts of RM10,000,000 (2023: nil) is pledged for bank overdraft facilities granted to a subsidiary as disclosed in Note 19.

### 17. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares Unit'000	RM'000	Number of shares Unit'000	RM'000
<b>Ordinary shares</b>				
Issued and fully paid: (no par value)				
At the beginning of the financial year	649,978	90,558	464,525	57,580
Issued during the year	64,968	10,885	185,453	33,365
Transaction costs of shares issued	-	-	-	(387)
At the end of the financial year	<u>714,946</u>	<u>101,443</u>	<u>649,978</u>	<u>90,558</u>

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 64,968,000 new ordinary shares pursuant to private placements at issue price ranging from RM0.155 each to RM0.197 each mainly for the purpose of 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.



## Notes to the Financial Statements

### 18. OTHER RESERVES

	Translation reserve RM'000	Revaluation reserve RM'000	Total RM'000
<b>Group</b>			
<b>At 1 April 2022</b>	772	428	1,200
<b>Other comprehensive income:</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations	3,168	-	3,168
<b>At 31 March 2023</b>	3,940	428	4,368
<b>Other comprehensive income:</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations	405	-	405
<b>At 31 March 2024</b>	4,345	428	4,773

(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.



## Notes to the Financial Statements

### 19. LOANS AND BORROWINGS

	Group	
	2024	2023
	RM'000	RM'000
<b>Secured:</b>		
<b>Non-current</b>		
Term loans	3,699	303
Redeemable preference shares	14,820	55,470
Hire purchase payables	3,119	1,346
	<hr/>	<hr/>
	21,638	57,119
<b>Current</b>		
Bank overdraft	9,956	-
Term loans	674	200
Redeemable preference shares	41,430	-
Hire purchase payables	2,137	657
	<hr/>	<hr/>
	54,197	857
	<hr/>	<hr/>
	75,835	57,976
<b>Total loans and borrowings</b>		
Bank overdraft	9,956	-
Term loans	4,373	503
Redeemable preference shares	56,250	55,470
Hire purchase payables	5,256	2,003
	<hr/>	<hr/>
	75,835	57,976
	<hr/>	<hr/>

#### (a) Bank overdraft

Bank overdraft bears interest of 4.60% (2023: nil) per annum and are secured by a pledge of fixed deposits.

#### (b) Term loans

The term loans bear interest at rates ranging from 3.90% to 6.40% (2023: 5.15% 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");
- (iii) letter of guarantee from Credit Guarantee Corporation Malaysia Berhad ("CGC");
- (iv) joint and several guarantee by the directors;
- (v) personal guarantee by a director of a subsidiary; and
- (vi) freehold land and buildings of a subsidiary (Note 5).



## Notes to the Financial Statements

### 19. LOANS AND BORROWINGS (CONTINUED)

#### (b) Term loans (Continued)

The repayment terms of the term loans are as follows:

	Group	
	2024 RM'000	2023 RM'000
Within the next twelve months	674	200
After the next twelve months		
- not later than two years	751	200
- later than two years but not later than five years	2,948	103
	<hr/>	<hr/>
	3,699	303
Total term loans	<hr/>	<hr/>
	4,373	503

#### (c) Redeemable preference shares ("RPS")

	Group	
	2024 RM'000	2023 RM'000
Redeemable preference shares	57,000	57,000
Less: Transaction costs	(750)	(1,530)
	<hr/>	<hr/>
	56,250	55,470

#### 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.



## Notes to the Financial Statements

### 19. LOANS AND BORROWINGS (CONTINUED)

#### (c) Redeemable preference shares ("RPS") (Continued)

##### Redeemable preferences shares 1 (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 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.





## Notes to the Financial Statements

### 19. LOANS AND BORROWINGS (CONTINUED)

#### (c) Redeemable preference shares ("RPS") (Continued)

##### Redeemable preferences shares 1 (Continued)

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.

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.



## Notes to the Financial Statements

### 19. LOANS AND BORROWINGS (CONTINUED)

#### (c) Redeemable preference shares ("RPS") (Continued)

##### Redeemable preferences shares 2 (Continued)

The salient features of the RPS are as follows: (Continued)

- (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.



## Notes to the Financial Statements

### 19. LOANS AND BORROWINGS (CONTINUED)

#### (d) Hire purchase payables

Future minimum hire purchase payments together with the present value of net minimum hire purchase payments are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Minimum hire purchase payments		
Not later than one year	2,390	752
Later than one year and not later than five years	3,318	1,472
	5,708	2,224
Less: Future finance charges	(453)	(221)
Present value of minimum payments	5,255	2,003
<b>Present value of minimum hire purchase payments:</b>		
Not later than one year	2,137	657
Later than one year and not later than five years	3,119	1,346
	5,256	2,003
Less: Amount due within 12 months	(2,137)	(657)
Amount due after 12 months	3,119	1,346

### 20. LEASE LIABILITIES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Lease liabilities	36,903	37,899
<b>Current</b>		
Lease liabilities	8,893	7,446
	45,796	45,345



## Notes to the Financial Statements

### 20. LEASE LIABILITIES (CONTINUED)

The weighted average incremental borrowing rate applied to the other lease liabilities was 5.42% (2023: 4.76%) per annum.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Minimum finance lease payments		
- not later than one year	10,873	9,395
- later than one year but not later than five years	27,973	35,597
- later than five years	17,357	7,183
	56,203	52,175
Less: Future interest charges	(10,407)	(6,830)
Present value of lease liabilities	45,796	45,345
Represented by:		
Current		
- not later than one year	8,893	7,446
Non-current		
- later than one year but not later than five years	23,023	31,023
- later than five years	13,880	6,876
	45,796	45,345

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. AMOUNT DUE TO NON-CONTROLLING SHAREHOLDER/DIRECTOR OF SUBSIDIARIES

The amount due to non-controlling shareholder/director of subsidiaries is non-trade in nature, unsecured, interest free, expected to be repaid on demand (2023: 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.



