

Gainhealth, a subsidiary of Metal Component Engineering Limited, enters into a JV with MNR Food for Clinical Nutrition product development and distribution across ASEAN through its direct-to-consumer health platforms

The JV allows MCE to expand on its recent foray into omnichannel health and wellness segments



Singapore, 20 October 2021 — Gainhealth Pte Ltd (“Gainhealth”), a subsidiary of Metal Component Engineering Limited (“MCE”, SGX:5DX), a Singapore Catalist-listed company, has signed a joint venture agreement (“JVA”) with MNR Food Pte Ltd (“MNR”). Under the JVA, Gainhealth and MNR will incorporate a new entity in Singapore, named Gain Foods Pte Ltd (“Gain Foods”), with 60% shareholding held by Gainhealth and remaining 40% by MNR. MNR has a put option on or after the first year of the incorporation of Gain Foods, to sell all its shares in Gain Foods to Gainhealth at a fair value to be certified by auditors of Gain Foods or an independent valuer certified in Singapore.

MNR, a Singapore-based company, is focused on food product development and distribution, and owns a subsidiary with relevant Singapore Food Authority licences for packaging, distribution and storage facilities in Singapore. MNR has distribution rights to a range of food products, including but not limited to, healthy riceberry, germinated brown rice and 4Heroes shakes and smoothies for the young, seniors and elderly. On the other hand, Gainhealth offers bulk purchasing and distribution channels for healthcare products in the ASEAN region. With the incorporation of Gain Foods, it will initially target products

relevant to kids' nutrition, seniors and weight wellness sub-segments, under the clinical nutrition products segment. Gain Foods will be the marketer and distributor of these clinical nutrition products in various countries in Asia, for both MNR and Gainhealth.

Clinical nutrition is a segment that is fast expanding globally, with the trend of health and life sciences companies innovating in medical nutrition products with specific compositions for intervention in disease progression and symptom alleviation.¹ Singapore is developing as a regional hub for this industry. Abbott Nutrition for example, has invested over USD 300 million in a clinical nutrition manufacturing plant in Singapore and has opened a research and development ("R&D") laboratory to develop products for this region.² The clinical nutrition market size in APAC was worth USD 3.82 billion in 2021 and is estimated to be growing at a CAGR of 7.17% to reach USD 5.39 Billion by 2026.³

MNR's Founder and Head of Product Development, Magdalene Lee commented on the rationale for the joint venture initiative, ***"We have seen the need in the market for clinical nutrition and lack of variety in the options available currently, particularly to those vulnerable groups of the elderly and children. Believing strongly in developing this industry for the longer-term sustainability of health and clinical nutrition industries for Singapore, we found this can be fast tracked by working with a like-minded team in Gainhealth."***

MNR has been working closely with a European laboratory for nutritional R&D and development of localised clinical nutrition products under the brand "Vital". Founder of this brand, Dirk Willers, adds on Vital's website: ***"When my father became seriously ill, the doctors recommended that he take nutritional supplements to keep up his strength. Whatever my father tried, the taste was often so awful and it became so unbearable for him to drink those mixtures several times a day that he preferred not to follow the doctor's advice in the end. Since then, the thought of people already suffering from health distress and pain has never let me go and all daily heroes should never have to torture themselves with such bad taste. This is how, together with my 4Heroes team, the idea and the recipe for 4Heroes Vital was born"***.

Founder of Gainhealth, Padmaja Sakthi commented on the JVA and explained that ***"As we expand across the region with our omnichannel health and wellness platforms both online and offline with homecare, we come across the lack of availability of options in clinical nutrition, especially in the elder segments. Moreover, during this covid spike, we noticed the need to supplement the elderly at home with adequate nutrition while under isolation or quarantine orders. Chronic conditions like diabetes, hypertension, eczema and weight gain, first need to be treated with appropriate nutrition and food options, followed by medication and adherence. We***

look forward to this exciting phase of learning and developing exciting new products for our markets with MNR and their R&D partners.”

References:

1. <https://doi.org/10.1371/journal.pone.0082609>
2. <https://www.businesstimes.com.sg/government-economy/abbott-opens-us24m-nutrition-rd-plant>
<https://www.pharmaceuticalprocessingworld.com/abbott-opens-300m-nutrition-plant-in-singapore/>
3. <https://www.marketdataforecast.com/market-reports/apac-clinical-nutrition-market>

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About Metal Component Engineering Limited

Metal Component Engineering Limited (“MCE”) was founded in 1987 in Singapore. With consistent focus on quality and engineering innovation, MCE has expanded its customer base by serving MNC (Multi-National-Corporation), EMS (Electronic Manufacturing Services), and SME (Small-Medium-Enterprise) globally. MCE is committed to provide products and services with high quality, reliable on-time-delivery, and competitive cost to serve the needs of its customers. MCE recently invested into digital health with its wholly owned subsidiary, 5Digital Pte Ltd, and acquired Gainhealth, an omnichannel telemedicine and ePharmacy company.

For more information, visit www.mce.com.sg , www.5Digital.com.sg

This press release has been prepared by Metal Component Engineering Limited (“Company”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (“Sponsor”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”).

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