



MEDI LIFESTYLE LIMITED

(Company Registration No. 201117734D)

(Incorporated in the Republic of Singapore on 26 July 2011)

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1. **PROPOSED ISSUANCE OF CONVERTIBLE BONDS OF AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$30,000,000; AND**
 2. **PROPOSED SHARE CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY.**
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1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**") of Medi Lifestyle Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that the Company had, on 15 March 2023, entered into a convertible bonds subscription agreement ("**Subscription Agreement**") with 2 Aces Premier Equity Fund, a company incorporated in the Cayman Islands (the "**Subscriber**"). Pursuant to the terms of the Subscription Agreement, the Company has agreed to issue, and the Subscriber has agreed to subscribe for, an aggregate of S\$30,000,000 in principal amount of convertible bonds ("**Bond**"), which are convertible into new ordinary shares ("**Shares**") in the capital of the Company (the "**Proposed CB Issuance**").

Please refer to paragraph 3 of this Announcement for further information on the Proposed CB Issuance.

- 1.2 Pursuant to and in connection with the Subscription Agreement, it is a condition precedent to the completion of the Proposed CB Issuance that the Company undertakes a share consolidation of every ten (10) existing issued Shares in the capital of the Company (the "**Existing Shares**") held by shareholders of the Company (the "**Shareholders**") as at a books closure date to be determined by the Directors at a later date (the "**Books Closure Date**") into one (1) Share in the capital of the Company (the "**Consolidated Shares**"), fractional entitlements to be disregarded (the "**Proposed Share Consolidation**" and together with the Proposed CB Issuance, the "**Proposed Transactions**").

Please refer to paragraph 2 of this Announcement for further information on the Proposed Share Consolidation.

- 1.3 The Proposed CB Issuance and the Proposed Share Consolidation is subject to, amongst others, the approval of the Shareholders at an extraordinary general meeting ("**EGM**") of the Company to be convened.

2. INFORMATION ON THE PROPOSED SHARE CONSOLIDATION

2.1. Rationale for the Proposed Share Consolidation

- 2.2. The Directors believe that the Proposed Share Consolidation will generally be beneficial to

the Company and its Shareholders having taken into consideration the following:

2.2.1. Reduction of volatility of the Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation. Given their susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares. The Board believes that the Proposed Share Consolidation may serve to reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

2.2.2. Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal and disregarding all other corporate actions being contemplated by the Company, the theoretical trading price and net tangible assets ("**NTA**") of each Consolidated Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation would be higher than the current trading price and NTA of each Existing Share. In addition, the Proposed Share Consolidation may facilitate corporate actions which may include future fundraising via issuance of shares, and increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

2.2.3 Reduction of the dilutive impact to the Share price

By carrying out the Proposed Share Consolidation before any issuance of new Shares, this would serve to reduce the volatility and therefore the potentially dilutive impact on the Share price.

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the above desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3. **Information on the Proposed Share Consolidation**

2.3.1. Under the Proposed Share Consolidation, every ten (10) existing Shares registered in the name, or standing to the credit of the securities account, of each Shareholder as at the Books Closure Date will be consolidated into one (1) consolidated ordinary share in the capital of the Company ("**Consolidated Share**"). Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded on the Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in board lots of 100 Consolidated Shares.

2.3.2. Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Board may, in its absolute discretion, deem appropriate in the interests of the Company including (a) disregarding the fractional entitlements, or (b) aggregating and selling the same and retaining the net proceeds for the benefit

of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded. **A Shareholder who holds less than ten (10) Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be a Shareholder upon completion of the Proposed Share Consolidation.** As such, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

- 2.3.3. Based on the shareholding distribution as at 14 March 2023, no Shareholders hold less than 10 Shares. Please refer to paragraph 2.4 for more details on the shareholding distribution.
- 2.3.4. As at the date of this Announcement, the Company has an issued and paid-up share capital of S\$50,197,074 comprising 597,016,759 Shares, excluding 200,000 treasury shares. On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$50,197,074 comprising 59,701,669 Consolidated Shares following the completion of the Proposed Share Consolidation (including 20,000 treasury shares¹).
- 2.3.5. The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlement.
- 2.3.6. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at a general meeting to be convened, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be based on their holdings of Shares as at the Books Closure Date.
- 2.3.7. The Proposed Share Consolidation is subject to, *inter alia*, receipt of the listing and quotation notice of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST and approval of the Shareholders by ordinary resolution of the Proposed Share Consolidation at a general meeting to be convened. An application will be made to the SGX-ST, through the Company's Sponsor, for the listing of, dealing in, and quotation for all the Consolidated Shares arising from the Proposed Share Consolidation, on the Catalist of the SGX-ST. The Company will make the necessary announcement(s) on the outcome of the application in due course.
- 2.3.8. In the event that the Proposed Share Consolidation is approved by Shareholders at a general meeting and the listing and quotation notice for all the Consolidation Shares is issued by the SGX-ST, the Company intends to complete the Proposed Share Consolidation prior to the Proposed CB Issuance.