## Notes to the Financial Statements

### 22. PROVISIONS

	Restoration costs RM'000	Unutilised annual leave RM'000	Total RM'000
<b>Group</b>			
At 1 April 2022	1,250	348	1,598
Additions	113	91	204
Acquisition of subsidiaries (Note 9)	41	-	41
Reversal during the financial year	-	(173)	(173)
Unwinding of discount on provision for restoration cost (Note 27)	49	-	49
Exchange differences	26	22	48
At 31 March 2023	1,479	288	1,767
Additions	255	84	339
Acquisition of subsidiaries (Note 9)	852	-	852
Reversal during the financial year	(667)	(43)	(710)
Unwinding of discount on provision for restoration cost (Note 27)	70	-	70
Exchange differences	22	16	38
At 31 March 2024	2,011	345	2,356
<b>At 31 March 2024</b>			
Non-current	2,011	-	2,011
Current	-	345	345
	2,011	345	2,356
<b>At 31 March 2023</b>			
Non-current	1,479	-	1,479
Current	-	288	288
	1,479	288	1,767



## Notes to the Financial Statements

### 23. DEFERRED TAX ASSETS/(LIABILITIES)

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 April 2023/2022	(450)	(497)
Recognised in profit or loss (Note 29)	(403)	123
Acquisition of subsidiaries (Note 9)	(507)	(82)
Exchange differences	32	6
At 31 March	<u>(1,328)</u>	<u>(450)</u>

Presented after appropriate offsetting as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets	41	124
Deferred tax liabilities	(1,369)	(574)
	<u>(1,328)</u>	<u>(450)</u>

The estimated deferred tax assets and liabilities of the Group arising from temporary differences recognised in the financial statements are as follows:

	<b>Property and Right-of-use equipment</b>		<b>Intangible assets</b>	<b>Contract liabilities</b>	<b>Surplus on revaluation of land and buildings</b>		<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>			<b>RM'000</b>	<b>RM'000</b>	
<b>Group</b>							
At 1 April 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	<u>(1,877)</u>	<u>1,205</u>	<u>-</u>	<u>354</u>	<u>(132)</u>	<u>-</u>	<u>(450)</u>
Recognised in profit or loss	(597)	194	-	-	-	-	(403)
Acquisition of subsidiaries	(267)	-	(240)	-	-	-	(507)
Exchange differences	32	-	-	-	-	-	32
At 31 March 2024	<u>(2,709)</u>	<u>1,399</u>	<u>(240)</u>	<u>354</u>	<u>(132)</u>	<u>-</u>	<u>(1,328)</u>



## Notes to the Financial Statements

### 23. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deductible temporary differences in respect of expenses	899	784	-	-
Difference between carrying amounts of property and equipment and their tax base	271	306	-	-
Right-of-use assets	1,516	372	-	-
Unabsorbed capital allowances	11,195	10,353	-	-
Unutilised tax losses	51,788	42,412	708	705
	<b>65,669</b>	<b>54,227</b>	<b>708</b>	<b>705</b>
Potential deferred tax assets at 24% (2023: 24%)	15,761	13,014	170	169

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		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
2028	9,001	9,001	-	-
2029	3,940	3,940	-	-
2030	5,179	5,179	163	163
2031	6,517	6,517	166	166
2032	9,633	9,633	184	184
2033	8,230	8,086	192	192
2034	9,233	-	3	-
	<b>51,733</b>	<b>42,356</b>	<b>708</b>	<b>705</b>



## Notes to the Financial Statements

### 24. TRADE AND OTHER PAYABLES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade payables</b>		
Trade payables	8,639	5,131
	<hr/>	<hr/>
<b>Other payables</b>		
Other payables	9,342	2,709
Deposits	196	146
Accruals	8,216	4,817
GST payables	514	470
	<hr/>	<hr/>
	18,268	8,142
	<hr/>	<hr/>
Total trade and other payables	26,907	13,273
	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Other payables</b>		
Other payables	54	95
Accruals	424	201
	<hr/>	<hr/>
Total other payables	478	296
	<hr/>	<hr/>

(a) **Trade payables**

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranges from 30 to 90 days (2023: 30 to 90 days).

(b) **Other payables**

Included in other payables are:

- (i) an amount of RM694,368 (2023: RM552,959) in respect of the renovation costs owing to contractors;
- (ii) an amount of RM1,504,872 (2023: nil) due to companies in which the non-controlling shareholder/directors of the subsidiaries have interest; and
- (iii) an amount of RM3,900,765 (2023: nil) in respect of the purchase consideration for the acquisition of remaining 49% equity interest in LYCSG.

(c) **Accruals**

Included in accruals are:

- (i) an amount of RM75,200 (2023: RM277,762) in respect of the renovation costs; and
- (ii) an amount of RM932,271 (2023: RM2,025,000) in respect of accrued interest on redeemable preference shares.





