



MEDI LIFESTYLE LIMITED

(Company Registration Number 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the board of directors (the “**Board**” or “**Directors**”) of Medi Lifestyle Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s Independent Auditors, Forvis Mazars LLP (the “**Auditors**”) has included a Material Uncertainty Related to Going Concern section in their report (the “**Independent Auditors’ Report**”) on the audited financial statements of the Group and Company for the financial year ended 31 December 2024 (“**FY2024**”) (the “**Audited Financial Statements**”). The opinion of the Auditors is not modified in respect of this matter.

The Independent Auditors’ Report is annexed to this announcement for information purposes. The Independent Auditors’ Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2024 (the “**2024 Annual Report**”) which will be released to the shareholders of the Company (the “**Shareholders**”) in due course. Shareholders are advised to read the Independent Auditors’ Report and the 2024 Annual Report in their entirety.

Going Concern

The following is an extract of Note 1 to the Audited Financial Statements pertaining to the subject of this announcement:

Note 1:

“As at 31 December 2024, the Group was in a capital deficiency position of RM1.6 million and its current liabilities exceeded its current assets by RM1.4 million. In addition, the Group incurred a net loss of RM5.3 million and net operating cash outflow of RM6.5 million for the financial year then ended. The Company had a capital deficiency position of RM1.7 million and net current liabilities position of RM1.3 million as of 31 December 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern.

The ability of the Group and the Company to continue as going concern is dependent on the undertaking of its substantial corporate shareholder to provide continuing financial support to enable the Group and the Company to meet their liabilities as and when they fall due. Notwithstanding the existence of these factors, the financial statements of the Group and the Company have been prepared on a going concern basis.

The events or conditions set out above indicate that a material uncertainty exists that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively. Such adjustments have not been made to these financial statements.”

Board’s Comments

Barring any unforeseen circumstances, the Directors are of the view that it is appropriate for the Audited Financial Statements of the Group and Company to be prepared and presented on a going concern basis, having regard to the following:

- (i) the Cash Flow Forecast prepared by Management, including estimated earnings from the Healthcare Services, Outsourced Services and Agricultural Commodities Trade business segments;

- (ii) an interest-free shareholder loan from Lingholm Holdings Pte. Ltd. (“**LHPL**”) totalling S\$2.1 million, of which S\$0.5 million was received on 25 June 2024 and S\$0.78 million was received on 1 November 2024. The third milestone disbursement of S\$0.42 million was received on 28 January 2025, while the final disbursement milestone of S\$0.40 million was received on 28 March 2025. Further details can be found in the Company’s announcement dated 4 November 2024.
- (iii) letter of undertaking from LHPL to provide financial support to the Group to enable it to meet its financial obligations so as to continue as a going concern basis;
- (iv) the proposed debt conversion of an aggregate amount of S\$3.2 million (approximately RM10.5 million) owing by the Group to LHPL that is underway; and
- (v) the conversion of non-redeemable convertible loan notes with an aggregate principal amount of S\$0.1 million (approximately RM0.3 million) into new issued shares in the capital of the Company pursuant to the terms and conditions of the convertible loan notes. Further details of which can be found in the Company’s announcement dated 17 February 2025.

Further, the Board is of the opinion that sufficient information has been disclosed for the trading of the Company’s securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company’s securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board

Herry Pudjianto
Executive Chairman & Chief Executive Officer
29 March 2025

MEDIA CONTACT

For media queries, please contact;

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

The contact person for the Sponsor is Ms Charmian Lim, at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542, telephone: (65) 6232 3210.

Independent AUDITORS' REPORT

To the members of Medi Lifestyle Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Medi Lifestyle Limited (the “**Company**”) and its subsidiaries (the “**Group**”) which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 55 to 111.

In our opinion, the accompanying financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group and statement of changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“**ACRA code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the accompanying financial statements, which indicates that as at 31 December 2024, the Group was in a capital deficiency position of RM1.6 million and its current liabilities exceeded its current assets by RM1.4 million. In addition, the Group incurred a net loss of RM5.3 million and net operating cash outflow of RM6.5 million for the financial year then ended. The Company had a capital deficiency position of RM1.7 million and net current liabilities position of RM1.3 million as of 31 December 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern.

The ability of the Group and the Company to continue as a going concern is dependent on the undertaking of its substantial corporate shareholder to provide continuing financial support to enable the Group and the Company to meet its liabilities as and when they fall due. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Independent AUDITORS' REPORT

To the members of Medi Lifestyle Limited

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	Audit response
Impairment of investments in subsidiaries (refer to Note 3.2 and Note 14 to the financial statements)	
<p>As at 31 December 2024, the carrying amount of the Company's investments in subsidiaries was RM Nil (31 December 2023: RM Nil). During the financial year ended 31 December 2024, an impairment loss of RM4,029,672 (2023: RM9,543,191) was recognised on the quasi loans to subsidiaries.</p> <p>For the cost of investments in subsidiaries and loans deemed as investments in subsidiaries, the management assessed whether there are indicators of impairment. Where such indications exist, the cost of investments in subsidiaries and loans deemed as investments in subsidiaries are required to be tested for impairment.</p> <p>Subsequent to identifying such indicators, management applied SFRS(I) 1-36 <i>Impairment of Assets</i> to determine the recoverable amounts of the investments in subsidiaries and loans deemed as investments in subsidiaries. In determining the recoverable amounts, the management has applied the value in use approach.</p> <p>The determination of impairment of investments in subsidiaries involves significant judgement, which may have significant impact on the financial statements.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • We reviewed the management's assessment for any indication of impairment on its investments in subsidiaries; • We reviewed the reasonableness of the methodology, key inputs and assumptions applied by management in determining the recoverable amounts with reference to SFRS(I) 1-36, for subsidiaries which have shown indications of impairment; and • We reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent AUDITORS' REPORT

To the members of Medi Lifestyle Limited

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent **AUDITORS' REPORT**

To the members of Medi Lifestyle Limited

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entities incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Mr Ooi Chee Keong.

FORVIS MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore
28 March 2025