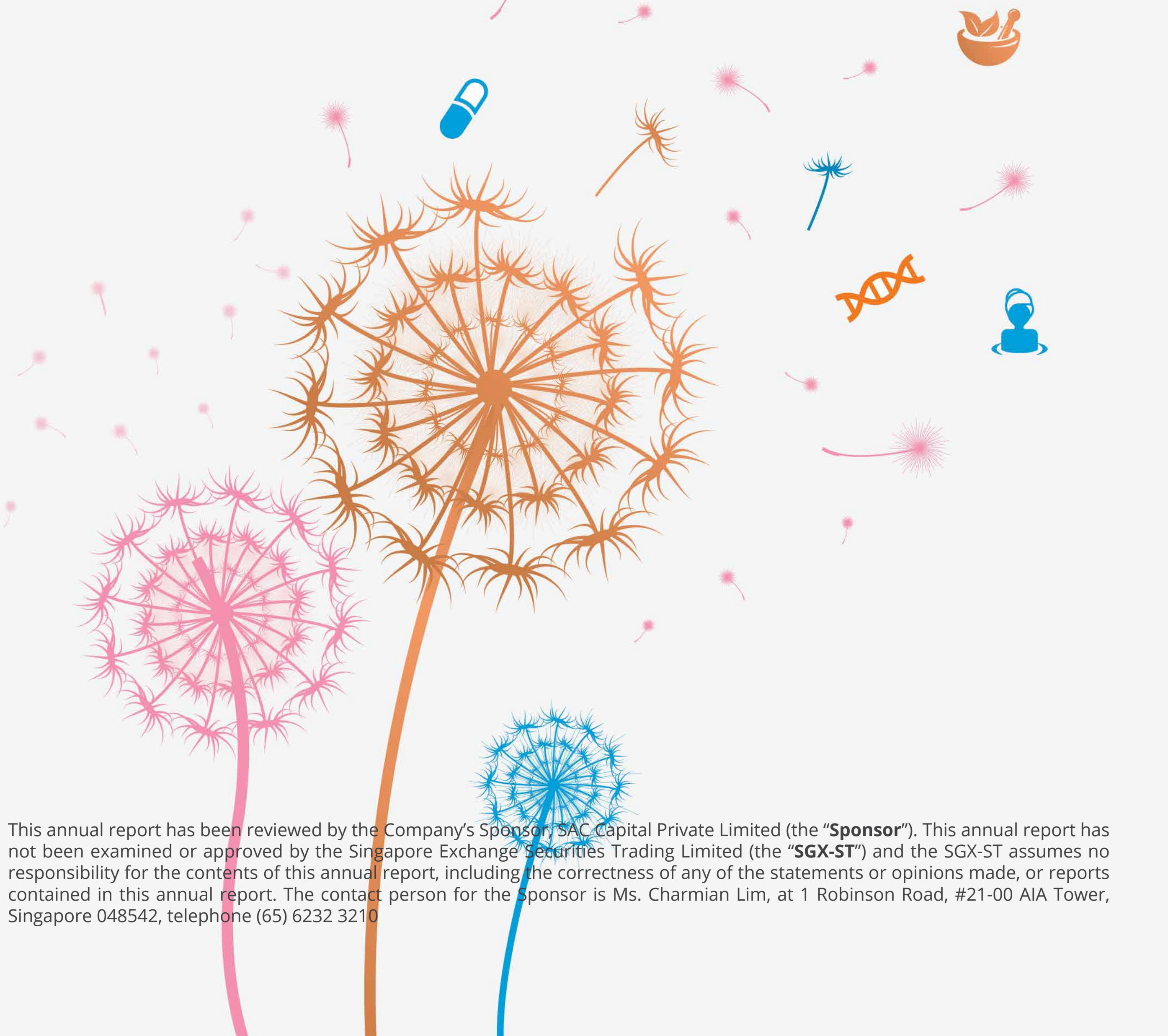
MEDI LIFESTYLE

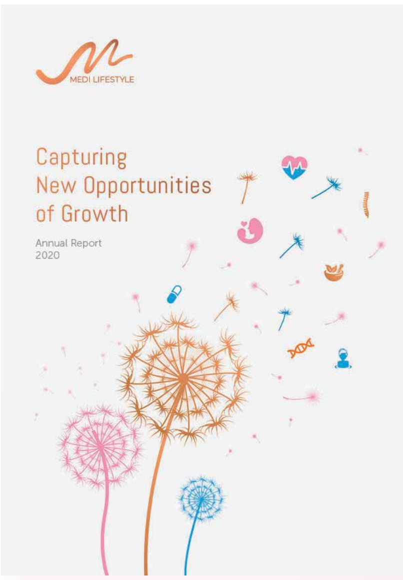
Capturing New Opportunities of Growth

Annual Report
2020



This annual report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report. The contact person for the Sponsor is Ms. Charmian Lim, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210

The foray into the healthcare, postpartum care and wellness business sector is part of Medi Lifestyle's strategy to provide shareholders with diversified returns and long-term growth.



The cover features illustrations of dandelions with their seeds being carried in the wind. The dandelions represent the Group's new beginning, in view of its new name and business focus, and symbolises its potential for sustainable growth. The seeds being carried in the wind emphasise future growth, while the icons of the Group's business activities among the seeds convey the message that these businesses will carry the Group to greater distances.

Table of

Contents

Corporate Profile

Listed on the Catalist Board of SGX-ST since 2011, Medi Lifestyle Limited (formerly known as IEV Holdings Limited) had in 2020 completed its transformation from the business of oil and gas engineering to the provision of healthcare and wellness services. The Group currently has 2 postpartum care centres in Malaysia and 1 in Singapore as well as 1 chiropractic and physiology centre in Malaysia.

The Group envisions to provide high quality healthcare services within Asia, starting with postpartum care services. The Group is continuously reviewing its plans and strategies for the Healthcare Sector and is actively seeking out businesses in the arena of aesthetics and wellness services and physiology services.

OUR BRANDS

Nadora

NADORA is our inhouse wellness brand. Nadora weaves together traditional confinement practices and contemporary nursing care by combining the expertise of traditional knowledge, healthcare practitioners and wellness specialist. This will allow mothers to enjoy traditional and scientifically formulated nutritious meals to speed up postnatal recovery. In addition, personalised services may include yoga sessions, new-born care consultation, breastfeeding support, and genetic profiling, which will assist mothers on their journey through motherhood.

