



MEDI LIFESTYLE LIMITED

(Formerly known as IEV HOLDINGS LIMITED)

(Company Registration Number 201117734D)

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

PROPOSED SUBSCRIPTION OF UP TO 19,685,039 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0254 PER SHARE

1. INTRODUCTION

1.1. 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, on 31 March 2021, the Company had entered into a subscription agreement (the "**Subscription Agreement**") with DFI Holdings (M) Sdn Bhd (the "**Subscriber**").

1.2. Pursuant to the Subscription Agreement, the Subscriber has agreed to subscribe for an aggregate of 19,685,039 new ordinary shares ("**Shares**") in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.0254 (the "**Issue Price**") for each Subscription Share amounting to an aggregate cash consideration of S\$500,000 (the "**Aggregate Consideration**"), subject to and upon the terms and conditions of the Subscription Agreement (the "**Proposed Subscription**"). Please refer to paragraph 3 of this announcement for more information on the Proposed Subscription.

1.3. Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, SAC Capital Private Limited ("**Sponsor**"), for, *inter alia*, the dealing in, listing of and quotation for the Subscription Shares on the Catalist board of the SGX-ST (the "**Catalist**"). The Company will make the necessary announcement upon receipt of the listing and quotation notice ("**LQN**") from the SGX-ST.

1.4. Exemption from Prospectus Requirement

The Proposed Subscription is not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscription. The offer and allotment and issue of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2. INFORMATION RELATING TO THE SUBSCRIBER

*Shareholders of the Company ("**Shareholders**") should note that information relating to the Subscriber in this paragraph and elsewhere in this announcement was provided by the Subscriber. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

2.1. The Subscriber is a private company incorporated under the laws of Malaysia on 10 November 2011. As at the date of this announcement, the Subscriber has an issued and paid-up share capital of 500,000 ordinary shares. Its principal business activity is that of investment holding. As

at the date of this announcement, Datuk Seri Subramaniam Pillai A/L Sankaran Pillai ("**Datuk Subramaniam**"), holds fifty per cent. (50%) shareholding in the Subscriber, and Datin Seri Jacqueline A/P Earthayanathan ("**Datin' Jacqueline**"), who is the spouse of Datuk Subramaniam, holds the remaining fifty per cent. (50%) of the Subscriber's shares. Datuk Subramaniam and Datin Jacqueline are unrelated to the Company's Directors, and/or controlling shareholders of their associates.

- 2.2. As at the date of this announcement, the Subscriber currently does not hold any Shares in the Company. Its subscription is for investment purposes.
- 2.3. The Subscriber is a business contact of and was introduced to the Company by Dato' Low Koon Poh, the Executive Chairman and Chief Executive Officer of the Company. The Subscriber had expressed interest to invest in the Company.
- 2.4. The Subscriber has confirmed that it is subscribing purely for investment and solely for its own beneficial interest, and is not subscribing for any of the Subscription Shares as an agent for or otherwise on behalf of any other person.
- 2.5. The Subscriber has represented and warranted to the Company that there is no agreement, arrangement or understanding with any Director and Shareholder to acquire Shares to obtain or consolidate effective control of the Company, and the Subscriber is not a party acting in concert with any Director and Shareholder, as defined in The Singapore Code on Take-overs and Mergers. No share borrowing arrangement has been entered into to facilitate the Proposed Subscription.
- 2.6. No introducer fee or commission is paid or payable by the Company in connection with the Proposed Subscription.
- 2.7. To the best of knowledge of the Directors and save as disclosed above, the Subscriber does not have any other connections (including business relationships) with the Company, its Directors and substantial shareholders. The Subscriber does not fall into the class of restricted persons as specified under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

3. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

3.1. Subscription Shares

Pursuant to the terms of the Subscription Agreement, the Subscriber shall subscribe for 19,685,039 Subscription Shares at the Issue Price per Subscription Share.

The Subscription Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that the Subscription Shares will not rank for any dividends, rights, allotments, or other distributions, the record date for which falls on or before the date of the allotment and issue of the Subscription Shares.

The Subscription Shares represent approximately 3.99% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement and approximately 3.84% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Subscription, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Proposed Placement.

3.2. Issue Price

The Issue Price of S\$0.0254 per Subscription Share represents a discount of approximately 9.9% to the volume weighted average price ("**VWAP**") of S\$0.0282 per Share for trades done on the SGX-ST on 30 March 2021, being the last full market day on which the Shares were traded up to the time of the Company's trading halt on 31 March 2021.

The Issue Price was commercially agreed between the Company and the Subscriber after arm's length negotiations and taking into account historical trading performance of the Company, prevailing market conditions and future prospects of the Group.

3.3. General Mandate

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company ("**Shareholders**") by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 24 June 2020 ("**2020 AGM**"). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2020 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). As at the date of the 2020 AGM, the Company had 487,674,594 Shares in issue (excluding 200,000 treasury shares) and accordingly, the Company had 243,837,297 Shares available for issuance under the General Mandate on a non-*pro-rata* basis.