## Notes to the Financial Statements

### 25. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from contract customers:</b>				
Sales of goods	39,684	35,205	-	-
Rendering of services	90,506	57,077	4,517	3,794
	<u>130,190</u>	<u>92,282</u>	<u>4,517</u>	<u>3,794</u>

#### (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	Computing and Electronic Services		Others	Total
		RM'000	RM'000		
<b>Group</b>					
<b>2024</b>					
<b>Major goods or services</b>					
Computing products	-	2,924	-	-	2,924
Confinement services	15,721	-	-	-	15,721
Child daycare services	562	-	-	-	562
Electronic and security products	-	-	10	-	10
Medical services	52,963	-	-	-	52,963
Nutraceutical supplements and ingredients	36,610	-	-	-	36,610
Dental services	21,128	-	-	-	21,128
Management and consultation	-	-	272	-	272
	<u>126,984</u>	<u>2,924</u>	<u>282</u>	<u>272</u>	<u>130,190</u>





## Notes to the Financial Statements

### 26. COST OF SALES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Cost of goods	39,796	31,934
Cost of services	21,720	18,767
	61,516	50,701

### 27. FINANCE COSTS, NET

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	393	260
Interest expenses on:		
- lease liabilities	(2,115)	(2,009)
- hire purchase	(241)	(42)
- bank overdraft	(287)	-
- term loan	(177)	(33)
- redeemable preference shares	(6,379)	(9,138)
Unwinding of discount on provision for restoration cost	(70)	(49)
	(9,269)	(11,271)
	(8,876)	(11,011)



## Notes to the Financial Statements

### 28. 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration - statutory audit:				
- Baker Tilly Monteiro Heng PLT	521	304	133	104
- Member firms of Baker Tilly International	381	103	-	-
Other services: *				
- Baker Tilly Monteiro Heng PLT	36	81	6	6
- Member firms of Baker Tilly International	43	398	-	129
Amortisation of intangible assets	44	-	-	-
Bad debts written off	-	3	-	-
Deposit written off	7	9	-	-
Depreciation of investment properties	12	-	-	-
Depreciation of property and equipment	6,788	3,224	1	-
Depreciation of right-of-use assets	8,547	6,013	-	-
Directors' remuneration				
- fees	344	288	344	288
- salaries and other emoluments	1,042	992	1,042	992
- Employees Provident Fund	121	-	121	-
Subsidiaries' directors' remuneration				
- fees	718	2	-	-
- emoluments	9,472	7,182	-	-
Expenses relating to:				
- low value leases	63	39	-	-
- short term leases	1,136	604	-	-
Impairment losses on:				
- property and equipment	290	361	-	-
- right-of-use assets	530	658	-	-
- investment in subsidiaries	-	-	12,500	15,225
- amount due from subsidiaries	-	-	1,703	791
- trade and other receivables	20	226	-	-
- goodwill on business combination	-	43	-	-
Inventories written down	121	188	-	-
Gain on foreign exchange				
- realised	(99)	(79)	-	(2)
- unrealised	(4)	(21)	(21)	-
Property and equipment written off	74	41	-	-
Loss/(Gain) on disposal of:				
- investment in subsidiaries	7	-	-	882
- property and equipment	(138)	-	-	-
Loss on termination of lease	184	-	-	-
Gain on modification of lease	(1,273)	-	-	-
Gain on remeasurement of previously held interest in joint venture	(796)	-	-	-
Government wage subsidies	(287)	(254)	-	-
Rental income	(572)	(303)	-	-



## Notes to the Financial Statements

### 28. 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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Reversal of impairment losses on:				
- amount due from subsidiaries	-	-	-	(1,141)
- right-of-use assets	(5)	-	-	-
- trade and other receivables	(16)	-	-	-
Gain on settlement of contingent consideration	(1,836)	-	-	-
Bad debts recovered	-	(4)	-	-
Reversal of inventories written down	(86)	(28)	-	-
Staffs costs				
- Employees Provident Fund	2,383	1,553	273	236
- wages, salaries and others	29,381	14,017	2,409	2,043
Waiver of debts	(419)	(71)	-	-

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

### 29. INCOME TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Current tax expense:</b>				
Malaysian income tax:				
- current financial year	2,683	2,051	-	-
- over provision in prior financial year	(122)	(67)	-	-
Overseas income tax:				
- current financial year	1,017	1,283	-	-
- under/(over) provision in prior financial year	96	(213)	-	-
	3,674	3,054	-	-
<b>Deferred tax (Note 23):</b>				
- Origination/(Reversal) of temporary differences	330	(33)	-	-
- Under/(Over) provision in prior financial year	73	(90)	-	-
	403	(123)	-	-
Income tax expense	4,077	2,931	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) whilst the foreign entities in Singapore are subject to statutory income tax rate of 17% (2023: 17%) of the estimated taxable profit for the financial year.



## Notes to the Financial Statements

### 29. 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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss before tax	(10,827)	(11,864)	(15,178)	(17,534)
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	(2,598)	(2,847)	(3,643)	(4,208)
Lower tax rates in foreign jurisdiction	(278)	(358)	-	-
Adjustments:				
- non-deductible expenses	4,390	4,513	3,642	4,211
- non-taxable income	(75)	-	-	-
- tax exemptions	(60)	(113)	-	-
Utilisation of previously unrecognised deferred tax assets	(13)	(54)	-	(3)
Deferred tax assets not recognised	2,760	2,160	1	-
(Over)/Under provision in prior financial years:				
- current tax	(122)	(280)	-	-
- deferred tax	73	(90)	-	-
Income tax expense	4,077	2,931	-	-

### 30. 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	
	2024 RM'000	2023 RM'000
Loss for the financial year attributable to owners of the Company	(19,160)	(19,187)
Weighted average number of ordinary shares:		
Number of shares in issue as of 1 April 2023/2022	649,978	464,525
Effect of issuance of ordinary shares pursuant to placements	8,805	85,941
Weighted average number of ordinary shares in issue at 31 March	658,783	550,466
Basic loss per share for the financial year (sen)	(2.90)	(3.48)



## Notes to the Financial Statements

### 30. 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 2024 and 31 March 2023.

### 31. 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.



# Notes to the Financial Statements

## 31. SEGMENTS INFORMATION (CONTINUED)

### (b) Measurement of reportable segments (Continued)

The Group is organised into three major business segments:

<b>Segments</b>	<b>Products and services</b>
i. Healthcare Services	- Provision of mother and child care related services such as postnatal and postpartum care, post-delivery confinement care, and aesthetics, provision of healthcare related services, provision of cosmetics related services and medical aesthetic treatment, provision of child 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.





