



MEDI LIFESTYLE LIMITED

(Formerly known as IEV HOLDINGS LIMITED)

(Company Registration Number 201117734D)

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

ENTRY INTO CONVERTIBLE LOAN AGREEMENTS

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 the Company had on 29 January 2021 entered into five (5) separate convertible loan agreements ("**CLAs**" and each a "**CLA**") 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**").
- 1.2. Pursuant to the terms of the CLAs, the Lenders have been granted the right to convert at a conversion price of S\$0.04 ("**Conversion Price**") the principal sum of the Loan Amount, into a maximum of 56,250,000 new ordinary shares ("**Shares**") in the issued and paid-up capital of the Company (the "**Conversion Shares**"), fractional entitlements to be disregarded ("**Conversion Share Issue**"). For the avoidance of doubt, all interest amounts accruing on the Loan Amount ("**Interest Amounts**") will be repaid by the Company in cash, and the Lenders have no right to convert any portion of the Interest Amounts into Conversion Shares. Please refer to paragraph 3 of this announcement for further details on the salient terms of the CLAs.
- 1.3. The Conversion 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 ("**Share Issue Mandate**") at the annual general meeting held on 24 June 2020 ("**2020 AGM**"). Please refer to paragraph 3 of this announcement for further details on the Share Issue Mandate.
- 1.4. The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, SAC Capital Private Limited, for the dealing in, listing of and quotation for the Conversion Shares on the Catalist board of the SGX-ST ("**Catalist**"). The Company will make the necessary announcement upon receipt of the listing and quotation notice ("**LQN**") from the SGX-ST.
- 1.5. Exemption from Prospectus Requirement

The offer and allotment and issue of the Conversion Shares is made pursuant to the prospectus "safe harbour" exemptions under Section 272B of the Securities and Futures Act (Chapter 289 of Singapore) ("**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Conversion Share Issue.

2. INFORMATION RELATING TO THE LENDERS

Shareholders should note that information relating to the Lenders in this paragraph and elsewhere in this announcement have been provided by the Lenders, The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

2.1. Details of the Lenders are as follows:

Name of Lender	Background of Lender
WSS	WSS is a private investor who has experience in financial investment in private and public companies in various countries including Malaysia and Singapore. His subscription is for investment purposes.
WCC	WCC is a private investor who has experience in financial investment in private and public companies in various countries including Malaysia and Singapore. Her subscription is for investment purposes.
Dato' Yip	Dato' Yip is a private investor who has experience in financial investment in private and public companies in various countries including Malaysia and Singapore. His subscription is for investment purposes.
Invtra	<p>Invtra is a company incorporated with limited liability in Malaysia and its principal business is investment holding with a focus on bio life sciences and the distribution and supply of medical equipment. Invtra has a paid-up capital of RM100,000 made up of 100,000 ordinary shares at RM1.00 per share. The entire issued share capital of Invtra is held by Mr. Ramesh A/L Saravanamuthu ("Mr. Ramesh") and Mr. Abdul Jalil Bin Jidon ("Mr. Abdul Jalil"), who hold 51% and 49% of Invtra's shares respectively. Mr. Ramesh and Mr. Abdul Jalil are the directors of Invtra.</p> <p>Mr. Ramesh is an existing shareholder of the Company holding 720,000 Shares representing 0.15% of the existing issued and paid-up capital of the Company. Apart from his existing shareholding in the Company, neither Mr. Ramesh nor Mr. Abdul Jalil have any other relationship with the Company, the Group, the Directors and substantial shareholders of the Company.</p>
I Concept	<p>I Concept is a company incorporated with limited liability in the Cayman Islands and its principal business is investment holding. The investment objective of I Concept is to achieve long-term capital appreciation by investing and trading in financial instruments and derivatives in global markets, with the main focus being in Asia markets.</p> <p>I Concept's authorised share capital is US\$50,000 which is made up of two (2) non-participating voting shares of par value US\$1.00 in the capital of I Concept ("Management Shares") and 4,999,800 participating non-voting shares of par value US\$0.01 in the capital of I Concept. The two (2) Management Shares are held by Michael Marcus Liew ("Mr Liew"), a private investor who has experience in the private equity financial investments arena, and has</p>