2.4. **Shareholding distribution of the Company**

The shareholding distribution of the Company as at 14 March 2023 is as follows:

¹ Please note that the treasury shares of the Company will also be subject to the Proposed Share Consolidation.

Size of shareholdings	No. of shareholders	%	No. of existing shares	%
1 - 99	7	0.7	283	0.0
100 - 1,000	35	3.3	18,527	0.0
1,001 - 10,000	202	18.9	1,629,400	0.3
10,001 - 1,000,000	775	72.6	120,318,072	20.1
1,00,001 and above	48	4.5	475,050,477	79.6
Total	1,067	100.0	597,016,759	100.0

For illustrative purposes only, the shareholding distribution of the Company following the completion of the Proposed Share Consolidation would be as follows:

Size of shareholdings	No. of shareholders	%	No. of existing shares	%
1 - 99	31	2.9	780	0.0
100 - 1,000	213	20.0	164,040	0.3
1,001 - 10,000	475	44.5	2,399,250	4.0
10,001 - 1,000,000	337	31.6	20,473,711	34.3
1,00,001 and above	11	1.0	36,663,888	61.4
Total	1,067	100.0	59,701,669	100.0

2.5. Volume Weight Average Price ("VWAP") per Share

For the six-month period from 15 September 2022 up to 14 March 2023 (being the last full market day preceding the date of this Announcement), the VWAP of each Share for trades done on the Catalist was S\$0.010². Following the completion of the Proposed Share Consolidation, the theoretical adjusted VWAP of each Consolidated Share will be S\$0.10.

2.6. Adjustments

As at the date of this Announcement, the Company has the following convertible securities which are outstanding and convertible into Shares (collectively, the "**Convertible Securities**"):

Nature of agreement	Principal Amount	Maturity	Conversion Price	Adjusted Conversion Price post Share Consolidation
2 non-redeemable convertible loan notes entered into with each of Tejvinder Singh and Great Pyramid Sdn Bhd dated 14 October 2022	S\$200,000	2 years from date of issuance, i.e. 13 October 2024	Minimum of S\$0.011 or an amount equivalent to the VWAP as at Maturity Date, less a 10% discount. The conversion is at the Company's discretion on Maturity Date.	Minimum of S\$0.11 or an amount equivalent to the VWAP as at Maturity Date, less a 10% discount.
2 non-redeemable convertible loan notes,	S\$300,000	2 years from date of	Minimum of S\$0.0096 or an	Minimum of S\$0.096 or an

² The VWAP was calculated based on the aggregate daily trading value of the Shares divided by the aggregate daily trading volume of the Shares, as extracted from Bloomberg L.P.

one with Ng Boon Leng and the other with Ting Choong Sing and Fong Nyuk Moi dated 18 October 2022		issuance, i.e. 17 October 2024	amount equivalent to the VWAP as at Maturity Date, less a 10% discount. The conversion is at the Company's discretion on Maturity Date.	amount equivalent to the VWAP as at Maturity Date, less a 10% discount.
A non-redeemable convertible loan note with Saw Siew Lan dated 31 October 2022	S\$147,000	2 years from date of issuance, i.e. 30 October 2024	Minimum of S\$0.009 or an amount equivalent to the VWAP as at Maturity Date, less a 10% discount. The conversion is at the Company's discretion on Maturity Date.	Minimum of S\$0.09 or an amount equivalent to the VWAP as at Maturity Date, less a 10% discount.
A non-redeemable convertible loan note with Ng Boon Leng dated 17 February 2023	S\$100,000	2 years from date of issuance, i.e. 16 February 2025	Minimum of S\$0.009 or an amount equivalent to the VWAP as at Maturity Date, less a 10% discount. The conversion is at the Company's discretion on Maturity Date.	Minimum of S\$0.09 or an amount equivalent to the VWAP as at Maturity Date, less a 10% discount.

