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LYC Healthcare unit to sell 25% stake in LYC SG to Kenanga Investors

CORPORATE NEWS
 Tuesday, 01 Mar 2022
 8:27 PM MYT



KUALA LUMPUR: LYC Healthcare Bhd's wholly-owned subsidiary LYC Medicare Sdn Bhd (LYC MY) has entered into a conditional sale and purchase agreement (SPA) with Kenanga Investors Bhd (KIB) for the divestment of 6.53 million ordinary shares in LYC Medicare (Singapore) Pte Ltd (LYC SG) for S\$12.9 million (RM39.9 million).

The proposed divestment represent 25 per cent of the shares.

In a filing with Bursa Malaysia, LYC Healthcare said LYC MY will still hold the remaining 75 per cent shareholding in LYC SG post the proposed 25 per cent divestment.

It said the proposed divestment to KIB establishes a new valuation for LYC SG at S\$11.67 million (RM159.7 million), which represents an improvement in the valuation of LYC SG by almost double in less than two years.

The company said the proposed divestment provides the group an immediate opportunity to unlock and realise the value of LYC SG, thereby providing a surplus cash flow of S\$12.92 million (RM39.93 million).

"The proceeds arising from the proposed divestment will enable the group to settle the partial redemption of its outstanding RPS of RM30 million, which is expected to result in dividend rate saving ranging from RM2.70 million to RM2.85 million per annum," it said.

Additionally, as a portion of the proceeds from the proposed divestment is earmarked for business expansion objectives, this enables the group to capitalise on suitable and viable investment opportunities in the provision of healthcare and healthcare related businesses, according to the group flexibility over the management of its financial risk profile and cash flow position. - Bernama



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TAGS / KEYWORDS:
 LYC Healthcare , LYC MY , LYC SG , Divestment , Kenanga Investors

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Updated: 30 Sep 2022 12:05 PM

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 1397.67 0.17 0.01% Vol (100) 8,671,289



Day's Range **179**
 Low 1390.41 **Gainers**
 High 1397.99 **Losers** 508

52 Weeks Range **348**
 Low 1395.81 **Unchanged**
 High 1620 **Untraded** 1348

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