# Notes to the Financial Statements

## 31. SEGMENTS INFORMATION (CONTINUED)

### (c) Business segments

	Healthcare Services		Computing and Electronic Services		Others		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	126,984	88,468	2,924	3,802	282	12	-	-	130,190	92,282
Inter-segment revenue	3,519	931	128	11	4,761	2,241	(8,408)	(3,183)	-	-
<b>Total segment revenue</b>	<b>130,503</b>	<b>89,399</b>	<b>3,052</b>	<b>3,813</b>	<b>5,043</b>	<b>2,253</b>	<b>(8,408)</b>	<b>(3,183)</b>	<b>130,190</b>	<b>92,282</b>
<b>Segment results</b>	<b>12,940</b>	<b>13,621</b>	<b>(186)</b>	<b>74</b>	<b>(13,303)</b>	<b>(12,319)</b>	<b>-</b>	<b>-</b>	<b>(549)</b>	<b>1,376</b>
Results from operating activities	12,940	13,621	(186)	74	(13,303)	(12,319)	-	-	(549)	1,376
Interest income	144	214	249	42	-	4	-	-	393	260
Finance cost	(8,932)	(11,207)	(287)	-	(50)	(64)	-	-	(9,269)	(11,271)
Share of results of an associate, net of tax	(123)	(89)	-	-	-	-	-	-	(123)	(89)
Share of results of joint ventures, net of tax	(1,279)	(2,140)	-	-	-	-	-	-	(1,279)	(2,140)
<b>Profit/(Loss) before tax</b>	<b>2,750</b>	<b>399</b>	<b>(224)</b>	<b>116</b>	<b>(13,353)</b>	<b>(12,379)</b>	<b>-</b>	<b>-</b>	<b>(10,827)</b>	<b>(11,864)</b>
Income tax expense	(4,077)	(2,900)	-	(31)	-	-	-	-	(4,077)	(2,931)
<b>(Loss)/Profit for the financial year</b>	<b>(1,327)</b>	<b>(2,501)</b>	<b>(224)</b>	<b>85</b>	<b>(13,353)</b>	<b>(12,379)</b>	<b>-</b>	<b>-</b>	<b>(14,904)</b>	<b>(14,795)</b>
<b>Segments assets</b>	<b>460,742</b>	<b>411,448</b>	<b>20,171</b>	<b>10,566</b>	<b>233,785</b>	<b>222,514</b>	<b>(471,849)</b>	<b>(428,792)</b>	<b>242,849</b>	<b>215,736</b>
Unallocated assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>460,742</b>	<b>411,448</b>	<b>20,171</b>	<b>10,566</b>	<b>233,785</b>	<b>222,514</b>	<b>(471,849)</b>	<b>(428,792)</b>	<b>242,849</b>	<b>215,736</b>
<b>Segment liabilities</b>	<b>247,988</b>	<b>211,257</b>	<b>17,275</b>	<b>7,207</b>	<b>61,293</b>	<b>55,580</b>	<b>(161,239)</b>	<b>(138,911)</b>	<b>165,317</b>	<b>135,133</b>
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>247,988</b>	<b>211,257</b>	<b>17,275</b>	<b>7,207</b>	<b>61,293</b>	<b>55,580</b>	<b>(161,239)</b>	<b>(138,911)</b>	<b>165,317</b>	<b>135,133</b>



# Notes to the Financial Statements

31. SEGMENTS INFORMATION (CONTINUED)  
(c) Business segments (Continued)

	Healthcare Services		Computing and Electronic Services		Others		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Capital expenditure	15,615	14,070	1	6	12	1,204	-	-	15,628	15,280
Depreciation of investment properties	12	-	-	-	-	-	-	-	12	-
Depreciation of property and equipment	6,734	3,171	29	29	25	24	-	-	6,788	3,224
Depreciation of right-of-use assets	8,150	5,702	-	-	397	311	-	-	8,547	6,013
<b>Other material non-cash items other than depreciation</b>										
Bad debts written off	-	3	-	-	-	-	-	-	-	3
Gain on disposal of property and equipment	(138)	-	-	-	-	-	-	-	(138)	-
Gain on modification of lease	(1,273)	-	-	-	-	-	-	-	(1,273)	-
Gain on remeasurement of previously held interest in joint venture	(796)	-	-	-	-	-	-	-	(796)	-
Impairment losses on:										
- property and equipment	290	361	-	-	-	-	-	-	290	361
- right-of-use assets	530	658	-	-	-	-	-	-	530	658
- trade and other receivables	20	226	-	-	-	-	-	-	20	226
Inventories written down	23	175	98	13	-	-	-	-	121	188
Loss on termination of lease	184	-	-	-	-	-	-	-	184	-
Property and equipment written off	74	41	-	-	-	-	-	-	74	41
Reversal of impairment losses on:										
- amount due from subsidiaries	-	-	(200)	-	-	(1,141)	200	1,141	-	-
- right-of-use assets	(5)	-	-	-	-	-	-	-	(5)	-
- trade and other receivables	(16)	-	-	-	-	-	-	-	(16)	-
Reversal of inventories written down	-	-	(69)	(9)	(17)	(19)	-	-	(86)	(28)
Waiver of debts	(419)	(71)	-	-	-	-	-	-	(419)	(71)



## Notes to the Financial Statements

### 31. SEGMENTS INFORMATION (CONTINUED)

#### (d) Reconciliation of reportable segment assets and liabilities

	Segment assets	
	2024	2023
	RM'000	RM'000
Total reportable segments	714,698	644,528
Elimination of inter-segment balances	(471,849)	(428,792)
Consolidated total	242,849	215,736