	<p>extensive interests in the medical, agricultural, bio-medical as well as tech industries. Mr Liew is an existing shareholder of the Company holding 23.2 million Shares representing 4.7% of the existing issued and paid-up capital of the Company.</p> <p>The directors of I Concept are Mr Liew and Chi Yin Stefanie Chan, who have overall responsibility for the management of I Concept. I Concept has appointed Asia Cornerstone Asset Management Company Limited, a company incorporated with limited liability in Hong Kong, to provide asset management services in respect of I Concept.</p>
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- 2.2. As at the date of this announcement, save as disclosed in this announcement, the Lenders do not hold, directly or indirectly, any Shares in the Company. Each of the Lenders have confirmed that they are and will be the legal and beneficial shareholder of the Conversion Shares upon their issue and allotment and will not be holding any of the Conversion Shares on trust or for the benefit of any other person or company.
- 2.3. Each of the Lenders have also confirmed that save as disclosed in this announcement, they are 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 Company's shares, within the definition of the Singapore Code on Take-overs and Mergers.
- 2.4. I Concept was introduced to the Company through Mr Liew. Each of WCC, WSS, and Dato' Yip had approached Dato' Low Koon Poh ("**Dato' Low**"), the Executive Director of the Company after conducting their own investment due diligence. Each of WCC, WSS and Dato' Yip are redeemable non-convertible preference shareholders of a company that Dato' Low is a 50% shareholder and director of. Invtra was introduced to the Company by Dato' Low, through Dato' Low's individual business network. No introducer fee or commission is payable by the Company in connection with the provision of the Convertible Loans by the Lenders.
- 2.5. To the best of the knowledge of the Directors and save as disclosed in this announcement, the Lenders do not have any other connections (including business relationships) with the Company, the Group, the Directors and substantial shareholders of the Company. The Lenders are not interested persons as defined under Chapter 9 of the Catalist Rules of the SGX-ST and do not fall under Rule 812(1) of the Catalist Rules.

3. PRINCIPAL TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENTS

The terms and conditions of the CLAs were negotiated and agreed upon with each of the Lenders on an arm's length basis and are summarised as follows:

Loan Amounts	The aggregate Loan Amount shall be contributed by the Lenders to the Company in the following proportions:			
	Lender	Loan Amount	Maximum Number of Conversion Shares ⁽¹⁾	Percentage of Enlarged Share Capital ⁽²⁾
	I Concept	S\$1,600,000	40,000,000	7.28%
	Invtra	S\$200,000	5,000,000	0.91%
	Dato' Yip	S\$250,000	6,250,000	1.14%
WCC	S\$100,000	2,500,000	0.46%	

	<table border="1"> <tr> <td>WSS</td> <td>S\$100,000</td> <td>2,500,000</td> <td>0.46%</td> </tr> <tr> <td>Total</td> <td>S\$2,250,000</td> <td>56,250,000</td> <td>10.24%</td> </tr> </table> <p>Notes:</p> <p>(1) The maximum number of Conversion Shares to be issued pursuant to the Convertible Loans is calculated assuming full conversion of the Loan Amount.</p> <p>(2) Based on the maximum number of 56,250,000 Conversion Shares, the enlarged share capital will consist of 549,132,927 Shares.</p> <p>Accordingly, assuming full conversion of the Convertible Loans and no change in the share capital of the Company from the date of this announcement up to the date of issuance of the Conversion Shares, upon the issue of the Conversion Shares to I Concept, I Concept will become a new substantial shareholder of the Company. The relevant disclosure of interests as required by the SFA will be made, where necessary.</p>	WSS	S\$100,000	2,500,000	0.46%	Total	S\$2,250,000	56,250,000	10.24%
WSS	S\$100,000	2,500,000	0.46%						
Total	S\$2,250,000	56,250,000	10.24%						
Conversion Right	<p>Each of the Lenders have, on three (3) specified dates (i.e. 30 June 2021, 30 September 2021 and/or 31 December 2021) (each a "Conversion Date"), the right to convert their entire portion of the Loan Amount or part thereof which is outstanding into Conversion Shares (but in amounts of not less than S\$50,000) at the Conversion Price by serving a conversion notice ("Conversion Notice") in writing to the Company no less than ten (10) business days prior to a Conversion Date ("Conversion Right").</p> <p>Upon receipt of a Conversion Notice from a Lender, the Company shall on the specified Conversion Date, or on such date falling no later than three (3) business days from such Conversion Date (i) repay to the Lenders the interest accrued on the Conversion Amount up to such Conversion Date in full in cash; and (ii) allot and issue the relevant number of Conversion Shares to such Lender.</p> <p>If none of the Lenders exercise their Conversion Rights, the Loan Amount and all accrued interest thereon shall be repaid in cash on the Maturity Date (as defined herein).</p>								
Number and Ranking of Conversion Shares	<p>Assuming that the full Loan Amount is converted into Conversion Shares at the Conversion Price, a maximum of 56,250,000 Conversion Shares will be issued, representing approximately 11.41% 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 10.24% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Conversion Share Issue, assuming there are no changes to the number of Shares of the Company before the completion of the Conversion Share Issue.</p> <p>The Conversion Shares, when issued shall be credited as fully paid, free from all encumbrances and shall rank <i>pari passu</i> with and shall carry all rights similar to the existing Shares as at the date of allotment and issue of the Conversion Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of such Conversion Shares.</p>								
Conversion Conditions	<p>The issue and allotment of the Conversion Shares shall be subject to the following conditions:</p>								