Back to Life

BACK TO LIFE offer services related to alternative medicines and physical therapy services such as chiropractic & physiotherapy and Traditional Chinese Medicine. These services will be available at our postpartum centres as well as stand-alone centres.

Corporate Information

BOARD OF DIRECTORS

Dato' Low Koon Poh
Executive Chairman and
Chief Executive Officer

Ms. Tan Chai Hong
Executive Director and
Chief Commercial Officer

Mr. Ng Weng Sui Harry
Lead Independent Director

Mr. Kesavan Nair
Independent Director

Ms. Ng Yau Kuen Carmen
Independent Director

Tan Sri Ahmad Bin Mohd Don
Independent Director

AUDIT COMMITTEE

Mr. Ng Weng Sui Harry (Chairman)
Mr. Kesavan Nair (Member)
Tan Sri Ahmad Bin Mohd Don
(Member)

NOMINATING COMMITTEE

Mr. Kesavan Nair (Chairman)
Mr. Ng Weng Sui Harry (Member)
Tan Sri Ahmad Bin Mohd Don
(Member)

REMUNERATION COMMITTEE

Mr. Kesavan Nair (Chairman)
Mr. Ng Weng Sui Harry (Member)
Ms. Ng Yau Kuen Carmen (Member)

COMPANY SECRETARY

Kong Wei Fung
Cheok Hui Yee

COMPANY REGISTRATION NUMBER

201117734D

REGISTERED OFFICE

80 Robinson Road, #02-00,
Singapore 068898
T : +65 6236 3333 | F : +65 6236 4399

PRINCIPAL PLACE OF BUSINESS

380 Jalan Besar, #09-05 ARC 380,
Singapore 209000
T: +65 6299 9881

CONTINUING SPONSOR

SAC Capital Private Limited
1 Robinson Road, #21-00 AIA Tower
Singapore 048542

SHARE REGISTRAR & SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01 Singapore Land
Tower, Singapore 048623

AUDITORS

Mazars LLP
Public Accountants and Chartered
Accountants
Unique Entity No. T07LL0916H
135 Cecil Street, #10-01
Singapore 069536

Partner-In-Charge: Ooi Chee Keong
(Appointed since financial year ended
31 December 2020)

INTERNAL AUDITORS

Crowe Governance Sdn. Bhd.
Level 16, Tower C, Megan Avenue II,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur, Malaysia

Director-In-Charge: Amos Law
(Appointed on 21 Sept 2012)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay #06-01, HSBC Building,
Singapore 049320

Corporate Structure

The Company refers to its announcement dated 9 March 2021 which stated that the Group will be undergoing an internal reorganisation exercise. The internal reorganisation exercise is underway and is expected to be completed within the financial year 2021. The corporate structure illustrated below is based on the post-reorganisation structure.

[1] With the completion of the liquidation of PT IEV Pabuaran KSO on 11 January 2021, the Group will commence the process to strike-off IEV Energy Investment Pte. Ltd. which is expected to be completed within the financial year ending 31 December 2021.

DATO' LOW KOON POH
Executive Chairman and Chief Executive Officer

Dato' Low was first appointed to the Board on 1 June 2019 as Executive Director and re-appointed on 24 June 2020. He was subsequently re-designated as Executive Chairman and Chief Executive Officer on 1 December 2020 after the completion of the disposal of IEV Group Sdn. Bhd. and its wholly-owned subsidiaries and associated company. The Group now focuses primarily on the Healthcare Business which Dato' Low oversees.

Dato' Low has been involved in corporate advisory and restructuring since early 2000 and has held various director positions for companies in different industries over the past 20 years, focusing largely on value creation. As Executive Chairman and Chief Executive Officer, he will oversee the Group's strategic directions and corporate business expansion. He will also be responsible for business development and performance, growth charting and corporate planning of the Group.

Dato' Low is a Chartered Accountant registered with the Malaysian Institute of Accountants, Fellow Member of the Association of Chartered Certified Accountants (UK) and a member of the ASEAN Chartered Professional Accountants.

TAN CHAI HONG ("MS YVETTE TAN")
Executive Director and Chief Commercial Officer

Ms Yvette Tan was appointed to the Board on 1 December 2020 as Executive Director and Chief Commercial Officer of the Company.

Ms Yvette Tan was appointed as Chief Commercial Officer of HealthPro Pte. Ltd., a wholly-owned subsidiary of the Company since August 2020. She has 10 years experience in human resource and business development. Her main responsibilities include leading the development of the Group's identity and brand, engaging the organisation in managing customer relationships, driving revenue and profit, developing sales plans and partnership programmes for optimal performance and growth, as well as reviewing and evaluating market trends and industry developments.

Ms Yvette Tan holds a Masters of Science in Global Human Resources Management from the University of Roehampton.

Directors' Profile

NG WENG SUI HARRY

Lead Independent Director

Harry Ng was appointed to the Board on 26 July 2011. He was last re-appointed on 24 June 2020.

Harry Ng is the Lead Independent Director, the Chairman of the Audit Committee, the Risk Committee and a member of the Nominating Committee and the Remuneration Committee. Harry Ng is currently the Executive Director of HLM (International) Corporate Services Pte. Ltd., which provides corporate services and business consulting. He has more than 30 years of experience in accountancy, audit and finance.

He is also the Independent Director and Chairman of the Audit Committee of a number of listed companies on the SGX-ST.

Harry Ng is a Fellow member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He obtained a Master of Business Administration (General Business Administration) from the University of Hull, UK.

KESAVAN NAIR

Independent Director

Kesavan Nair was appointed to the Board as an Independent Director on 29 September 2011. He was last re-appointed on 24 June 2020.

Kesavan Nair is the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee and the Risk Committee.

Kesavan Nair is a practising Advocate & Solicitor with Bayfront Law LLC. He is also Independent Director of Arion Entertainment Singapore Limited, HG Metal Manufacturing Ltd. and MC Payment Limited. He is a member of the Law Society of Singapore, the Singapore Academy of Law, the Honourable Society of the Middle Temple, the Singapore Institute of Arbitration, the Criminal Legal Aid Scheme and the Association of Criminal Lawyers in Singapore. He graduated from the University College Wales, Aberystwyth with a Bachelor of Laws (Honours) in 1988.

NG YAU KUEN CARMEN

Independent Director

Carmen Ng was appointed to the Board as Independent Director on 10 July 2019. She is currently a member of the Remuneration Committee. She was re-appointed on 24 June 2020.