	Segment liabilities	
	2024	2023
	RM'000	RM'000
Total reportable segments	326,556	274,044
Elimination of inter-segment balances	(161,239)	(138,911)
Consolidated total	165,317	135,133

#### (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 2024 and 31 March 2023.

#### (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	Non-current assets
	RM'000	RM'000
<b>2024</b>		
Malaysia	80,276	126,002
Singapore	49,914	54,419
	130,190	180,421
<b>2023</b>		
Malaysia	51,606	84,203
Singapore	40,676	65,062
	92,282	149,265



## Notes to the Financial Statements

### 32. 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:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Transactions with firms which directors are sole proprietor</b>		
Consultation fees	-	(14)
Professional fees	(6)	(24)
<b>Transactions with a director of the subsidiary</b>		
License fee	(24)	(10)
<b>Transactions with a company which a director of the subsidiary has substantial financial interest</b>		
Sales	4	120
Purchases	-	(400)
Royalties/Licensing/Agency fees	-	(38)
	<hr/>	
	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Transactions with subsidiaries</b>		
Management services	4,517	3,794
	<hr/>	



## Notes to the Financial Statements

### 32. 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 13, 14, 21 and 24 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Directors</b>				
Fees	1,062	288	344	288
Salaries, bonuses and allowances	10,514	7,803	1,042	889
Employees Provident Fund	121	371	121	103
	<u>11,697</u>	<u>8,462</u>	<u>1,507</u>	<u>1,280</u>
<b>Other key management personnel</b>				
Fees	-	2	-	-
Salaries, bonuses and allowances	3,240	2,151	783	631
Employees Provident Fund	334	211	93	71
	<u>3,574</u>	<u>2,364</u>	<u>876</u>	<u>702</u>

### 33. 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	
	2024	2023
	RM'000	RM'000
Not later than one year	29	24
Later than one year but not later than five years	66	6
	<u>95</u>	<u>30</u>



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

The table analyses the financial instruments in the statements of financial position by classes of financial instruments to which they are assigned:

##### (i) Amortised cost

Group	Amortised cost RM'000	Total RM'000
<b>2024</b>		
<b>Financial Assets</b>		
Trade and other receivables *	22,826	22,826
Cash and short-term deposits	24,705	24,705
	47,531	47,531
<b>Financial Liabilities</b>		
Loans and borrowings	75,835	75,835
Trade and other payables #	26,393	26,393
Amount due to non-controlling shareholder/director of subsidiaries	4,983	4,983
	107,211	107,211
<b>2023</b>		
<b>Financial Assets</b>		
Trade and other receivables *	15,825	15,825
Amount due from joint ventures	91	91
Cash and short-term deposits	40,204	40,204
	56,120	56,120
<b>Financial Liabilities</b>		
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

\* Exclude prepayments, GST refundable and advance payment to suppliers.

# Exclude GST payables.



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) Classification of financial instruments (Continued)

	Amortised cost RM'000	Total RM'000
<b>Company</b>		
<b>2024</b>		
<b>Financial Assets</b>		
Other receivables *	6	6
Amount due from subsidiaries	22,993	22,993
Cash and short-term deposits	614	614
	23,613	23,613
<b>Financial Liabilities</b>		
Other payables	478	478
Amount due to subsidiaries	1,548	1,548
	2,026	2,026
<b>2023</b>		
<b>Financial Assets</b>		
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
<b>Financial Liabilities</b>		
Other payables	296	296
Amount due to subsidiaries	1,480	1,480
	1,776	1,776

\* Exclude prepayments.

#### (b) Financial risk management

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.



# Notes to the Financial Statements

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (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.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

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 debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.





# Notes to the Financial Statements

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (i) Credit risk (Continued)

##### **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.

##### Credit risk concentration profile

As at the end of the reporting period the Group has significant concentration of credit risk in the form of outstanding balances owing by 18 (2023: 11) customers representing 74% (2023: 64%) 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.



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management (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 →			Net balance RM'000
	Gross carrying amount RM'000	Individual impairment RM'000	Collective impairment RM'000	
<b>Group</b>				
<b>2024</b>				
<b>Contract assets</b>				
Current	122	-	-	122
<b>Trade receivables</b>				
Current	6,497	-	(44)	6,453
1 to 30 days past due	1,531	-	(19)	1,512
31 to 60 days past due	1,330	(1)	(18)	1,311
61 to 120 days past due	729	(2)	(22)	705
More than 121 days past due	1,576	(150)	(69)	1,357
	11,785	(153)	(172)	11,460
<b>2023</b>				
<b>Contract assets</b>				
Current	204	-	-	204
<b>Trade receivables</b>				
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
	9,992	(147)	(164)	9,681



# Notes to the Financial Statements

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (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.

##### 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 RM61,694,000 (2023: RM59,861,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 34(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.

#### (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.



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management (Continued)

##### (ii) Interest rate risk (Continued)

Borrowings at floating rate amounting to RM14,329,000 (2023: RM503,000) 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.

##### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant on the Group's total profit for the financial year.

	Change in basis points	Effect on profit/(loss) for the financial year Increase/(Decrease) RM'000
<b>Group:</b>		
31 March 2024	+ 50	176
	- 50	(176)
31 March 2023	+ 50	13
	- 50	(13)

##### (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.

As at 31 March 2024, the Group's current liabilities exceeded its current assets by RM41.01 million, and the Group had short term borrowings of RM54.20 million. The short term borrowing of the Group mainly comprised the Redeemable Preference Shares 2 ("RPS 2") of RM42 million, as disclosed in Note 19(c), which is due for redemption in September 2024. The Group has obtained an extension of the redemption of RPS 2 from the holder of the RPS 2 via a supplemental subscription agreement which will take effect on 2 September 2024 in the month of expiry of the tenure of the original subscription agreement. The new redemption date of the RPS 2 is on 23 September 2025.