3. PROPOSED CB ISSUANCE

3.1. Information on the Subscriber

- 3.1.1. The Subscriber is an Exempt Company incorporated in the Cayman Islands with limited liability with effect from 21 December 2022 and with company registration no. HM-396455. The shareholders of the Subscriber are Nicholas Lin Kuan Liang and Thong Soon Seng who are also directors of the Subscriber, together with Thong Jian Biao Ryan. The Subscriber intends to invest in the Company by way of the Proposed CB Issuance, and had on 14 February 2023, entered into a non-binding term sheet in respect of the Proposed CB Issuance ("**Term Sheet**").
- 3.1.2. As at the date of this Announcement, the Subscriber does not hold any Shares, directly or indirectly. The Subscriber is not an interested persons as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST and does not fall under the class of restricted persons as specified in Rule 812(1) of the Catalist Rules.
- 3.1.3. The Subscriber has confirmed in the Subscription Agreement that it is subscribing for the Bonds and the Conversion Shares as principal and for its own benefit and is not acting in concert with any other person or company, and have not entered into any agreement, arrangement or understanding (whether oral or in writing) with any person or company to act as parties in concert in relation to the Shares, within the definition of the Singapore Code on Take-overs and Mergers.
- 3.1.4. To the best of the knowledge of the Directors, prior to the entry of the Term Sheet, the Subscriber does not have any other connections (including business, commercial,

or trade dealings) with the Company, the Group, the Directors and substantial shareholders of the Company.

3.1.5. The Subscriber was introduced to the Company by Dato' Low Koon Poh ("**Dato' Low**") through Dato' Low's individual business network. For the avoidance of doubt, no introducer fee or commission was paid or payable in connection with the Proposed CB Issuance.

3.2. **Rationale of the Proposed CB Issuance**

Due to the current financial position of the Group, the Group has encountered difficulties obtaining funds from traditional financial institutions and has been raising funds via the secondary markets. The Proposed CB Issuance will provide available funds to support the Company and the Group and inject sufficient working capital for the Company and the Group to operate as a going concern as well as to expand its business.

The Board has considered at length, the terms of the Proposed CB Issuance, including the discount of the Conversion Price (defined below) and the dilutive impact of the Bonds and are of the view that the terms of the Proposed CB Issuance are reasonable due to the following reasons:

- (i) The Bonds are interest-free;
- (ii) The Bonds are mandatorily converted after 12 months reducing the need for repayment by the Group;
- (iii) The dilutive impact is mitigated by the Minimum Conversion Price (defined below) and while the Proposed CB Issuance is up to S\$30,000,000, the Bonds will be issued in tranches where each subsequent tranche can only be subscribed upon full subscription of the earlier tranche. Further, the Subscriber can only subscribe for the Tranche 2 Bonds (defined below) if the Company exercises the Tranche 2 Option (defined below). This allows the Board the flexibility to decide, based on, *inter alia*, the funding needs of the Group and market condition, whether to exercise the Tranche 2 Option;
- (iv) The Subscriber has not requested any Board and Management representation, is investing solely for financial purposes and has undertaken not to hold 15% or more of the voting rights in the Company; and
- (v) The Proposed Share Consolidation will be completed prior to the Proposed CB Issuance to reduce volatility of the Company's Shares.

3.3. **Principal terms and conditions of the Bonds**

The principal terms and conditions of the Bonds under the Subscription Agreement are summarised below:

- Principal Amount** : An aggregate principal amount of up to S\$30,000,000 comprising three (3) tranches of principal amounts of S\$10,000,000 each (each such tranche referred to in this Announcement as "**Tranche 1 Bonds**", "**Tranche 2 Bonds**" and "**Tranche 3 Bonds**" as the case may be). Each of the Tranche 1 Bonds, Tranche 2 Bonds and Tranche 3 Bonds shall comprise equal sub-tranches of S\$1,000,000 each.
- Issue Price** : 100% of the face value the Bonds.

- Interest** : The Bonds are non-interest bearing.
- Availability Period** : The period of three (3) years beginning on the date of issuance of the first and second sub-tranche of Tranche 1 Bonds ("**Closing Date**").
- Termination Date** : The date falling three (3) years from the Closing Date or such further period as notified by the Subscriber to the Company upon the occurrence of an Extension Event.
- Issuance** : **Tranche 1 Bonds**

The first two sub-tranches of Tranche 1 Bonds ("**Relevant Sub-tranches**") shall be subscribed by the Subscriber on the date falling within one (1) business day immediately after the last of the Conditions Precedents (as defined below) are satisfied or such other date as the parties may agree in writing. The remaining sub-tranches of Tranche 1 Bonds can be subscribed by the Subscriber at its sole discretion by, providing a written notice to the Company at any time prior to the Termination Date.