	<p>(a) the Conversion Amount not being less than S\$50,000;</p> <p>(b) the allotment and issue of the Conversion Shares and all the transactions contemplated under the CLAs not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the CLAs by any legislative, executive or regulatory body or authority in Singapore;</p> <p>(c) all of the Lender' warranties being true and accurate in all respects;</p> <p>(d) the LQN being obtained from the SGX-ST and not having been revoked or amended and, where such LQN is subject to conditions, to the extent that any conditions for the listing and quotation of the Conversion Shares on the Catalist are required to be fulfilled on or before the Conversion Date, they are so fulfilled; and</p> <p>(e) all other necessary consents (including any governmental, regulatory and/or corporate or bank approvals and consents) for the transactions contemplated under the CLAs having been obtained.</p>
<p>Conversion Price</p>	<p>S\$0.04 per Conversion Share.</p> <p>The Conversion Price represents a premium of approximately 3.1% to the volume weighted average price of S\$0.0388 per Share for trades done on the SGX-ST on 28 January 2021, being the last full market day on which the Shares were traded prior to the date of the CLAs.</p> <p>The Conversion Price was commercially agreed between the Company and the Lenders after arm's length negotiations and taking into account historical trading performance of the Company, prevailing market conditions and future prospects of the Group.</p> <p>The Conversion Price is subject to adjustments for, <i>inter alia</i>, (i) consolidation, subdivision or reclassification; (ii) capitalisation of profits or reserves; (iii) capital distributions; (iv) rights issues; and/or (v) modification of rights of conversion, in accordance with the terms of the CLAs.</p>
<p>Authority</p>	<p>The Conversion Shares will be allotted and issued pursuant to Share Issue Mandate. The Share Issue 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 <i>pro-rata</i> 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).</p> <p>On 20 October 2020, the Company 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 Share Issue Mandate.</p>

	<p>Accordingly, the maximum number of Shares that may be issued other than on a <i>pro-rata</i> basis pursuant to the Share Issue Mandate is 238,628,964 Shares. Accordingly, assuming that the Loan Amount is converted in full, the proposed allotment and issue of the Conversion Shares falls within the limit of the Share Issue Mandate.</p>
Disbursement Date	<p>A Lender shall extend the Loan Amount to the Company at the Company's request if:</p> <p>(a) not later than 10:00 a.m. on the Business Day immediately preceding the proposed date of the Loan (which must be a Business Day), once the Lender has received from the Company a duly completed and signed notice (which notice shall be irrevocable) ("Drawdown Notice") specifying:</p> <p>(i) the proposed date of the Loan (the "Disbursement Date"); and</p> <p>(ii) details of the bank and account to which the Company wishes the proceeds of the Loan to be made available;</p> <p>(b) all the warranties of the Company have been complied with and would be correct in all respects if repeated on the Disbursement Date by reference to the circumstances then existing;</p> <p>(c) no Event of Default (as defined herein) has occurred on or before the Disbursement Date or will or is likely to occur as a result of making the Loan;</p> <p>(d) the Lender is satisfied that there is no material adverse change affecting the Company.</p>
Interest	<p>Interest shall accrue on the Convertible Loans at a rate of ten per cent. (10%) per annum. All interest accrued on the Conversion Amount up to the relevant Conversion Date which the Lender exercises its Conversion Right shall be repayable in cash on such Conversion Date or such date falling no later than three (3) Business Days from such Conversion Date, or if the Lender does not exercise its Conversion Right, on the Maturity Date. Upon conversion of a Lender's entire portion of the full Loan Amount into Conversion Shares, no interest will continue accrue on such portion of the Loan Amount.</p> <p>Interest under the CLAs shall be calculated on the basis of actual days elapsed and a year of 365 days.</p> <p>For the avoidance of doubt, all interest amounts will be payable by way of cash only. No accrued interest amounts will be paid via conversion into Conversion Shares.</p>
Maturity Date	<p>One (1) year from the Disbursement Date, or such date as the parties may mutually agree in writing ("Maturity Date").</p>