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management (Continued)

##### (iii) Liquidity risk (Continued)

The Group has prepared a cash flow forecast to consider the availability of future cash flows from operations to support the management of liquidity risk and that the Group will have sufficient cash flows for a period of at least 12 months from the end of the financial period. Significant assumptions and judgements are used in the preparation of the cash flow forecast.

#### 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
<b>Group</b>					
<b>2024</b>					
Trade and other payables #	26,393	26,393	26,393	-	-
Amount due to non-controlling shareholder /director of subsidiaries	4,983	4,983	4,983	-	-
Loans and borrowings	75,835	81,250	58,122	21,128	2,000
Lease liabilities	45,796	56,203	10,873	27,973	17,357
	<u>153,007</u>	<u>168,829</u>	<u>100,371</u>	<u>49,101</u>	<u>19,357</u>
<b>2023</b>					
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
	<u>128,019</u>	<u>144,823</u>	<u>38,588</u>	<u>99,052</u>	<u>7,183</u>

# Exclude GST payables.



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management (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
<b>Company 2024</b>					
Other payables	478	478	478	-	-
Amount due to subsidiaries	1,548	1,548	1,548	-	-
Financial guarantee contracts	-	61,694	61,694	-	-
	<u>2,026</u>	<u>63,720</u>	<u>63,720</u>	<u>-</u>	<u>-</u>
<b>Company 2023</b>					
Other payables	296	296	296	-	-
Amount due to subsidiaries	1,480	1,480	1,480	-	-
Financial guarantee contracts	-	59,861	59,861	-	-
	<u>1,776</u>	<u>61,637</u>	<u>61,637</u>	<u>-</u>	<u>-</u>

##### (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.



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management (Continued)

##### (iv) Foreign currency risk (Continued)

	Group Functional currency	
	Ringgit Malaysia RM'000	Total RM'000
<b>At 31 March 2024</b>		
Financial assets and liabilities not held in functional currencies:		
<b><u>Trade receivables</u></b>		
US Dollar	29	29
<b><u>Cash and short-term deposits</u></b>		
US Dollar	207	207
Singapore Dollar	475	475
Euro	208	208
Australian Dollar	124	124
	1,014	1,014
<b><u>Trade payables</u></b>		
US Dollar	(371)	(371)
Euro	(344)	(344)
	(715)	(715)
<b><u>Total</u></b>		
US Dollar	(135)	(135)
Singapore Dollar	475	475
Euro	(136)	(136)
Australian Dollar	124	124
	328	328



## Notes to the Financial Statements

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management (Continued)

##### (iv) Foreign currency risk (Continued)

	Group Functional currency	
	Ringgit Malaysia RM'000	Total RM'000
<b>At 31 March 2023</b>		
Financial assets and liabilities not held in functional currencies:		
<b><u>Trade receivables</u></b>		
US Dollar	73	73
<b><u>Cash and short-term deposits</u></b>		
US Dollar	89	89
Singapore Dollar	195	195
Euro	15	15
Australian Dollar	119	119
	418	418
<b><u>Trade payables</u></b>		
US Dollar	(523)	(523)
Euro	(26)	(26)
	(549)	(549)
<b><u>Total</u></b>		
US Dollar	(361)	(361)
Singapore Dollar	195	195
Euro	(11)	(11)
Australian Dollar	119	119
	(58)	(58)

#### Sensitivity analysis for foreign currency risk

The exposure to foreign currency risk of the Group is insignificant and hence, sensitivity analysis is not presented.





# Notes to the Financial Statements

## 34. 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.



## Notes to the Financial Statements

### 34. 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			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Group</b>					
<b>2024</b>					
<b>Financial liabilities</b>					
Redeemable preference shares	56,250	-	-	56,250	56,250
Hire purchase payables	5,256	-	-	5,017	5,017
<b>2023</b>					
<b>Financial liabilities</b>					
Redeemable preference shares	55,470	-	-	55,470	55,470
Hire purchase payables	2,003	-	-	1,997	1,997

### 35. 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 2024 and 31 March 2023.

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.



## Notes to the Financial Statements

### 35. CAPITAL MANAGEMENT (CONTINUED)

The gearing ratio of the Group is as follows:

	Note	Group	
		2024 RM'000	2023 RM'000
Loans and borrowings	19	75,835	57,976
Less: Cash and short-term deposits	16	(24,705)	(40,204)
Net cash		<u>51,130</u>	<u>17,772</u>
Equity attributable to owners of the Company		<u>38,975</u>	<u>46,910</u>
<b>Capital and net cash</b>		<u>90,105</u>	<u>64,682</u>
<b>Gearing ratio</b>		<u>0.57</u>	<u>0.27</u>

### 36. CAPITAL COMMITMENTS

	Group	
	2024 RM'000	2023 RM'000
Capital expenditure in respect of purchase of property and equipment		
- Contracted but not provided for	<u>11,854</u>	<u>5,067</u>

### 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 in the previous financial year as disclosed in Note 9 to the financial statements.

On 12 June 2024, the Company announced to withdraw the proposed listing from the Catalist board of the SGX-ST in view of the prevailing market conditions in the Singapore equity market.



## Notes to the Financial Statements

### 37. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

- (b) On 22 December 2023, LYCD&A, a wholly-owned subsidiary of the Company, entered into a conditional share sale agreement (“SSA”) for the proposed acquisition of 60% shares of Kee Vee Dental Laboratory Sdn. Bhd. for a purchase consideration of RM300,000.

As at the date of authorisation of these financial statements, the proposal has yet to be completed pending the fulfilment of conditions precedent.