Carmen Ng currently sits on the Board of several companies listed on the Hong Kong Stock Exchange. Carmen Ng had worked at PricewaterhouseCoopers Hong Kong for over 10 years in the Financial Services Assurance Department. Since leaving PricewaterhouseCoopers, she has been a certified Public Accountant (Practising). Carmen Ng has over 20 years of professional experiences in the provision of business assurance and consulting services to a wide range of international, local and mainland China clients. Her assurance and advisory experience focus on treasury operation, financial instruments, internal controls, regulatory compliance and risk management for banking and capital market clients.

Carmen Ng holds a Bachelor's Degree of Business Administration from the Chinese University of Hong Kong; and a Master's Degree in Business Administration and a Master of Laws in Corporate and Financial Laws from the Hong Kong University of Science and Technology and the University of Hong Kong, respectively. She is a Fellow Member of the Hong Kong Institute of Certified Public Accountants.

TAN SRI AHMAD BIN MOHD DON

Independent Director

Tan Sri Ahmad was appointed to the Board as Independent Director on 16 January 2020. He is currently a member of the Audit and Nominating Committees. He was re-appointed on 24 June 2020.

He has extensive experience in finance and banking, having worked in various capacities with Pernas Securities Sdn Bhd, Permodalan Nasional Berhad, and Malayan Banking Berhad. He served as Group Managing Director and Chief Executive Officer of Malayan Banking Berhad from 1991 to 1994. Tan Sri Ahmad was the Governor of Bank Negara Malaysia for four years from May 1994 to August 1998.

Tan Sri Ahmad serves as Independent Non-Executive Chairman on the Boards of Alliance Bank Malaysia Berhad and Sunway REIT Management Sdn Bhd (Manager of Sunway Real Estate Investment Trust listed on Bursa Malaysia). He also serves as a Director on the Board of Malaysian Genomics Resource Centre Berhad (listed on Bursa Malaysia).

Tan Sri Ahmad is a Summa Cum Laude graduate in Economics and Business from the Aberystwyth University, United Kingdom. He is also a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Malaysian Institute of Certified Public Accountants.

Key Management

EDWARD CHEN
Chief Financial Officer

Edward Chen joined the Group as Chief Financial Officer on 1 September 2014.

He is responsible for the formation and execution of the Group's financial strategies and planning, treasury and foreign exchange management, tax planning, risk management and internal controls. He is also responsible for the Group's financial reporting.

Prior to joining the Group, he served as the Head of Finance and Internal audit with a Malaysian upstream oil and gas company in the exploration and production sector and the provision of FPSO/FSO solutions. Prior to that, he was the Vice President, Finance & Investment for a Singapore environmental engineering company offering niche environmental waste management technologies, engineering and management solutions. His career background includes the position of management consultant with a global accounting firm and director with a North American investment bank.

Edward Chen holds two degrees in Bachelor of Laws (LLB) and Bachelor of Commerce (BCom) in Finance from the University of New South Wales, Australia. He is a Fellow member of CPA Australia (FCPA) and a Chartered Accountant of the Malaysian Institute of Accountants.

LOO SOW KUEN
General Manager

Ms Loo was appointed as General Manager of the Company on 1 December 2020.

Ms Loo was previously the operations manager of Healthpro Life Sdn Bhd (formerly known as Lady Paradise (M) Sdn Bhd), a wholly-owned subsidiary of the Company held through HealthPro Pte. Ltd., since November 2019 till 30 November 2020.

As General Manager of the Company, Ms Loo oversees the administration and operations of postpartum centres under the Group. She has more than 15 years of experience in the Healthcare industry.

Ms Loo has an Executive Master of Business Administration from Asia e University in Subang Jaya, Malaysia.

Financial Highlights

INCOME STATEMENT	FY2020 RM'000	FY2019 RM'000
Revenue	623	28
Gross profit	85	2
Loss from continuing operations before interest, tax, depreciation and amortisation	(9,889)	(3,615)
Profit from discontinued operations	7,707	3,988
Loss attributable to owners of the parent	(2,763)	(487)
(Loss)/Earnings per share (Malaysian sen)(1)		
– basic	(0.57)	0.14
– diluted	(0.57)	0.14

BALANCE SHEET	AS AT 31 DECEMBER 2020 RM'000	AS AT 31 DECEMBER 2019 RM'000
Property, plant and equipment	4,814	203
Right-of-use assets	7,397	12,679
Goodwill	6,133	6,133
Other non-current assets	27	5,772
Current assets excluding cash and bank balances	2,077	2,550
Cash and bank balances	496	2,994
Total assets	20,944	30,331
Non-current liabilities	(2,256)	(7,522)
Current liabilities	(11,080)	(19,390)
Net Asset Value	7,608	3,419
Shareholders' equity	7,608	3,449
Non-controlling interests	-	(30)
	7,608	3,419
Net Asset Value per share (Malaysian sen)(2)	1.5	0.8

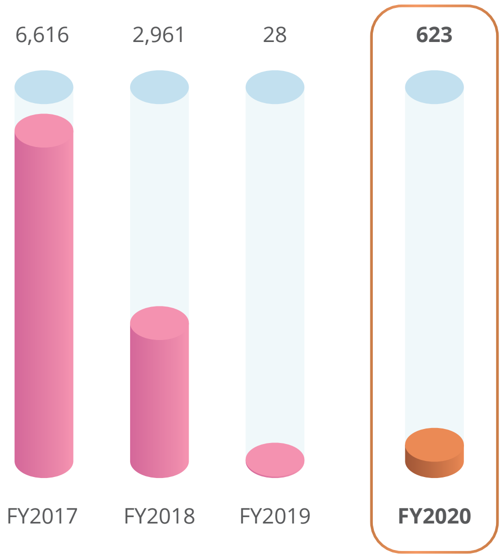
Notes:

(1) The loss per share (basic and on a fully diluted basis) for FY2020 have been computed based on the Group's loss attributable to owners of the parent and the weighted average number of ordinary shares in issue of 486,028,191, subsequent to (i) issuance of 76,000,000 shares at S$0.05 per share for a share subscription exercise on 14 January 2020; and (ii) issuance of 5,208,333 shares at S$0.0384 per share for a share subscription exercise on 19 October 2020. For comparative purposes the earnings per share (basic and on a fully diluted basis) for FY2019 have been computed based on the Group's profit attributable to owners of the parent and the weighted average number of ordinary shares in issue of 337,820,658, subsequent to (i) issuance of 80,000,000 shares at S$0.025 per share for a share subscription exercise on 13 May 2019; and (ii) issuance of 46,161,962 shares at S$0.025 per share on the completion of the acquisition of Lady Paradise (M) Sdn. Bhd. (now known as HealthPro Life Sdn. Bhd.) on 17 December 2019.

