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## LYC Healthcare, Singapore O&G to set up SPV for postpartum confinement and related services

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**PETALING JAYA:** LYC Healthcare Bhd entered into a joint-venture agreement via its wholly owned subsidiary LYC Mother & Child Centre Sdn Bhd (LYCMC) with Singapore O&G Ltd (SOG) to establish a special purpose vehicle (SPV) to provide confinement and related services.

The SPV to be incorporated will be 51% and 49% owned by LYCMC and SOG respectively to provide postpartum confinement care and related services catering to both the Malaysian and Singaporean customers who wish to spend their post childbirth confinement period in Johor.



Provisionally to be called LYC-SOG Mother & Child Centre Sdn Bhd, the SPV will set up a postpartum confinement centre of up to 130 beds in Johor.

The agreement also provides for the establishment of similar centres in Malaysia as may be agreed by the parties from time to time.

In a filing with Bursa LYC Healthcare said LYCMC will utilise its expertise in establishing, setting up and running the day-to-day business of the Johor confinement centre; while SOG will leverage on its extensive healthcare experience particularly in the field of O&G and paediatrics, to provide advice to LYCMC in relation to the operations and applicable regulatory matters concerning the Johor centre.

"The parties believes Johor is an attractive location in Malaysia given its population, total live births and median income trailing closely behind Selangor and Kuala Lumpur. The establishment of the Johor confinement centre will effectively double the number of beds, from 122 to 252 beds, managed by LYC.

"It also allows LYC to derive economies of scale and synergies from cross marketing of services under its other healthcare and wellness related services such as fertility, child care and cosmetic and aesthetic business," it said.

Additionally, it said the close proximity to Singapore would mean that the confinement centre would be able to tap into the Singapore market.

The establishment of the Johor confinement centre marks LYC's first foray on its postpartum confinement services beyond Klang Valley. The centre is expected to commence operations with an initial capacity of 60 beds, and eventually ramp up to a capacity of 130 beds.



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