Tranche 2 Bonds

The Tranche 2 Bonds can be subscribed by the Subscriber only upon completion of subscription of all of the sub-tranches of Tranche 1 Bonds. The Subscriber has granted the Company an option to request the Subscriber to subscribe for the Tranche 2 Bonds ("**Tranche 2 Option**"). If the Company exercises the Tranche 2 Option, the Subscriber may, at its sole discretion, subscribe for such sub-tranches of Tranche 2 Bonds on such date as the Subscriber shall determine in its sole and absolute discretion.

Tranche 3 Bonds

The Tranche 3 Bonds can be subscribed by the Subscriber only upon completion of subscription of all of the sub-tranches of Tranche 2 Bonds. The Subscriber may, at its sole discretion, subscribe for such sub-tranches of Tranche 3 Bonds on such date as the Subscriber shall determine in its sole and absolute discretion.

- Mandatory Conversion** : The right of the holders of the Bonds to convert any Bonds is called the "**Conversion Right**". Subject to the terms and conditions of the Subscription Agreement, the holder of the Bonds must convert the Bonds into authorised, validly issued, fully-paid and unencumbered Shares ("**Conversion Shares**") at the Conversion Price (as defined herein), during the period commencing from the respective dates on which they are issued and registered, up to the date falling one (1) business day before 12 months from their respective Closing Date ("**Mandatory Conversion Date**") ("**Conversion Period**"). Notwithstanding the above, if the allotment and issue of

Conversion Shares upon the mandatory conversion of the Bonds on the Mandatory Conversion Date would result in the holder of Bonds holding 15% or more the voting rights in the Company, that holder may extend the Conversion Period and the Mandatory Conversion Date to such new dates by giving written notice to the Company.

The Bonds which are not converted will be converted by the Company at the lowest possible Conversion Price on the Mandatory Conversion Date.

- Conversion Price** : The price at which each Conversion Share will be issued (the "**Conversion Price**") for each Bond that is converted into Conversion Shares shall be the higher of:
- (a) 80% of the average closing price per Share for any three (3) consecutive days where Shares are traded on the SGX-ST (for the avoidance of doubt, may include one or more intervening days on which there are no trades in the Shares), determined at the sole and absolute discretion of the holders of the Bonds, on which trades are done during the 45 business days immediately preceding the relevant conversion date of the Bonds; or
 - (b) S\$0.02 or such other sum as adjusted in accordance with the Subscription Agreement ("**Minimum Conversion Price**").

- Adjustments** : The Minimum Conversion Price may be subject to adjustments under certain circumstances as set out in the Subscription Agreement including, amongst others, (a) any alteration to the number of issued Shares due to share consolidation, subdivision or reclassification of Shares, (b) capitalisation of profits or reserves, (c) capital distributions, (d) rights issues or options over Shares, or other securities (e) issues at less than current market value or current market price, or (f) modification of rights of conversion or other offers to Shareholders.

For the avoidance of doubt, the completion of the Proposed Share Consolidation is a condition precedent to the Proposed CB Issuance. Hence, the Minimum Conversion Price will not have to be adjusted for the Proposed Share Consolidation.

- Status of Bonds** : Bonds constitute direct, unconditional, unsubordinated and unsecured (subject to the conditions of the Negative Pledge) obligations of the Company, ranking *pari passu* and rateably without any preference among themselves and save as otherwise provided under any applicable laws or regulations, equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding.

- Status of Conversion Shares** : The Conversion Shares will, upon allotment and issuance, be fully paid up and rank *pari passu* in all respects with the

then existing Shares (except that such Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the books closure date of which falls before the allotment and issuance of the relevant Conversion Shares).

Negative Pledge : Neither the Company nor any of its subsidiaries shall, for as long as any of the Bonds remains outstanding, create or allow the creation of any mortgage, charge, pledge or any other security interest upon the whole or any part of its property or assets, present or future, in order to secure, for the benefit of holders of any existing or future issue of any notes, bonds or convertible securities (or to secure for the benefit of holders thereof any guarantee or indemnity or other like obligation in respect thereof) without extending to the Bonds at the same time, either the same security as is created or is outstanding in respect of such bond issue (or such guarantee or indemnity or other like obligation in respect thereof) or such other security or guarantee as is not materially less beneficial to the holders of the Bonds or as the holder of 75% or more of the outstanding principal amount of Bonds shall approve.