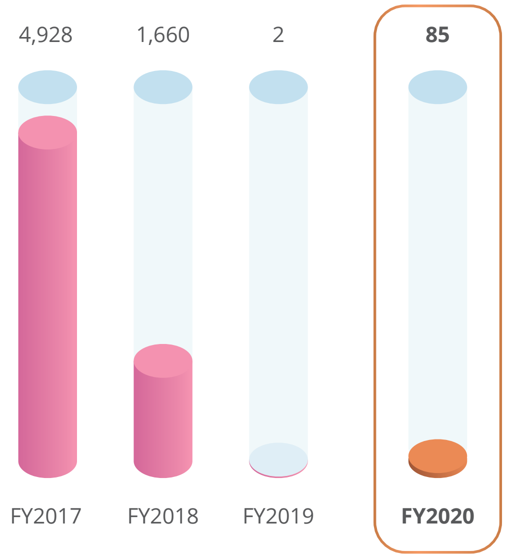
(2) Net asset values per share as at 31 December 2020 and 31 December 2019 have been calculated based on the aggregate number of ordinary shares of 492,882,927 and 411,674,594 as at the respective dates, excluding treasury shares.

Financial Highlights

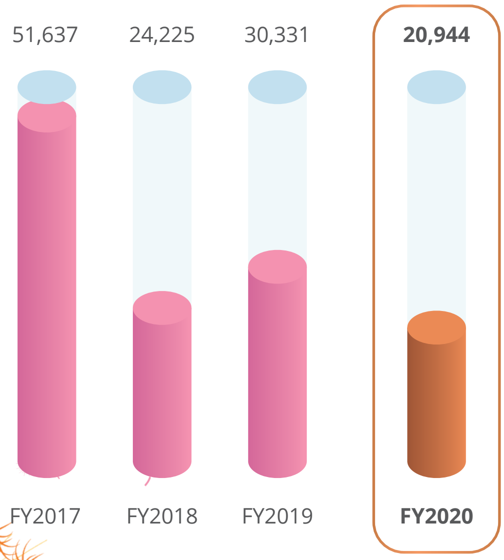
REVENUE
(RM'000)



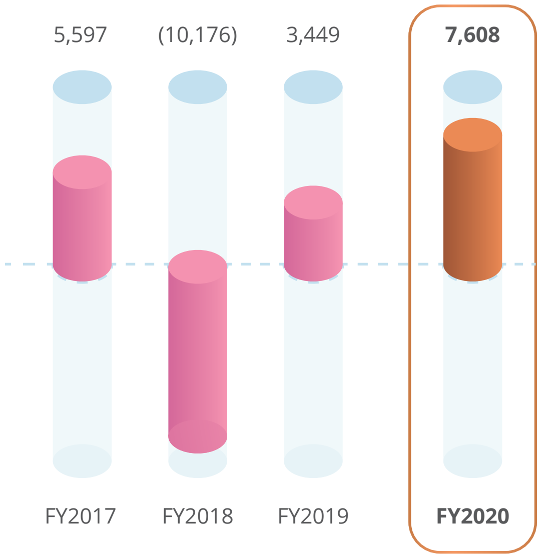
GROSS PROFIT
(RM'000)



TOTAL ASSETS
(RM'000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)



Message to Shareholders

DATO' LOW KOON POH
Executive Chairman and Chief Executive Officer

> *// We forged ahead to achieve notable milestones and are en route to becoming a full-fledged healthcare and wellness group. //*

DEAR SHAREHOLDERS,

For the year ended 31 December 2020 ("**FY2020**"), the Group accelerated its business restructuring initiatives after a strategic review identified that focusing on our Healthcare Business and fully divesting our Engineering Business is the best way forward to realising the envisioned sustainable value for our stakeholders. In the face of macro environment challenges, we forged ahead to achieve notable milestones and are en route to becoming a full-fledged healthcare and wellness group. To further reflect this shift in focus, we had proposed a change in the name of the Company to Medi Lifestyle Limited which was subsequently approved at an extraordinary general meeting held in October 2020.

For the year under review, the Covid-19 pandemic was a key challenge affecting the global economy as business activities were curtailed by lockdowns, curfews and safe distancing measures implemented by governments to halt the spread of the virus. The Group's key operating locations of Malaysia and Singapore were similarly affected with the former undergoing continuing rounds of movement restrictions due to resurgence of infections. The boon of our redirected focus to the healthcare industry becomes apparent as we were able to continue to operate and receive bookings despite the ongoing pandemic. Our postpartum centre at SS2 Petaling Jaya, Malaysia ("**SS2 Centre**"), continues to operate despite the current Covid-19 pandemic with bookings received into the second half of 2021.

Building upon our success, we inked a three-year lease for a discontinued tourist hotel of approximately 27,400 square feet that will be converted into our second postpartum centre ("**Mines2 Centre**") and is situated in Malaysia's Klang Valley region. The Mines2 Centre will feature approximately 50 suites equipped with a nursery, incubation room, in-house chiropractic and physiotherapy services, and targeted to be operational by end of second quarter 2021. This new facility is set to reach out to more mothers with the Group's personalised lifestyle programmes, allowing them to enjoy the recovery process in comfort.

Message to Shareholders

As we steadily establish the foundations of future value creation, we remain aware of the need to fine-tune plans especially in these disruptive times. The movement restrictions in Malaysia due to the Covid-19 pandemic has resulted in the closure of various business premises including tourist related hotels and this has created opportunities to take-over such premises and convert them for postpartum services with minimal renovation costs. Therefore, we have exited from the proposed lease of the Pacific Star Business Hub Centre ("**Pacific Star Centre**"), a vacant space which required extensive renovation works to focus on establishing various postpartum centres similar to the Mines2 Centre. This is a display of the Group's ability to remain resilient and nimble during challenging times.

In Singapore, renovation works for the planned postpartum centre at Hendon Road has been delayed pending discussions on work scope revisions. As such, the intended opening of the Hendon Road Postpartum Centre has been rescheduled to the end of third quarter 2021.

While the Group has made strides in the postpartum care business, it also concurrently looks to expand into complementary and new revenue streams in the aesthetics, wellness and physiology sectors. In November 2020, we incorporated a wholly-owned subsidiary named Back To Life Sdn. Bhd. ("**Back To Life**"), which will be used as the operating vehicle to offer services related to alternative medicine (including, but not limited to Traditional Chinese Medicine ("**TCM**"), chiropractic and physiotherapy services. These services will be available at our postpartum centres as well as stand alone outlets starting at the SS2 Centre.

