



## PRESS RELEASE

For immediate release

by LYC Healthcare Berhad

### LYC EXPANDS ITS NUTRACEUTICAL BUSINESS VIA THE ACQUISITION OF 2 COMPANIES INVOLVED IN THE MANUFACTURING OF PHARMACEUTICAL, FOOD AND HEALTHCARE SUPPLEMENT BUSINESS

Kuala Lumpur, 15 July 2022

LYC Healthcare Berhad ("LYC Healthcare" or "Group") is a listed company on the ACE Market of Bursa Malaysia. Under its healthcare arm, the Group is presently focused on the postpartum care, senior living home, childcare centre, dental, cosmetic & aesthetic, fertility, nutraceutical and general & specialised medical services (i.e. chronic disease and orthopaedics).

On 15 July 2022, the Group, via its wholly-owned subsidiary LYC Health Manufacturing Group Sdn Bhd ("LYCHM") entered into a share sale agreement ("SSA1") with Lim Lee Ping, Tan Sook Yong and Goh Kok Neng 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") 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.

The acquisition value of NHISB shareholding represents a price-to-earning ("PE") multiple of 4.3 times, based on the implied valuation accorded to 100% equity interest in NHISB of RM700,000 over its Profit After Tax ("PAT") for the FYE 31 December 2021 of RM161,831 while the acquisition value of Kitta Enterprise business represents a PE multiple of 3.8 times, based on the implied valuation accorded to 100% interest in Kitta Enterprise business of RM1,000,000 over its PAT for the FYE 31 December 2021 of RM260,618.



Incorporated on 3 January 2014, NHISB is principally involved in the business of trading and manufacturing of pharmaceuticals and healthcare supplement products.

Kitta Enterprise was established as a partnership enterprise on a business start date of 18 April 2008 in Malaysia and its principal activities are trading and manufacturing in all kinds of food products and food supplement products under the name of "Kitta Enterprise". Kitta Enterprise mainly offers contract packing service for probiotic, tea bag and other health food/ supplement.

The target markets for the products of NHISB and Kitta Enterprise are mainly catered to the nutraceutical segment, which include but not limited to, F&B, pharmaceutical, healthcare and cosmeceutical industries.

Both the businesses of NHISB and Kitta Enterprise are located in Negeri Sembilan and are under the management supervision led by Wong See Kit. In this respect, NHISB shall enter into service agreement with Wong See Kit for the purpose of retaining his employment service for a period of 5 years.

The acquisition of NHISB and the business of Kitta Enterprise provides LYC Group the opportunity to strengthen its position in the nutraceutical business which is currently driven mainly by its 70% owned subsidiary Aqurate Ingredients Intl (M) Sdn Bhd to provide better value-added services and double the productions output to its end customers in the nutraceutical industry.

Further details on the Company's business plans will be made in due course and shall be in accordance with any prevailing disclosure requirements issued by Bursa Malaysia Securities Berhad.

**###END###**

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**This Press Release was prepared by LYC Healthcare Berhad**

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