Further Fund Raising by the Company : The Company shall not, and shall procure that each of its Subsidiaries shall not, engage in any transaction to raise funds and execute any agreement to issue new shares, convertible securities and/or to undertake further debt obligations (in any other manner or form) during the subsistence of the Subscription Agreement without prior notification to the Subscriber of the full details of any such transaction, and the Company undertakes to notify the Subscriber immediately upon the finalisation of the key terms of any such transaction.

Undertakings by the Subscriber : The Subscriber undertakes to the Company, and undertakes to the Company to procure that each of its subsidiaries and any person under the control thereof has not been, is not and will not be at any time engaged in "insider trading" or any other form of conduct prohibited under Part XII of the Securities and Futures Act 2001 of Singapore in connection with the issue and delivery of the Bonds and the related transactions entered into or to be entered into pursuant to this Subscription Agreement. Neither the Subscriber nor any other person acting on the Subscriber's behalf has taken or will take, directly or indirectly, any action designed or which was designed, or which constitutes or has constituted or might reasonably be or have been expected to cause or result in, stabilisation or manipulation of the price of any Shares or other securities of the Company.

Extension Event : An Extension Event occurs where, amongst others:

(a) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation contained in the Subscription Agreement or the terms and conditions and on its

part to be performed or observed and such default continues for the period of seven (7) days next following the service by the Subscriber or any holder of Bonds (as the case may be) on the Company of notice requiring the same to be remedied; and/or

- (b) an insolvency event occurs in respect of the Company;
- (c) the Shares are delisted on the Catalist;
- (d) save for any trading halt the suspension of trading for a period of three (3) consecutive market days or more;

Upon the occurrence of any of an Extension Event, holders of the Bonds may, by notice in writing any time:

- (a) exercise the Conversion Right in respect of some or all of the outstanding Bonds pursuant to the conditions of the Bonds; and/or
- (b) extend the Conversion Period and Mandatory Conversion Date to such new dates as set out in the notices, subject always to the applicable laws.

No redemption : The Company has no obligation to repay the principal amount of the Bonds outstanding at any time and the holder of the Bonds are obligated to exercise their Conversion Rights.

Administration Fee : In respect of each sub-tranche of the Bonds, which is subscribed for and issued in accordance with the Subscription Agreement, an administration fee of 6.0% of the aggregate principal amount of the Bonds for such sub-tranche is payable by the Company to the Subscriber.

The Company has paid an initial administration fee of S\$33,000 to the Subscriber in respect of the entry into the Subscription Agreement.

Alteration to terms of Bonds : Any modification by the Company of the Bonds or any waiver or authorisation of any breach or proposed breach by the Company of the Bonds requires the written approval of holders of 51% or more of the aggregate principal amount of Bonds then outstanding. Any material modification to the terms of the Bonds after issue to the advantage of the holders of the Bonds shall be approved by Shareholders, except where such alterations are made pursuant to the terms and conditions of the Bonds.

Governing law : Governed by the laws of Singapore.

Listing and Trading of the Bonds : The Bonds will not be listed or tradable on the SGX-ST.

Listing and Trading of : Application will be made to list the Conversion Shares (if

the Conversion Shares any) on the Catalist of the SGX-ST.

3.4. **Conditions precedent**

Pursuant to the terms and condition of the Subscription Agreement, the Proposed CB Issuance is conditional upon, amongst others,

- 3.4.1. the receipt of approval of the Shareholders for the (a) issue of the Bonds on the terms and subject to the conditions of the Subscription Agreement and the allotment and issue of the Conversion Shares, and (b) Proposed Share Consolidation;
- 3.4.2. the receipt of listing and quotation notice from the SGX-ST for the listing and quotation of the Consolidation Shares and the Conversion Shares on the Catalist; and
- 3.4.3. the issue of the Bonds on not being prohibited by (i) any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company, or (ii) any injunction or other orders issued by any court of competent jurisdiction.

3.5. **Minimum Conversion Price**

The Minimum Conversion Price represents:

- (a) a premium of 185.7% to S\$0.007 being the volume weighted average price for trades done on the SGX- ST on 14 March 2023, which is the full market day for which trades were done immediately preceding the signing of the Subscription Agreement ("**Benchmark Date**"); and
- (b) a discount of 71.4% to S\$0.07 being the theoretical adjusted price assuming that the Proposed Share Consolidation is completed before the Benchmark Date.

The Minimum Conversion Price was determined on a "willing-buyer willing-seller" basis, after taking into consideration the following factors:

- (a) the effect of the Proposed Share Consolidation;
- (b) the historical trading and liquidity of the Company's shares; and
- (c) the financial performance of the Group.