Outlook for FY2021

Moving forward, we anticipate that demand for our postpartum services will rise as increasingly new parents are embracing postpartum centres to care for mothers and their newborns instead of traditional confinement services. This shift is accelerated by Covid-19 related limitations. Before the pandemic, Malaysia was the primary source of confinement nannies for Singapore. However, the pandemic and border restrictions have resulted in new parents having to contend with a limited number of Malaysian and local nannies and having to turn to their parents and confinement agencies for help. Confinement agencies are grappling with the surge in demand for experienced nannies and in addition to increased fees, new parents also have to bear Stay Home Notice ("**SHN**") expenses for nannies entering Singapore as per Ministry of Manpower's regulations.

In addition to leveraging on external factors for growth, we are also improving internal processes. For the year under review, we have established an Advisory Panel that will provide strategic advice on business initiatives in the Group's healthcare, postpartum care and wellness business. The panel comprises of members who are expert practitioners in their fields of expertise and whose industry experience and insights may be drawn upon as the Group develops business initiatives in the Healthcare Business.

As of the date of this report, we have two panel members. One will advise on establishing chiropractic and physiotherapy centres in Malaysia, as well as keeping the Group up to date on the regulatory and professional landscape for chiropractic and physiotherapy practice. Meanwhile the other will advise on the development of dietary and nutritional guidelines integrating western and TCM approaches for the Group's postpartum centres, as well as keeping the Group up to date on regulatory and professional requirements on TCM practice and establishment of TCM centres.

There seems to be growing optimism of gradual economic recovery for Singapore, as the local Covid-19 situation appears under control and the introduction of the nation-wide vaccine program. The Group is cautiously optimistic of the business performance and opportunities for the upcoming year and will continue to closely monitor the situation and adjust its strategies to capitalise on opportunities and mitigate challenges.

In Appreciation

As we move forward with our new beginning as Medi Lifestyle Limited, we would like to express our gratitude to Tan Sri Dato' Hari N. Govindasamy, Mr Christopher Nghia Do and Ms Joanne Rose Bruce for their invaluable contributions to the Group as members of the Board of Directors, and wish them all the best in their future endeavours. We would like to extend a warm welcome to Ms Yvette Tan, who has joined the Board as Executive Director and Chief Commercial Officer.

We would also like to take this opportunity to convey our sincere appreciation to all our employees, Directors, Sponsor, existing and new strategic alliance partners, suppliers, customers and Shareholders for your understanding and continued support throughout this challenging period and time of change. We are also grateful for the continued partnership and confidence in the Group and we look forward to crafting the next phase of the Group's growth.

DATO' LOW KOON POH
Executive Chairman &
Chief Executive Officer

Pursuant to Rule 708 of the SGX-ST Listing Manual Section B: Rules of Catalist, the Message to Shareholders represents the collective view of the Board of Directors of Medi Lifestyle Limited.

Operations and Financial Review

REVENUE AND SALES ANALYSIS FROM HEALTHCARE BUSINESS

Revenue for the financial year ended 31 December 2020 ("**FY2020**") being the first full financial year to record revenue only from the Healthcare Sector was RM623 thousand. In comparison in the financial year ended 31 December 2019 ("**FY2019**"), the Group recorded marginal revenue of RM28 thousand from the Healthcare Sector, in view that the Group completed the acquisition of Lady Paradise (M) Sdn. Bhd. (now known as Healthpro Life Sdn. Bhd.) in December 2019. The revenue for the periods in review, mainly generated from the SS2 Centre Malaysia has been lower than planned due to delay in the refurbishment works and reduced business activities arising from the government-mandated restricted movements to address the Covid-19 outbreak.

REVENUE BY GEOGRAPHICAL LOCATIONS OF OUR CUSTOMERS

The Group sells to customers in the following geographical locations:-

FROM CONTINUING OPERATIONS	FY2020 RM'000	FY2020 %	FY2019 RM'000	FY2019 %
Malaysia	623	100.0	28	100.0
Total from continuing operations	623	100.0	28	100.0
From discontinued operations				
Malaysia	3,152	64.3	2,285	23.5
Vietnam	1,678	34.2	2,849	29.2
Thailand	75	1.5	1,431	14.7
Nigeria	-	-	3,175	32.6
Total from discontinued operations	4,905	100.0	9,740	100.0
Total from continuing & discontinued operations	5,528		9,768	

OPERATING MARGIN FROM HEALTHCARE BUSINESS

The Healthcare Business' gross profit of RM85 thousand for FY2020 was lower than planned due to the slowdown in business activities during FY2020 whilst under the government-mandated restricted movements to control the Covid-19 outbreak. In comparison, gross profit for FY2019 was a marginal RM2 thousand in view that that Healthcare Sector's gross profit reporting was only for a portion of fourth quarter FY2019.

OTHER OPERATING INCOME

The Group's other operating income for FY2020 was RM0.4 million compared to a minimal RM2 thousand for FY2019. This was mainly due to: (i) RM0.3 million of rental rebates from property leases and government subsidies for business restrictions related to the Covid-19 outbreak; and (ii) RM0.1 million net realised foreign exchange gain.

ADMINISTRATIVE EXPENSES

Administrative expenses for FY2020 increased by 323.2% to RM9.7 million from RM2.3 million for FY2019 due mainly to expenses incurred for the Healthcare Business, corporate expenses incurred for the fund-raising exercise completed on 14 January 2020, and the disposal of IEV Group Sdn. Bhd. that was completed on 25 November 2020 which resulted in the Group's exit from the Asset Integrity Management ("**AIM**") Sector and consequentially, the Engineering Business. The increase in administrative expenses from the Healthcare Business were mainly due to (i) depreciation of right-of-use assets of RM5.0 million arising from the lease of a Hendon Road Property in Singapore for a planned postpartum centre ("**Hendon Road Property**") and the lease of an office space in Singapore; (ii) increase in manpower cost of RM1.5 million due to headcount increase for the Healthcare Sector; (iii) office rental, utilities and overheads of RM0.3 million; and (iv) unrealised foreign exchange loss of RM0.2 million. The increase of corporate expenses amounting to RM0.5 million were mainly for consultancy and legal expenses. Depreciation for FY2020 of RM31 thousand compared to a nil figure for FY2019 was due to the acquisition of the SS2 Centre.