- (c) On 16 May 2024, the Group reorganised the subsidiaries as follows:
- (i) transferred LYCMC entire 100% equity interest from LYCD&A to HTAR. Consequently, LYCMC became wholly-owned subsidiary of HTAR; and
  - (ii) transferred LYCP entire 100% equity interest from LYCD&A to LYCMC. Consequently, LYCP became wholly-owned subsidiary of LYCMC.



# 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 70 to 178 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 2024 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: 31 July 2024



# Statutory Declaration

[Pursuant to Section 251(1) of the Companies Act 2016]

I, **CHONG SOOK PENG**, 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 70 to 178 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.

.....  
**CHONG SOOK PENG**  
Officer  
MIA Membership No: 14982

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 31 July 2024.

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 2024 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 material accounting policy information, as set out on pages 70 to 178.

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 2024, and of their financial performance and cash flows for the financial year then ended in accordance with the 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.

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.



# Independent Auditors' Report

To the Members of LYC Healthcare Berhad (Incorporated in Malaysia)

## 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

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### **Property and equipment (Notes 4.1 and 5 to the financial statements) Right-of-use assets (Notes 4.1 and 6 to the financial statements) Investment in subsidiaries (Notes 4.3 and 9 to the financial statements)**

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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.

## 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.





# Independent Auditors' Report

To the Members of LYC Healthcare Berhad (Incorporated in Malaysia)

## Key Audit Matters (Continued)

### Group and Company (Continued)

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#### **Goodwill on business combination (Notes 4.2 and 8 to the financial statements)**

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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.

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#### **Funding requirements and ability to meet short-term obligations (Notes 4.4 and 34(b)(iii) to the financial statements)**

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As at 31 March 2024, the Group's current liabilities exceeding its current assets by RM41.01 million, and the Group has short term borrowings of RM54.20 million.

We focused on this area due to the significant amount of the short-term liabilities and significant directors' judgement and estimates were involved in determining the assumptions used by the directors in arriving the Group's cash flow forecast for the next 12 months from the end of reporting period.

#### **Our audit response:**

Our audit procedures included, among others:

- obtaining the Group's cash flow forecast for the next 12 months and discussing with directors and understanding of the key assumptions applied;
- testing the mathematical accuracy of the cash flow forecast calculation;
- performing sensitivity analysis for a range of reasonable possible scenarios;
- agreeing sources of financing and uses of funds to supporting documents; and
- reading and discussing the documents, if any, supporting the key assumptions applied.



# Independent Auditors' Report

To the Members of LYC Healthcare Berhad (Incorporated in Malaysia)

## 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.

## 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.



# Independent Auditors' Report

To the Members of LYC Healthcare Berhad (Incorporated in Malaysia)

## 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 9 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  
03668/06/2026 J  
Chartered Accountant

Kuala Lumpur

Date: 31 July 2024



# List of Properties Held

The details of the properties of LYC Group as at 31 March 2024:

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 31.3.2024 (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	27	1,561	4,620	616
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	6	2,691	5,930	1,977
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	6	2,002	5,050	1,501
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	10	2,002	3,250	1,338



## List of Properties Held

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 31.3.2024 (RM'000)
Geran 204922, Lot 32013, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	20.06.2014	10	2,002	2,750	1,290
Bearing the postal address No. 23 Jalan Awana 15, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.							
Geran 204914, Lot 32005, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	25.05.2023	1	2,002	2,750	1,446
Bearing the postal address No. 30 Jalan Awana 14, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.							
Geran 204915, Lot 32006, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	25.05.2023	6	2,002	2,750	1,496
Bearing the postal address No. 32 Jalan Awana 14, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.							
Geran 204916, Lot 32007, Pekan Cheras, District of Ulu Langat, Selangor Darul Ehsan.	1 1/2 storey Mid Terraced Factory used as office	Freehold	25.05.2023	6	2,691	3,405	1,755
Bearing the postal address No. 34 Jalan Awana 14, Taman Cheras Awana Batu 9, 43200 Cheras, Selangor Darul Ehsan.							



# Analysis of Shareholdings

As at 10 July 2024

## SHARE CAPITAL

Issued Share Capital : RM102,291,599.50 (714,946,240 Units)  
Class of Shares : Ordinary Shares with equal voting rights  
Number of Shareholders : 3,335

## DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of Holders	%	Total Holdings	%
1 - 99	21	0.630	724	0.000
100 - 1,000	336	10.075	194,495	0.027
1,001 - 10,000	1,288	38.621	8,180,405	1.144
10,001 - 100,000	1,311	39.310	49,495,601	6.923
100,001 - 32,498,911 (*)	374	11.214	382,190,515	53.457
32,498,911 and above (**)	5	0.150	274,884,500	38.448
<b>Total</b>	<b>3,335</b>	<b>100</b>	<b>714,946,240</b>	<b>100</b>

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	13.348
2. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENANGA ISLAMIC INVESTORS BERHAD	50,000,000	6.994
3. CITIGROUP NOMINEES (TEMPATAN) SDN BHD KENANGA INVESTORS BERHAD FOR BLM HOLDINGS SDN. BHD.	46,452,500	6.497
4. CARTABAN NOMINEES (TEMPATAN) SDN. BHD. RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	46,000,000	6.434
5. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KENANGA INVESTORS BERHAD FOR SUICAP VENTURE SDN. BHD.	37,000,000	5.175
6. CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENANGA INVESTORS BHD	30,000,000	4.196
7. HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG AH CHIEW	25,170,000	3.521
8. CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA YIELD ENHANCEMENT FUND	22,650,000	3.168
9. KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOO WENG SENG	16,507,000	2.309
10. CHONG YOKE BEEY	13,296,600	1.860
11. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM YIN CHOW (PB)	12,773,700	1.787
12. AMSEC NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH ALAN	10,056,300	1.407
13. AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP	8,700,000	1.217