3.6. **Conversion Shares**

The number of Conversion Shares to be allotted and issued by the Company in the minimum and maximum scenario and their respective dilutive effects are set out below:

- 3.6.1. **Minimum Scenario:** on the basis that only the Relevant Sub-Tranches are subscribed by the Subscriber and the Relevant Sub-Tranches are converted at the Minimum Conversion Price (assuming no adjustment to the Minimum Conversion Price of S\$0.02), approximately 100,000,000 Conversion Shares will be issued representing approximately 16.8% of the Company's issued share capital of 597,016,759 Shares as at the date of this Announcement ("**Existing Share Capital**") and 62.6% of the enlarged share capital (after completion of the Proposed Share Consolidation and issuance of the Conversion Shares pursuant to the Minimum Scenario)("**Minimum Scenario Enlarged Share Capital**"); and

3.6.2. **Maximum Scenario:** on the basis that all of the Bonds are subscribed by the Subscriber and the Bonds are converted at the Minimum Conversion Price (assuming no adjustment to the Minimum Conversion Price of S\$0.02), approximately 1,500,000,000 Conversion Shares will be issued representing approximately 251.2% of the Existing Share Capital and 96.2% of the enlarged share capital (after completion of the Proposed Share Consolidation and issuance of the Conversion Shares pursuant to the Maximum Scenario)(“**Maximum Scenario Enlarged Share Capital**”).

3.7. Use of proceeds

3.7.1. The aggregate net proceeds (after payment of administrative fees and any other relevant expenses) from the Proposed CB Issuance for the Minimum Scenario will be S\$1,752,000 and shall be used by the Company in the following estimated proportions:

Use of Proceeds	S\$	Percentage Allocation
Repayment of Convertible Loans	250,000	14.3%
Expansion of the Healthcare business including renovation and refurbishment of chiropractic centres in Malaysia and Singapore	350,000	20.0%
General working capital of the Group which includes, <i>inter alia</i> , professional fees, staff salaries and general overheads	1,152,000	65.7%
Total	1,752,000	100.0%

3.7.2. The aggregate net proceeds (after payment of administrative fees and any other relevant expenses) from the Proposed CB Issuance for the Maximum Scenario will be S\$28,072,000 and shall be used by the Company in the following estimated proportions:

Use of Proceeds	S\$	Percentage Allocation
Repayment of Convertible Loans & Borrowings	1,480,000	5.3%
Expansion of the Healthcare Businesses including but not limited to - 12 Chiropractic centres in Singapore & Malaysia - 2 Postpartum centres in Malaysia	5,000,000	17.8%
Marketing and Distribution of DNA Profiling, Health Screening and Cell Therapy products and services	2,600,000	9.3%
General working capital of the Group which includes, <i>inter alia</i> , professional fees, staff salaries and general overheads	5,000,000	17.8%

Development and/or acquisition of new businesses in Healthcare and Wellness	13,992,000	49.8%
Total	28,072,000	100.0%

3.7.3. Pending the deployment of the net proceeds, the net proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion but subject to the Subscription Agreement, deem fit in the interests of the Company.

3.7.4. The Company will make periodic announcements of utilisation of the net proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and percentage allocated. The Company will also provide a status report on the use of proceeds in the Company's interim and full year financial statements and the Company's annual report. Where there is material deviation from the stated use of the net proceeds, the Company will announce the reasons for such deviation. Where the proceeds have been used for general corporate and/or working capital purposes, the Company undertakes to provide a breakdown with specific details on the use of the proceeds in the announcements and annual reports. Where there is a material deviation in the use of the proceeds, the Company will announce the reasons for such deviation.

3.7.5. The Subscriber and its ultimate beneficial shareholders do not fall within any of the categories as set out in Rule 812 of the Catalist Rules.

3.7.6. The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, internal resources and the net proceeds of the Proposed CB Issuance, the working capital available to the Group is sufficient to meet its present requirements.

3.8. **No prospectus and offer information statement**

The proposed issue of the Bonds and the Conversion Shares will be made pursuant to the exemptions under Sections 274 and 275 of the Securities and Futures Act 2001 of Singapore (the "**SFA**") relating to offers of securities or securities-based derivatives contracts to an institutional investor or a relevant person. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

3.9. **Additional listing application**

The Company will be making an application to the SGX-ST through the Company's Sponsor for the listing and quotation of the Conversion Shares on the Catalist. The Company will make the necessary announcements once the approval listing and quotation notice for the listing and quotation of the Conversion Shares has been obtained from the SGX-ST.