On 20 October 2021, the Company announced that it had on 19 October 2020 issued and allotted 5,208,333 new Shares to Dato' Willy Chan Foo Weng ("**Dato' Chan**") in accordance with the subscription agreement dated 7 October 2020 entered into with Dato' Chan. The 5,208,333 Shares were issued to Dato' Chan pursuant to the General Mandate.

On 29 January 2021, the Company announced that it had entered into 5 separate convertible loan agreements ("**CLAs**") with Wong Soh Shyan ("**WSS**"), Wong Chui Chui ("**WCC**"), Dato' Yip Kian Heng ("**Dato' Yip**"), Invtra Capital Sdn Bhd ("**Invtra**") and I Concept Global Growth Fund ("**I Concept**") and collectively with WSS, WCC, Dato' Yip and Invtra, the "**Lenders**" and each a "**Lender**", pursuant to which the Lenders have agreed to grant interest-bearing convertible loans for an aggregate principal amount of S\$2,250,000 ("**Loan Amount**") to the Company (the "**Convertible Loans**"). The Lenders have been granted the right to convert at a conversion price of S\$0.04 the principal sum of the Loan Amount, into a maximum of 56,250,000 new Shares ("**Conversion Shares**"). The Conversion Shares will be issued and allotted pursuant to the General Mandate. On 4 February 2021, the SGX-ST had granted the listing of and quotation for the Conversion Shares.

Consequently, the maximum number that may be issued other than on a *pro-rata* basis pursuant to the General Mandate is 182,378,964 Shares. Accordingly, the proposed allotment and issue of the Subscription Shares falls within the limit of the General Mandate.

3.4. Compliance with Catalist Rules

The Subscription Shares (i) will not be placed to any person who is a director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalist Rules, and (ii) will not result in any transfer of controlling interest in the Company.

3.5. Conditions Precedent

Under the Subscription Agreement, the completion of the Proposed Subscription is conditional upon the satisfaction or waiver of, *inter alia*, the following conditions ("**Conditions**"):

- (a) the LQN being obtained from the SGX-ST and not having been revoked or amended and, where the LQN is subject to conditions, to the extent that any conditions of the LQN are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
- (b) the exemption under Section 272B of the SFA being applicable to the allotment and issue of Subscription Shares under the Subscription Agreement;
- (c) the allotment and issue of Subscription Shares to the Subscriber not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Subscriber;
- (d) there not having occurred, in the opinion of the Subscriber, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Subscription Agreement which, in the opinion of the Subscriber, is or is reasonably likely to be materially adverse in the context of the Proposed Subscription or is reasonably likely to prejudice materially the success of the Proposed Subscription or dealings in the Subscription Shares; and
- (e) the warranties and undertakings set out in the Subscription Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations under the Subscription Agreement to be performed on or before the Completion Date.

3.6. Long-Stop Date

Under the Subscription Agreement, if the Conditions Precedent are not satisfied on the date falling four (4) weeks after the date of the Subscription Agreement (i.e. on or before 30 April 2021 (or such later date as the parties may mutually agree) (the "**Long-Stop Date**"), the Subscription Agreement shall terminate and be of no further effect and no party shall be under any liability to the other in respect of the Subscription Agreement save that the Company shall remain liable for indemnities against the Subscriber.

3.7. Completion

Completion of the Proposed Subscription under the Subscription Agreement shall take place on the date falling three (3) business days after the date on which the SGX-ST issues the LQN (or other such date as the Company and the Subscriber may agree) ("**Completion Date**").

3.8. Adjustment Event

As announced by the Company on 29 January 2021, the Convertible Loans are convertible into a maximum of 56,250,000 Conversion Shares at a conversion price of S\$0.04 ("**Conversion Price**").

Pursuant to the terms and conditions of the CLAs, an adjustment is required to be made to the Conversion Price upon the occurrence of certain events as set out in the CLAs. If the Proposed

Subscription is completed, adjustments to the Conversion Price is required to be made in accordance with the formula set out in the CLAs, as set out below:

$$\frac{A + B}{C}$$

where:

- A : is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;
- B : is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at the Current Market Price¹; and
- C : is the number of Shares in issue immediately after the issue of such additional Shares.

The Conversion Price prior to the issuance of the Subscription Shares is S\$0.040 per Conversion Share. The adjusted Conversion Price after the issuance of the Subscription Shares will be S\$0.0398 per Conversion Share.

The adjustment to the Conversion Price will become effective upon the completion of the Proposed Subscription. As such, on completion of the Proposed Subscription, the Convertible Loans will be convertible into a maximum of 56,532,663 Conversion Shares. This will result in an additional issue of 282,663 Conversion Shares ("**Additional Conversion Shares**").