OTHER OPERATING EXPENSES

Other operating expenses for FY2020 of RM683 thousand were due mainly to (i) forfeiture of rental and interior design deposits of RM627 thousand for the cancellation of a lease for the Pacific Star Centre; and (ii) RM46 thousand write-off of inventory that was no longer in use. In comparison, other operating expenses for FY2019 of RM1.3 million was mainly for the impairment of goodwill arising from the acquisition of Lady Paradise (M) Sdn. Bhd. (now known as HealthPro Life Sdn. Bhd.).

The movement restrictions arising from the protracted Covid-19 pandemic has resulted in the closure of various business premises including tourist related hotels. This has created opportunities to take over hotel premises and convert such premises for postpartum services with minimal renovation costs. With available business opportunities such as the Mines2 Centre leased by the Group in October 2020 at the Klang Valley region, the initial plan of the Board to develop the Pacific Star Centre, which was a vacant space that required extensive renovation works, had becomes less compelling. In view of this, a decision was made to exit from the lease of the Pacific Star Centre and to focus on setting up postpartum centres at locations which require minimal renovation works similar to the Mines2 Centre.

FINANCE COSTS

Finance cost for FY2020 increased by 889.3% to RM554 thousand from RM56 thousand for FY2019 due mainly to the full year interest computation on lease liabilities for FY2020, in the application of SFRS(I) 16 *Leases* for the Hendon Road Property in Singapore, which is planned for a postpartum centre. The subject lease commenced during the fourth quarter of FY2019.

LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

For reasons set out above, the Group reported a 185.1% increase in loss before taxation to RM10.5 million for FY2020 from a loss before taxation of RM3.7 million for FY2019.

RESULTS FROM DISCONTINUED OPERATIONS

The AIM Sector had been reclassified under discontinued operations, upon receiving shareholders' approval in an extraordinary general meeting on 15 October 2020 to dispose of IEV Group Sdn. Bhd. and thus exiting from the AIM Sector. The disposal was completed on 25 November 2020. The discontinued subsidiaries of the Renewable Energy and Mobile Natural Gas Sectors have been liquidated and disposed of respectively in 2018. The liquidation of PT Pabuaran KSO for the Exploration and Production Sector is completed and deregistered by the Ministry of Law and Human Rights on 11 January 2021.

For FY2020, a profit after tax of RM7.7 million from discontinued operations was recorded due mainly to (i) RM6.3 million gain from the Disposal of IEV Group Sdn. Bhd. and together with its subsidiaries and associated company; and (ii) a RM1.3 million share of income of an AIM Sector associate for FY2020. Comparatively for FY2019, the profit after tax of RM4.0 million was due mainly to a RM11.1 million net reversal of provisions and liabilities in PT IEV Pabuaran KSO which was no longer required when the Company commenced a member's voluntary liquidation; and was partially offset by (i) loss from the AIM Sector of RM6.4 million; and (ii) RM0.4 million of administrative expenses and RM0.3 million of other operating expenses related to the closing and liquidation of various subsidiaries.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Current Assets

Trade receivables as at 31 December 2020 was reduced to nil from RM1.0 million as at 31 December 2019 due to the disposal of the AIM Sector. The current portion of other receivables and prepayments increased by RM1.4 million to RM2.0 million as at 31 December 2020 from RM0.6 million as at 31 December 2019, due mainly to (i) reclassification from long term prepayment and receivables of rental deposits amounting to RM0.9 million and GST receivable of RM0.3 million in relation to the Hendon Road Property which is undergoing renovation (ii) GST receivable of RM0.3 million during FY2020; and (iii) rental deposits of RM0.2 million for the Mines2 Centre; which were partially offset by the removal of RM0.3 million in receivables upon the disposal of the AIM Sector. Inventory values reduced to RM27 thousand as at 31 December 2020 from RM1.0 million 31 December 2019 due mainly to: (i) RM0.2 million net write-off of AIM Sector inventories; (ii) RM0.2 million operational drawdown of AIM Sector inventories; and (iii) RM0.6 million removal of inventories upon the disposal of the AIM Sector.

Non-Current Assets

Net carrying value of property, plant and equipment ("**PPE**") increased to RM4.8 million as at 31 December 2020 from RM0.2 million as at 31 December 2019. This was due to: (i) reclassification from long term other receivables and prepayments of RM4.5 million for renovations on the Hendon Road Property to PPE; (ii) PPE acquisition of RM0.3 million relating to renovation improvements for the PJ Confinement Centre and office equipment; and (iii) write back on PPE impairment of RM0.3 million; and which were partially offset by (i) depreciation expenses of RM0.4 million; and (ii) the removal of RM0.1 million PPE upon the disposal of the AIM Sector. Right-of-use ("ROU") assets decreased by RM5.3 million to RM7.4 million as at 31 December 2020 from RM12.7 million as at 31 December 2019 due to (i) depreciation charges of RM5.6 million; and (ii) removal of RM0.1 million ROU assets upon the disposal of the AIM Sector; which were partially offset by the addition of an ROU asset of RM0.4 million for the lease of an office space in Singapore. Long-term receivables and prepayments as at 31 December 2020 reduced to RM27 thousand from RM5.7 million as at 31 December 2019 due to (i) reclassification of RM4.5 million of prepayments for renovation works for the Hendon Road Property in Singapore to PPE; and (ii) reclassification of RM0.9 million rental deposits and RM0.3 million GST receivables to short term other receivables and payables.

Goodwill of RM6.1 million as at 31 December 2020 and 31 December 2019 relates to the acquisition of Lady Paradise Sdn. Bhd. (now known as HealthPro Life Sdn. Bhd.). An assessment was made on the carrying value of goodwill and having regard to future cash flows under current economic conditions from the planned postpartum centres under the Healthcare Sector; and it was determined that the carrying value of goodwill during FY2020 would be maintained.

Capital and Reserves

Share capital of the Company and Group increased to RM119.7 million as at 31 December 2020 from RM107.7 million as at 31 December 2019 due to placement exercises comprising of (i) the allotment and issuance of 76,000,000 new ordinary shares to individual subscribers at an issue price of S$0.05 per ordinary on share on 14 January 2020; and (ii) the allotment and issuance of 5,208,333 new ordinary shares to an individual subscriber at an issue price of S$0.0384 per ordinary share on 19 October 2020.

Currency translation reserve as at 31 December 2020 decreased to a negative reserve of RM3.4 million from a reserve of RM1.8 million as at 31 December 2019 due mainly to: (i) transfer of RM4.9 million currency translation reserve related to the AIM Sector disposal to other operating income of the Group's Consolidated Statement of Profit or Loss for FY2020; and (ii) reduction of RM0.2 million in translation reserves related to the appreciation of the Singapore Dollar against the Malaysian Ringgit during the period in review.