Repayment of Convertible Loans and Payment of Interest	Unless converted into Conversion Shares, the aggregate principal sum of the Convertible Loans including all accrued interest thereon shall be repaid in full in cash by the Company on the Maturity Date.
Prepayment and Cancellation	No prepayment or cancellation of the Loan Amount or any part thereof is allowed without the written consent of the Lenders.
Events of Default	<p>The following are events of default ("Events of Default") under the CLAs:</p> <p>(a) Non-Payment: the Company does not pay in the manner provided in the CLAs any sum payable under it when due and such non-payment is not remedied within twenty-one (21) days;</p> <p>(b) Breach of Other Obligations: the Company does not perform or comply with any one or more of its obligations (other than the payment obligation of the Company under the CLAs) and, if that default is capable of remedy, it is not remedied within twenty-one (21) days of its occurrence;</p> <p>(c) Breach of Warranty: any representation, warranty, certification or statement by the Company in the CLAs or in any other document delivered under the CLAs:</p> <p style="padding-left: 40px;">(i) is not complied with or is or proves to have been incorrect in any respect when made; or</p> <p style="padding-left: 40px;">(ii) if it had been made on any later date by reference to the circumstances then existing, would have been incorrect in any respect on that later date, or is not complied with or is or proves to have been incorrect when made or deemed repeated,</p> <p style="padding-left: 40px;">and the non-compliance, incorrectness or inaccuracy is material;</p> <p>(d) Insolvency: the Company or any of its subsidiaries is (or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops or suspends payment of all or a material part of its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all of its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the Lender or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Company or any of its subsidiaries;</p> <p>(e) Enforcement Proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the assets of the Company or any of its subsidiaries, and is not discharged or stayed within thirty (30) days;</p> <p>(f) Winding-up: any step is taken by any person with a view to the winding-up of the Company or any of its subsidiaries (except for</p>

	<p>the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Lender before that step is taken) or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Company or any of its subsidiaries or over any part of the assets of the Company or any of its subsidiaries;</p> <p>(g) Authorisations and Consents: any action, condition or thing (including the obtaining of any necessary consent, approvals or licences) at any time required to be taken, fulfilled or done is not taken, fulfilled or done, or any such consent, approval or licence is revoked, withdrawn, cancelled or otherwise ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);</p> <p>(h) Illegality: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the CLAs;</p> <p>(i) Litigation: any litigation, arbitration or administrative proceeding is current or pending:</p> <p style="padding-left: 40px;">(i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Company under the CLAs; or</p> <p style="padding-left: 40px;">(ii) which has or could have a material adverse effect on the Company or on the Company and its subsidiaries taken as a whole;</p> <p>(j) Material Adverse Change: any event occurs or circumstances arise, whether or not arising from transactions in the ordinary course of business, which, in the opinion of the Lender, has or is likely to have a material adverse effect on the assets, business, financial condition, liabilities or prospects of the Company or any of its subsidiaries or results of operations of the Company or any of its subsidiaries.</p>
<p>Cancellation / Acceleration</p>	<p>If at any time and for any reason (and whether within or beyond the control of any Party):</p> <p>(a) any Event of Default has occurred,</p> <p>(b) the LQN is revoked;</p> <p>(c) the relevant applicable laws and/or the relevant competent authorities in Singapore prohibit the provision of the Convertible Loans,</p> <p>the Lenders may by notice to the Company declare the Loan, all unpaid accrued interest and any other sum then payable under the CLAs to be immediately due and payable, whereupon they shall become so due and payable.</p>

Default Interest	If the Company does not pay to the Lender any sum payable under the CLAs when due, it shall pay default interest of five per cent. (5%) on the amount from time to time outstanding in respect of that overdue sum for the period beginning on its due date and ending on the date of its receipt by the Lender (both before and after judgment).
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4. RATIONALE AND USE OF PROCEEDS

Following the strategic review of the Group's business as conducted by the Board, as disclosed in its announcement dated 14 September 2020 and the circular to shareholders dated 22 September 2020 ("**Circular**"), the Company undertook the disposal of the entire issued and paid-up share capital of IEV Group Sdn. Bhd. ("**IEV Group**") ("**Disposal**"). The Disposal of IEV Group was completed on 25 November 2020.

As stated in the Company's responses to the SGX-ST's queries in announcements made on 16 September 2020 and 1 December 2020, investors such as the Lenders have expressed keenness to support the Company's healthcare, postpartum care and wellness business ("**Healthcare Business**") which has been growing steadily. Renovation works for the planned Singapore postpartum centre on Hendon Road has resumed and sales and marketing campaigns are expected to commence in the first quarter of 2021 with commercial opening planned for in the third quarter of 2021. A second postpartum centre in Klang Valley, Malaysia, with plans for 50 suites, is targeted to be operational by the end of the second quarter of 2021. In order to facilitate the expansion of the Healthcare Business, the Company has been sourcing in the market for financing opportunities, and the entry into the CLAs with the Lenders will allow the Company to raise proceeds in furtherance of that purpose.