3.10. **Transfer of controlling interest**

3.10.1. Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a Controlling Interest without prior approval of shareholders in general meeting. Under the Catalist Rules, a Controlling Shareholder is a person who directly or indirectly holds 15% or more of the nominal amount of all voting shares in the Company, or a person who in fact exercises control over the Company.

3.10.2. Pursuant to the terms of the Subscription Agreement, the Subscriber has undertaken to not exercise its Conversion Right in respect of any sub-tranche of the Bonds it holds where the conversion of such sub-tranche of the Bonds will result in the Subscriber holding 15% or more of the voting rights in the Company. For the avoidance of doubt, this shall not prevent the Subscriber from subscribing for such number of Bonds which will not result in the Subscriber holding 15% or more voting rights in the Company.

3.10.3. Accordingly, the Proposed CB Issuance would not constitute a transfer of a Controlling Interest in the Company and is not subject to the approval of the Shareholders for the purposes of Rule 803 of the Catalist Rules.

4. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The pro forma financial effects of the Proposed Transactions on the net tangible assets/liabilities per Share of the Group and the loss per Share of the Group and the share capital of the Company as set out below are prepared purely for illustration only and do not reflect the actual future financial situation of the Group after the Proposed Transactions.

The objective of presenting the pro forma financial effects of the Proposed Transactions as shown below is to illustrate what the historical financial information might have been had the Proposed Transactions been completed at an earlier date. However, such financial information is not necessarily indicative of the results of the operations or the related effects in the financial position that would have been attained had the Proposed Transactions been completed at the earlier date.

4.1. Assumptions

The pro forma financial effects have been prepared based on the latest announced unaudited financial statements of the Group for FY2022, such financial year being the most recently completed financial year on the following bases and assumptions:

- (a) the Proposed Share Consolidation was completed prior to the Proposed CB Issuance;
- (b) the issued Bonds were converted into Conversion Shares (based on Minimum Scenario and Maximum Scenario);
- (c) the financial effect on the Group's consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Transactions would be completed on 31 December 2022;
- (d) the financial effect on the Group's loss per Share ("**LPS**") is computed based on the assumption that the Proposed Transactions would be completed on 1 January 2022; and
- (e) expenses to be incurred in connection with the Proposed Transactions, being professional and administrative fees, are estimated to be approximately S\$248,000 in the Minimum Scenario and S\$1,928,000 in the Maximum Scenario. This includes an initial administrative fee of S\$33,000 which has been paid by the Company prior to the entry of the Subscription Agreement.

4.2. Share Capital

The financial effect of the Proposed Transactions on the share capital of the Company is illustrated as follows:

	Number of Shares (excluding treasury shares)
Before the Proposed Transactions	597,016,759
After the Proposed Share Consolidation	59,701,669
After conversion of the Bonds based on the Minimum Scenario ⁽¹⁾	159,701,669
After conversion of the Bonds based on the Maximum Scenario ⁽²⁾	1,559,701,669

Notes:

- (1) 100,000,000 Conversion Shares will be issued upon conversion of the Bonds based on the Minimum Scenario.
- (2) 1,500,000,000 Conversion Shares will be issued upon conversion of the Bonds based on the Maximum Scenario.

4.3. NTA

The financial effect of the Proposed Transactions on the NTA per Share is illustrated as follows:

	NTA (MYR)	NTA per Share (Malaysia Sen)
Before the Proposed Transactions (as reported)	(9,577,000)	(1.6)
After the Proposed Share Consolidation	(9,577,000)	(16.3)
After completion of the Proposed Transactions and conversion of the Bonds based on the Minimum Scenario ⁽¹⁾	(3,740,562)	(2.3)
After completion of the Proposed Transactions and conversion of the Bonds based on the Maximum Scenario ⁽²⁾	18,495,000	1.2

Notes:

- (1) 100,000,000 Conversion Shares will be issued upon conversion of the Bonds (Minimum Scenario).
- (2) 1,500,000,000 Conversion Shares will be issued upon conversion of the Bonds (Maximum Scenario).

