

LYC Healthcare buys 51% stake in Singapore-based T&T Medical Group

CORPORATE NEWS

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PETALING JAYA: LYC Healthcare Bhd (LYC) has acquired a majority stake in a medical centre in Singapore.

The company, in a filing with Bursa Malaysia today, said wholly-owned subsidiary LYC Medicare Sdn Bhd has agreed to pay RM22.27mil for a 51% stake in T&T Medical Group Pte Ltd.

The proposed acquisition, LYC Healthcare said, is expected to enhance the group's earnings base over the profit guarantee period.

Full Story: <https://www.thestar.com.my/business/business-news/2020/05/04/lyc-healthcare-buys-51-stake-in-singapore-based-tt-medical-group>



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T&T has provided an aggregate profit guarantee totalling to S\$3.9mil over three financial years ending March 31, 2024.

“As T&T is primarily engaged in the provision of general medical and specialised medical services, particularly in the chronic disease segments, the proposed acquisition would expand LYC group’s healthcare service offerings by leveraging on T&T’s expertise and experience in the medical field,” it said.

“Further, the group expects to reap business synergy between its healthcare sub-segments, such as being able to standardise clinical protocols and promote patient referrals.” LYC said.

Under the deal, LYC Medicare had entered into a conditional share sale agreement (SSA) with Ting Choon Meng, a Singaporean medical practitioner, for the proposed acquisition, which would be satisfied via a combination of cash amounting to RM16.2mil and the issuance of 1.99 million redeemable non-cumulative preference shares in LYC Medicare, amounting to RM6.07mil.

LYC said it will be undertaking a fundraising exercise that will involve a private placement of up to 30% of the total number of issued shares of LYC, at an issue price to be determined and announced later.

“Part of the proceeds arising from the proposed private placement may be channeled to part or fully finance the acquisition.

Presently, LYC’s healthcare operations are predominantly based in Malaysia.

“The proposed acquisition provides the group an opportunity to expand its geographical reach outside of Malaysia and inroads into the Singapore healthcare sector. This would enable the group to attain a wider market presence and marketability of its range of healthcare services which can be offered to both local and international customers,” it said.

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