Accumulated losses for the Group increased by RM2.7 million to RM112.2 million as at 31 December 2020 from RM109.5 million accumulated losses as at 31 December 2019, due to losses of RM4.1 million from continuing operations for FY2020 and partially offset by a profit of RM1.4 million from discontinued operations during the same period in review.

Operations and Financial Review

Non-Current Liabilities and Current Liabilities

Bank overdrafts decreased to nil as at 31 December 2020 from RM2.3 million as at 31 December 2019, due mainly to progressive reductions in the overdraft amount and removal of borrowings related to the AIM Sector Disposal. Advances from a related party reduced to nil as at 31 December 2020 from RM0.4 million as at 31 December 2019 as this amount was removed upon the disposal of the AIM Sector. Trade payables reduced to a minimal RM9 thousand as at 31 December 2020 from RM2.0 million as at 31 December 2019 due mainly to the removal of trade payables related to the AIM Sector Disposal.

Other payables and provisions as at 31 December 2020 decreased to RM5.7 million from RM9.4 million as at 31 December 2019 due mainly to (i) the settlement of payables of RM4.8 million related to the renovation of the Hendon Road Property; (ii) payment of rental deposits and monthly rental of RM1.3 million related to the Hendon Road Property; and (iii) reduction of RM1.7 million AIM Sector related payables comprising RM1.3 million in settlements and removal of RM0.4 million upon the disposal of the AIM Sector. These reduction in payables were partially offset by (i) additional rental incurred amounting to RM2.8 million for the Hendon Road Property during FY2020; (ii) amounts owing to a third party of RM0.8 million for outsourced human resource services performed for the PJ Confinement Centre; and (iii) professional services incurred for Company corporate exercises amounting to RM0.6 million.

Current and non-current lease liabilities reduced to RM7.6 million as at 31 December 2020 from RM12.7 million as at 31 December 2019 due mainly to (i) lease payments of RM3.2 million; (ii) classification of RM2.8 million as other payables pending negotiation of rental rebates related to the Hendon Road Property in Singapore; and (iii) removal of AIMS Sector lease liabilities of RM0.1 million upon disposal of the AIM Sector; which were partially offset by (i) additional lease commitments of RM0.4 million for an office space lease in Singapore; and (ii) lease related interest expense of RM0.6 million.

The Group has negative working capital of RM8.5 million as at 31 December 2020 compared to a negative working capital of RM13.8 million as at 31 December 2019. The decrease in the negative working capital position was due mainly to (i) the allotment and issuance of 76,000,000 ordinary shares at an issue price of S$0.05 per ordinary share in the capital of the Company on 14 January 2020; (ii) the allotment and issuance of 5,208,333 new ordinary shares to an individual subscriber at an issue price of S$0.0384 per ordinary share on 19 October 2020; and (iii) the disposal of the AIM Sector. This was offset by increased administrative expense of RM7.4 million incurred during FY2020. Barring any unforeseen circumstances, the Group should be able to meet its working capital commitments for the next 12 months in view of (i) potential additional corporate fund-raising exercises, including the entry into convertible loans of an aggregate amount of S$2,250,000 as announced by the Company on 29 January 2021; and (ii) the Group's estimated revenue from the Healthcare Sector.

CASH FLOW

For FY2020, the Group recorded net cash used in operating activities of RM10.5 million. This was mainly due to: (i) an operating loss before working capital changes of RM4.5 million; (ii) decrease in trade and other payables of RM6.0 million; and (iii) increase in trade and other receivables of RM1.1 million. These were partially offset by a decrease in amount due from an associate of RM1.2 million. Investing activities for FY2020 generated RM1.6 million due to the disposal of AIM Sector companies which generated net proceeds of RM0.3 million and removal of a bank overdraft of RM1.6 million; which was partially offset by the acquisition of property, plant and equipment of RM0.3 million. Net cash generated from financing activities of RM8.8 million for FY2020 was mainly from the net proceeds of RM12.0 million from the issuance of ordinary shares; and partially offset by lease payments of RM3.2 million.

As a result of the above, the cash and bank balances was RM0.5 million as at 31 December 2020, compared to RM0.6 million as at 31 December 2019.

Developments subsequent to the release of the Company's full year unaudited financial statements for FY2020 on 25 February 2021, which would materially affect the Group's operating and financial performance

NIL

Report on Corporate Governance

The board of directors (the "**Board**" or "**Directors**") of Medi Lifestyle Limited (formerly known as IEV Holdings Limited) (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board confirms that, for the financial year ended 31 December 2020 ("**FY2020**"), the Company has generally adhered to the principles and provisions set out in the Code of Corporate Governance 2018, which was issued by the Monetary Authority of Singapore on 6 August 2018 (the "**2018 Code**"). Where there are deviations from the provisions of the 2018 Code, appropriate explanations are provided in this Report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1 – The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is entrusted with the responsibility for the overall management of the Group with the primary function of protecting the interests of shareholders and to enhance long-term shareholders' value. Besides carrying out its statutory duties and responsibilities, the Board reviews and advises on overall strategic plans and key operational initiatives, reviews the performance of the management of the Company (the "**Management**") and assumes responsibility for overall corporate governance of the Group to ensure that the Group's strategies are in the best interests of the Group and its shareholders.

The principal functions of the Board are:

(a) provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;

(b) ensure that the necessary resources are in place for the company to meet its strategic objectives;

(c) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;

(d) constructively challenge Management and review its performance;

(e) instill an ethical corporate culture and ensure that the company's values, standards, policies and practices are consistent with the culture; and

(f) ensure transparency and accountability to key stakeholder groups.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interest of the Company to enhance the long-term value of the Group to its shareholders. The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties.

Conflicts of Interests

To address and manage possible conflicts of interest that may arise between Directors' interest and those of the Group, the Company has put in place appropriate procedures which apply in addition to the Directors' obligation to comply with disclosure obligations under the Company's Constitution and Companies Act (Chapter 50) of Singapore ("**Companies Act**"). Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. The disclosure is made either during a Directors' meeting or by way of a written notification to the Company Secretary containing details of the interest and the nature of conflict. Where a potential conflict of interest arises, the Director concerned will recuse himself/herself from participating in any discussions, abstains from voting on the matter and refrains from exercising any influence over other members of the Board.