## Analysis of Shareholdings

As at 10 July 2024

### THIRTY LARGEST ORDINARY SHARES ACCOUNT HOLDERS (CONTINUED)

Name	Shareholdings	%
14. GUNUNG RESOURCES SDN. BHD.	8,662,300	1.212
15. CHONG KWEE SIONG	7,720,000	1.080
16. LIM SIN KHONG	7,200,000	1.007
17. LU WEI	6,450,000	0.902
18. TEE CHEE CHIANG	6,430,800	0.899
19. MAXXILLION CAPITAL PTE. LTD.	6,346,000	0.888
20. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMMED AMIN BIN MAHMUD (MM1004)	5,374,300	0.752
21. KEH SUK LAN	4,730,000	0.662
22. LEE CHOONG KONG	4,608,500	0.645
23. WING KWONG @ CHAN WING KWONG	4,421,400	0.618
24. LEE CHOONG KONG	4,330,300	0.606
25. LIM SOOK NYI	4,000,000	0.559
26. SOUTHERN REALTY RESOURCE SDN. BHD.	3,900,000	0.545
27. OH ENG LEONG	3,700,000	0.518
28. CHOO KWANG WAH	3,300,000	0.462
29. LOO KUAN CHIN	3,290,000	0.460
30. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	3,000,000	0.420

### SUBSTANTIAL SHAREHOLDERS

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1. LYC Capital Sdn. Bhd.	95,432,000	13.35	-	-
2. Lim Yin Chow	12,773,700	1.79	95,432,000*	13.35
3. Exempt AN for Kenanga Islamic Investors Berhad	50,000,000	6.99	-	-
4. Kenanga Investors Berhad for BLM Holdings Berhad	46,452,500	6.50	-	-
5. RHB Trustee Berhad	46,000,000	6.43	-	-
6. Suicap Venture Sdn. Bhd.	37,000,000	5.18	-	-
7. Sui Diong Hoe	-	-	37,000,000**	5.18

\* 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*	5.18
3. Mohd Khasan Bin Ahmad	-	-	-	-
4. Dato' Muraly Daran A/L M Narayana Menon	-	-	-	-
5. Poh Zuan Yin	-	-	-	-

\* 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 Twentieth ("20<sup>th</sup>") Annual General Meeting ("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 Friday, 27 September 2024, at 10.00 a.m. for the following purposes:

## AGENDA

### As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors' and Auditors' thereon. **Please refer to Explanatory Note 1**
- To approve the payment of Directors' fees and benefit payable to the Directors of the Company of up to RM750,000 from 28 September 2024 until the conclusion of the next AGM to be held in 2025. **Ordinary Resolution 1**
- To re-elect the following Directors retiring in accordance with the Constitution of the Company, and who being eligible, offered themselves for re-election:-
  - Dato' Seri Abdul Azim bin Mohd Zabidi **Clause 104(1)** **Ordinary Resolution 2**
  - Sui Diong Hoe **Clause 104(1)** **Ordinary Resolution 3**
- 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 :-

- 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 Act"), the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM 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 Act 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."
- To transact any other business, of which due notice shall have been given in accordance with the Constitution of the Company and the Act.

### 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  
31 July 2024



# 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 11<sup>th</sup> 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 AGM or Adjourned AGM.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 September 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/ or vote on his 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 25 September 2024, 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 Act 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 Act 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 Twentieth ("20<sup>th</sup>") 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 28 September 2024 until the conclusion of the next AGM to be held in 2025."

The payment of the Directors' fees and benefit payable will only be made if the proposed Ordinary Resolution 1 has been passed at the 20<sup>th</sup> AGM pursuant to Clause 112 of the Company's Constitution and Section 230(1) of the Act.

In the event that the proposed Directors' fees and benefits payable during the above period exceed the estimated amount sought at the 20<sup>th</sup> 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.



# Notice of Annual General Meeting

## 3. Ordinary Resolution 5

### - Authority pursuant to Section 76 of the Act for the Directors to Allot and Issue Shares

The Company had, during its Nineteenth AGM held on 21 September 2023, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act.

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 Act. 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 Act 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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**LYC HEALTHCARE BERHAD**Registration No. 200401009170 (647673-A)  
(Incorporated in Malaysia)

# Proxy Form

<b>No. of Shares Held</b>	
<b>CDS Account No.</b>	

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 Twentieth ("20<sup>th</sup>") Annual General Meeting ("AGM") of the Company to be conducted at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 27 September 2024, at 10.00 a.m. or any adjournment thereof.

\*My/ our proxy/ proxies is/ are to vote as indicated below:-

RESOLUTION		FOR	AGAINST
<b>ORDINARY RESOLUTION 1</b>	To approve the payment of Directors' Fees and benefit payable to the Directors of the Company of up to RM750,000 from 28 September 2024 until the conclusion of the next AGM to be in 2025.		
<b>ORDINARY RESOLUTION 2</b>	To re-elect Dato' Seri Abdul Azim bin Mohd Zabidi as Director.		
<b>ORDINARY RESOLUTION 3</b>	To re-elect Sui Diong Hoe as Director.		
<b>ORDINARY RESOLUTION 4</b>	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
<b>ORDINARY RESOLUTION 5</b>	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:-

\_\_\_\_\_  
Signature/Common Seal  
Contact No.: \_\_\_\_\_  
Date: \_\_\_\_\_

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
<b>Total</b>		<b>100%</b>

**NOTES:**

- 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.
- 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.
- 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.
- 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 11<sup>th</sup> 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 AGM or Adjourned AGM.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 September 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his 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 25 September 2024, 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.

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[www.lychealth.com](http://www.lychealth.com)

**LYC HEALTHCARE BERHAD**

Registration No. 200401009170 (647673-A)

2<sup>nd</sup> & 3<sup>rd</sup> Floor, Podium Block Plaza VADS,  
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