



**MEDI LIFESTYLE LIMITED**  
(Formerly known as IEV HOLDINGS LIMITED)  
(Company Registration Number 201117734D)  
(Incorporated in the Republic of Singapore on 26 July 2011)

## RESPONSE TO SGX QUERIES ON 1Q2021 RESULTS ANNOUNCEMENT

### INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Medi Lifestyle Limited. (the “**Company**”) has received the following queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in respect of its unaudited financial results announcement for the first quarter financial period ended 31 March 2021 dated 12 May 2021 (“**Announcement**”) and wish to provide its response as follows:-

*Unless otherwise defined, capitalized terms used herein shall bear the same meanings ascribed to them the Announcement.*

### SGX-ST'S QUERIES

1. *It was disclosed that “The Group’s current portion of other receivables and prepayments increased by RM0.2 million to RM2.2 million as at 31 December 2021 from RM2.0 million as at 31 December 2020, due mainly to increased prepayments and deposits related to professional services and renovation for the second confinement centre at the Klang Valley region.”*

- (i) *Please provide a breakdown of the other receivables and prepayments, and the terms of the prepayments.*

#### Reply by Company:

A breakdown of the other receivables and prepayments are as follows:

<b>Other Receivables &amp; Prepayments</b>	Group 31 March 2021 RM'000 (Unaudited)	Group 31 December 2020 RM'000 (Audited)
Deposits	1,488	1,433
Prepayments	134	59
Value-added tax receivables	592	582
Others	12	3
<b>Total</b>	<b>2,226</b>	<b>2,077</b>

Prepayments are mainly: (i) down-payments for professional services related to renovation works which are offset against progress billings during the renovation period; and (ii) periodic charges for corporate listing expenses.

- (ii) *Considering the current global pandemic situation (including Malaysia) and the MCO measures, what is the impact on the confinement centre’s occupancy rate? Will the deposits from customers be retained by the Company in the event they cancel or are not allowed to stay in the confinement centre?*

**Reply by Company:**

While the postpartum centre in Petaling Jaya (“**PJ Confinement Centre**”) has been allowed to operate during the MCO as it is considered an essential service, the global pandemic situation and government measures in Malaysia has restricted sales and marketing efforts, resulting in the PJ Confinement Centre operating at a lower than planned capacity. Nonetheless the PJ Confinement Centre has received customer bookings till the fourth quarter of 2021. As a general policy, customers who cancel bookings shall have their deposits retained by the Group. However, the Group will review the reasons for cancellations on a case-by-case basis and may, in certain circumstances allow the refund of deposits to customers. Where the Group’s postpartum centres are not allowed to operate by governmental order or at the Group’s discretion, the deposits will be refunded to customers.

**(iii) Whether the Group has made any impairment of the prepayments for 1QFY2021. If so, what is the basis for the impairment?**

**Reply by Company:**

The Group has not made any impairments on prepayments for 1Q2021.

**2. As at 31 March 2021, the Group’s current liabilities stand at RM16.1 million, with cash and bank balance of RM2.2 million and the Group incurred losses of RM2.96 million for the 3 months ended 31 March 2021.**

***Please disclose the Board’s assessment on the following:***

- (i) whether the Group’s current assets are adequate to meet the Group’s short-term liabilities of RM16.1 million, including its bases of assessment; and***
- (ii) how the Group intends to fulfil its significant payment obligations in the next 12 months. Where the Group has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Group is on track to fulfilling these obligations.***

***Please also disclose the pro-active actions which the management plans to take to ensure that the Group’s financial position remains strong.***

**Reply by Company:**

As mentioned in paragraph 8 of the 1Q2021 results announcement, having considered the negative working capital of the Group amounting to RM11.6 million as at 31 March 2021 and barring any unforeseen circumstances, the Group should be able to meet its working capital commitments for the next 12 months in view of: (i) potential additional corporate fund-raising exercises including a share subscription exercise completed in April 2021; and (ii) the Group’s estimated revenue from the Healthcare Sector for the financial year ending 31 December 2021. The Group also expects to receive the remaining RM 1.9 million proceeds from the convertible loan agreement entered into in January 2021 by June 2021.

To ensure the Group’s financial position remains strong, the Board and Management is continuously reviewing the strategic plans for the Group, taking into consideration the economic impact of the Covid-19 pandemic to the Singapore and Malaysia markets that the Group operates in. While the Group will continue to look-out for opportunities in the postpartum space, another focal point of the Group in the near term will be the setting up of chiropractic and physiotherapy centres which are less capital intensive.

**By Order of the Board**

Dato' Low Koon Poh  
Executive Chairman & Chief Executive Officer  
21 May 2021

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**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, #21-00 AIA Tower, Singapore 048542, telephone: (65) 6232 3210.*