The Additional Conversion Shares will be allotted and issued pursuant to the General Mandate. As disclosed in paragraph 3.3 above, the maximum number of Shares that may be issued other than on a *pro-rata* basis pursuant to the General Mandate is 182,378,964 Shares. Accordingly, the proposed allotment and issue of the 282,663 Additional Conversion Shares, together with the 19,685,039 Subscription Shares falls within the limit of the General Mandate.

The Company will apply to the SGX-ST through its Sponsor for, *inter alia*, the dealing in, listing of and quotation for the additional Conversion Shares to be issued on the Catalist. The Company will make the necessary announcement upon receipt of the LQN from the SGX-ST.

4. RATIONALE AND USE OF PROCEEDS

Based on the unaudited financial results of the Group for the financial period ended 31 December 2020, the Group is in a net current liabilities position of RM8.5 million. The Directors are of the view that the Proposed Subscription is beneficial to the Group as it will allow the Group to strengthen its financial position, improve the Group's cash flow and increase working capital available to the Group to fund the anticipated working capital requirements of the Group.

The Proposed Subscription will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimates expenses of approximately S\$20,000) of approximately S\$480,000 ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

¹ "**Current Market Price**" means the average of the closing prices quoted on the SGX-ST for one Share for the 20 consecutive trading days ending on 30 March 2021, being the last full trading day prior to the trading halt on 31 March 2021.

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds
Expansion of the Healthcare Business, including, <i>inter alia</i> , renovation and refurbishment of postpartum and chiropractic centres in Singapore and Malaysia	42%	S\$200,000
Working capital including, <i>inter alia</i> , professional fees, staff salaries and general overheads	58%	S\$280,000
Total	100.0%	S\$480,000

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, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. As the Net Proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of Net Proceeds in the Company's quarterly and full year financial statements issued under Rule 705 of the Catalist Rules and its annual reports.

5. DIRECTOR'S CONFIRMATION

The Directors are of the opinion that, (i) after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the Group's present bank facilities, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

6. FINANCIAL EFFECTS

6.1. Bases and assumptions

The financial effects of the Proposed Subscription on (a) the consolidated net tangible assets ("NTA") per Share and (b) the consolidated earnings per Share ("EPS") of the Group, have been prepared based on the unaudited financial statements of the Group for the full year ended 31 December 2020. The *pro forma* financial effects of the Proposed Subscription are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Subscription.

The *pro forma* financial effects are based on the following assumptions:

- (a) the financial effects of the Proposed Subscription on the NTA per Share of the Group are computed based on the assumption that the Proposed Subscription completed on 31 December 2020;
- (b) the financial effect of the Proposed Subscription on the LPS is computed based on the assumption that the Proposed Subscription was completed on 1 January 2020;
- (c) the expenses incurred in connection with the Proposed Subscription amount to approximately S\$20,000; and

(d) an exchange rate of S\$1.00 to RM3.0806.

6.2. Share capital

	Before the Proposed Subscription	After the Proposed Subscription
Issued & Paid Up Capital S\$	47,597,074	48,097,074
Total number of issued Shares (excluding treasury shares) ⁽¹⁾	492,882,927	512,567,966

Notes:-

(1) As at the date of this announcement, the Company has 200,000 treasury shares.

6.3. NTA per Share

The illustrative effects of the Proposed Subscription on the NTA per Share of the Group as at 31 December 2020 are as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NTA ⁽¹⁾ of the Group (RM)	7,612,000	9,090,688
Number of Shares	492,882,927	512,567,966
NTA per Share (Malaysian Sen)	1.54	1.77

Notes:-

(1) NTA means total assets less the sum of total liabilities and intangible assets.

6.4. Loss per Share

The illustrative financial effects of the Proposed Subscription on the Loss per Share of the Group for FY2020 are as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Net Loss (RM)	2,759,000 ⁽¹⁾	2,759,000
Weighted average number of Shares ⁽²⁾	486,028,191	505,713,230
Loss per Share (Malaysian Sen)	0.57	0.55

Notes:-

(1) Net loss comprised of loss from continuing operations amounting to RM4.135 million which was offset by a gain from discontinued operations amounting to RM1.376 million.

(2) The weighted average number of ordinary shares has been adjusted for (i) issuance of 76,000,000 Shares for a share subscription exercise on 14 January 2020; and (ii) issuance of 5,208,333 Shares for a share subscription exercise on 19 October 2020.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Subscription, other than in their capacity as Director or Shareholder of the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Available is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 80 Robinson Road #02-00 Singapore 068898 for a period of three (3) months from the date of this announcement.

9. DIRECTOR'S 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 Subscription, and 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.

10. TRADING CAUTION

Shareholders should note that the Proposed Subscription is subject to the fulfilment of, *inter alia*, certain conditions as set out above.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Dato' Low Koon Poh
Executive Chairman & Chief Executive Officer
1 April 2021

MEDIA CONTACT

For media queries, please contact;

Medi Lifestyle Limited
Corporate Communications Department
Tel: +65 6299 9881

Jeysie Wong (Mobile +60 13 257 2787, Email: jeysie.wong@medi-lifestyle.com)

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.