The Board is of the view that the negotiated interest accruing on the Convertible Loans at a rate of ten per cent. (10%) is reasonable given the enthusiastic support that both the Lenders have for the Healthcare Business and its future prospects. Further, due to the present loss-making situation of the Healthcare Business, the Group has encountered difficulty obtaining funds from traditional financial institutions. In view of the working capital needs of the Healthcare Business, the Board decided to proceed with the entry into the Convertible Loans with the Lenders, who were parties which have expressed interest in supporting the Healthcare Business.

The Conversion Share issue represents a means for the Company to settle the payment of the aggregate principal sum of the Loan Amounts owed to the Lenders under the CLAs, and will allow the Company to conserve its cash for its core business activities. The issuance and allotment of the Conversion Shares will further help align the interests of the Lenders with the interests of the Company.

Based on the unaudited financial results of the Group for the 9-month financial period ended ended 30 September 2020, the Group is in a net current liabilities position RM\$8.4 million. The Directors are of the view that the Convertible Loan is beneficial to the Group as it will allow the Group to strengthen its financial position (if converted), 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 Convertible Loans will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimates expenses of approximately S\$65,000) of approximately S\$2,185,000 ("**Net Proceeds**"), which are intended to be utilised by the Company in the following manner:

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	59.5%	S\$1,300,000
Working capital including, <i>inter alia</i> , professional fees, staff salaries and general overheads	40.5%	S\$885,000
Total	100.0%	S\$2,185,000

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 Conversion Share Issue 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 audited financial statements of the Group for the full year ended 31 December 2019. The *pro forma* financial effects of the Conversion Share Issue are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group in the event that the Convertible Loan is fully disbursed and fully converted.

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

- (a) the financial effects of the Conversion Share Issue on the NTA per Share of the Group are computed based on the assumption that the Conversion Share Issue completed on 31 December 2019;
- (b) the financial effect of the Conversion Share Issue on the LPS is computed based on the assumption that the Conversion Share Issue was completed on 1 January 2019;
- (c) the total number of issued Shares (excluding treasury shares) as at the date of this announcement comprises of 492,882,927 Shares after taking into account 76,000,000 Shares issued pursuant to a subscription exercise that was completed in January 2020

and 5,208,333 Shares issued pursuant to a subscription exercise that was completed in October 2020;

- (d) the expenses incurred in connection with the Conversion Share Issue amount to approximately S\$65,000; and
- (e) an exchange rate of S\$1.00 to RM3.035.

6.2. Share capital

	Before the conversion of the Convertible Loan and the Conversion Share Issue	After the conversion of the Convertible Loan and the Conversion Share Issue
Issued & Paid Up Capital S\$	47,597,074	49,847,074
Total number of issued Shares (excluding treasury shares) ⁽¹⁾	492,882,927	549,132,927

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 Conversion Share Issue on the NTA per Share of the Group as at 31 December 2019 are as follows:

	Before the conversion of the Convertible Loan and the Conversion Share Issue	After the conversion of the Convertible Loan and the Conversion Share Issue
NTA ⁽¹⁾ of the Group (RM)	3,386,068	10,017,543
Number of Shares	492,882,927	549,132,927
NTA per Share (Malaysian Sen)	0.69	1.82

Notes:-

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

6.4. EPS

The illustrative financial effects of the Conversion Share Issue on the EPS of the Group for FY2019 are as follows:

	Before the conversion of the Convertible Loan and the Conversion Share Issue	After the conversion of the Convertible Loan and the Conversion Share Issue
Net Profit (RM)	315,654 ⁽¹⁾	315,654
Weighted average number of Shares	492,882,927	549,132,927
Earnings/Loss per Share (Malaysian sen)	0.06	0.06

Notes:-

- (1) Net profit comprised of loss from continuing operations amounting to RM10,109,492 which was offset by a gain from discontinued operations amounting to RM10,425,146.

7. DIRECTOR'S SERVICE CONTRACTS

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

8. 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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the CLAs are 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.

10. 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 Convertible Loans, 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.

11. TRADING CAUTION

Shareholders and potential Lenders should note that the Convertible Loans are subject to the fulfilment of, *inter alia*, certain conditions as set out above.

Shareholders and potential Lenders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential Lenders 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 and potential Lenders 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
29 January 2021

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.