4.4. LPS

The financial effect of the Proposed Transactions on the LPS per Share is illustrated as follows:

Before the Proposed Transaction	
Net Loss Attributable to owners of the Company (MYR)	(4,945,000)
Weighted average no. of Shares ⁽¹⁾	572,892,623
LPS per Share (Malaysia sen)	(0.86)
After the Proposed Share Consolidation	
Net Loss Attributable to owners of the Company (MYR)	(4,945,000)
Weighted average no of Shares ⁽²⁾	57,289,262
LPS per Share (Malaysia sen)	(8.63)
After completion of the Proposed Transactions and conversion of the Bonds based on the Minimum Scenario⁽³⁾	
Net Loss Attributable to owners of the Company (MYR)	(4,945,000)
Weighted average no of Shares	157,289,262
LPS per Share (Malaysia sen)	(3.14)
After completion of the Proposed Transactions and conversion of the Bonds based on the Maximum Scenario⁽⁴⁾	
Net Loss Attributable to owners of the Company (MYR)	(4,945,000)
Weighted average no of Shares	1,557,289,262
LPS per Share (Malaysia sen)	(0.32)

Notes:

- (1) The weighted average number of shares has been adjusted for issuance of 44,247,788 ordinary shares on 19 July 2022 pursuant to a share subscription exercise.
- (2) The weighted average number of shares is based on a 10-1 reduction on the weighted average number of Shares before Proposed Transaction and excluding any resulting fraction of Shares.
- (3) 100,000,000 Conversion Shares will be issued upon conversion of the Bonds based on the Minimum Scenario.
- (4) 1,500,000,000 Conversion Shares will be issued upon conversion of the Bonds based on the Maximum Scenario.

5. EXTRAORDINARY GENERAL MEETING TO BE CONVENED

The Company will convene a general meeting in due course to seek its Shareholders' approval for resolutions relating to the Proposed Transactions.

A circular which meets the disclosure requirements of the Catalist Rules, together with a notice of the extraordinary general meeting to be convened, will be despatched to Shareholders in due course.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Please refer to the **Appendix I** to this Announcement for a breakdown of the shareholding interests of Directors and substantial shareholders of the Company both prior to and immediately after completion of the Proposed Transactions.

None of the Directors or, as far as the Directors are aware, controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated herein (other than in his capacity as a director or shareholder of the Company).

7. DIRECTOR'S SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed CB Issuance. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcements if and when there are any material developments regarding the transactions contemplated herein as and when appropriate.

9. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Transactions are subject to certain conditions (including various conditions precedent), and there is no certainty or assurance as at the date of this Announcement that the Proposed Transactions will be completed. Accordingly, Shareholders are advised to exercise caution in trading their Shares. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take. The Company will make the necessary announcements as and when there are any material updates in relation to the Proposed Transactions.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 for a period of three (3) months from the date of this Announcement.

- (a) the Company's Constitution;
- (b) the unaudited financial statements of the Group for FY2022; and
- (c) the Subscription Agreement.

By Order of the Board
Medi Lifestyle Limited

Low Koon Poh
Executive Chairman & Chief Executive Officer
15 March 2023

*This Announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**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

APPENDIX I – CHANGE IN SHAREHOLDING INTERESTS

The breakdown of the shareholding interests of the parties to the Proposed Transactions and substantial shareholders of the Company:

- (i) prior to the completion of the Proposed Transactions (and both before and after completion of the Proposed Share Consolidation and the Proposed CB Issuance);
- (ii) after the completion of the Proposed Transactions and assuming that the Proposed Share Consolidation has been completed and the Convertible Bond has been converted into Conversion Shares according to the Minimum Scenario; and
- (iii) after the completion of the Proposed Transactions and assuming that the Proposed Share Consolidation has been completed and the Convertible Bond has been converted into Conversion Shares according to the Maximum Scenario.

Shareholders	Prior to the Proposed Share Consolidation		After the Proposed Share Consolidation but before the Proposed CB Issuance		After the Proposed CB Issuance and assuming conversion of the Convertible Bonds based on the Minimum Scenario		After the Proposed CB Issuance and assuming conversion of the Convertible Bonds based on the Maximum Scenario	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Willy Chan Foo Weng	67,720,521	11.34	6,772,052	11.34	6,772,052	4.24	6,772,052	0.43
Tan Sri Dato' Hari N. Govindasamy ³	50,856,500	8.52	5,085,650	8.52	5,085,650	3.18	5,085,650	0.33
Vimala J. Govindasamy ²	50,856,500	8.52	5,085,650	8.52	5,085,650	3.18	5,085,650	0.33
Liw Chai Yuk	44,777,103	7.50	4,477,710	7.50	4,477,710	2.80	4,477,710	0.29
I Concept Global Growth Fund	40,201,005	6.73	4,020,100	6.73	4,020,100	2.52	4,020,100	0.26

³ Tan Sri Dato' Hari N. Govindasamy and Vimala J. Govindasamy hold shares through a joint account in Citibank Nominees Singapore Pte. Ltd.