Orientation, Briefings, Updates and Training for Directors

Newly appointed Directors would receive a formal letter from the Company, setting out the Director's duties, responsibilities and obligations as a Director of the Company including pertinent obligations under the Companies Act, the Securities and Future Act, Catalist Rules and 2018 Code. Directors are also given an orientation (including site visits to the Group's principal place of operations) on the Group's business, operations, governance practices and regulatory requirements to facilitate the effective discharge of his duties. In accordance with Rule 406(3)(a) of the Catalist Rules, the Nominating Committee ("**NC**") will ensure that any new director appointed to the Board who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in his/her roles and responsibilities as prescribed by the SGX-ST.

The new Directors appointed during FY2020 are Tan Sri Ahmad Bin Mohd Don ("**Tan Sri Ahmad**"), Independent Director appointed on 16 January 2020 and Ms Tan Chai Hong ("**Ms Yvette Tan**"), Executive Director and Chief Commercial Officer appointed on 1 December 2020. Tan Sri Ahmad and Ms Yvette Tan had received the letter of appointment setting out Director's duties and obligations. Dato' Low Koon Poh ("**Dato' Low**") who was appointed as Executive Director on 1 June 2019 and subsequently re-designated to Executive Chairman and Chief Executive Officer ("**CEO**") on 1 December 2020, Ms Ng Yau Kuen Carmen ("**Ms Carmen Ng**") who was appointed as Independent Director on 10 July 2019, Tan Sri Ahmad and Ms Yvette Tan have attended and completed the requisite Listed Entity Directors Programme conducted by the Singapore Institute of Directors ("**SID**").

To ensure Directors can fulfil their obligations and continuously improve the performance of the Board, all Directors are encouraged to undergo continual professional development, on the Company's expense, during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the SID.

During FY2020, the Audit Committee ("**AC**") and the Board were briefed on recent changes on the accounting standards and regulatory updates. The CEO updates the Board at each meeting on strategic and business development of the Group and any changes to commercial risks. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts on a timely basis. Where necessary, the Company arranges for presentations by external professionals, consultants and advisers on topics that would have an impact on the relevant regulations, accounting standards and the implications on responsibilities of the Directors. The AC and Directors can also request for further explanations, briefings or information on any aspects of the Company's operations and business issues from the Management.

Matters reserved for Board Approval

The Company has in place a limitation and authorisation policy. The policy contains materiality threshold(s) and a schedule of matters specifically reserved for the Board's approval. Below the Board's level, there are appropriate delegations of authority involving the Group's Key Management Personnel (**"KMPs**") set out on page 8 of this annual report).

The following matters, amongst others, have been reserved for the Board's decision:

a) setting the Group's long-term objectives and commercial strategy including ventures into new businesses and geographical markets;

b) approving and monitoring material corporate transactions including major investments, divestments, mergers and acquisitions;

c) approving and monitoring interested person transactions;

d) approving authority matrix, standard operating procedures, policies and procedures;

e) approving annual forecasts, budgets and cash flow projections;

f) reviewing and approving the financial results and statements of the Group, including, *inter alia*, any material impairments, write-offs and restatements;

g) appointment of internal and external auditors as well as the Company Secretary;

h) financial results of the Group, internal audit and external audit matters reports;

i) reviewing the business practices and risk management of the Group;

j) reviewing and approving changes in capital structure;

k) recommendation or declaration of dividends;

l) reviewing and approving remuneration packages for Executive Directors and KMPs and reviewing of their performance; and

m) any matter required to be considered or approved by the Board as a matter of law or regulation.

Board Committees

To facilitate effective management and to support the Board in carrying out its duties, certain functions of the Board have been delegated to the AC, NC and the Remuneration Committee ("**RC**") (collectively referred to as the "**Board Committees**"). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis to ensure continued relevance. The terms of reference also set out the conduct of meetings including quorum and voting requirements. Any changes to the terms of reference for any Board Committee require the Board's approval. The appointment of Board Committee members requires the approval of the Board to ensure that the Board Committees comprise Directors with the appropriate qualifications and skills, to maximise the effectiveness of the Board.

The effectiveness of each Board Committee is also regularly reviewed by the Board. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. The composition of the Board Committees and terms of reference of the respective Board Committees are set out under the respective Principles of this Report.

Board meetings and attendance

The Board has scheduled to meet at least four (4) times a year and to coincide such meetings with the review and approval of the Group's results announcements. Dates of Board, Board Committee meetings and annual general meetings are scheduled in advance in consultation with all the Directors. The Board also meets as and when necessary to address any specific significant matters that may arise. To ensure Board and Board Committee meetings are held regularly with maximum Directors' participation, the Company's Constitution allows for telephone and video-conferencing meetings. The Board and Board Committees also approve transactions by way of written resolutions, which are circulated to the Board and Committee members together with all relevant information regarding the proposed resolutions/transactions.

The number of meetings of the Board and the respective Board Committees held and the attendance of each Director at the Board, Board Committees and general meetings held in FY2020 are as follows:

Name	Board	AC	NC	RC	AGM	EGM[9]
Number of meetings held	4	4	1	2	1	1
Directors	**Number of meetings attended**					
Tan Sri Dato' Hari N. Govindasamy[2]	3	3	1	1	1	1
Christopher Nghia Do[3]	4	4[1]	1[1]	1[1]	1	1
Dato' Low[4]	4	4[1]	1[1]	2[1]	1	1
Ng Weng Sui Harry	4	4	1	2	1	1
Kesavan Nair	4	4	1	2	1	1
Joanne Bruce[5]	2	2[1]	1[1]	2[1]	1	NA
Carmen Ng[6]	4	4[1]	1[1]	2	1	1
Tan Sri Ahmad[7]	4	4	0	1[1]	1	1
Yvette Tan[8]	NA	NA	NA	NA	NA	NA

Note:

NA: Not Applicable

(1) Attended as an invitee.

(2) Tan Sri Dato' Hari resigned as Director and Non-Independent Non-Executive Chairman of the Company on 30 November 2020.

(3) Mr Christopher Nghia Do resigned as Director, President and CEO of the Company on 30 November 2020.

(4) Dato' Low was re-designated from Executive Director to Executive Chairman and CEO on 1 December 2020.

(5) Ms Joanne Bruce resigned as Independent Non-Executive Director of the Company on 29 June 2020.

(6) Ms Carmen Ng was appointed as the member of RC on 6 March 2020. She attended a RC meeting as an invitee before her appointment as RC member.

(7) Tan Sri Ahmad was appointed as the member of AC and NC on 6 March 2020. He attended an AC meeting as an invitee before his appointment as AC member.

(8) Yvette Tan was appointed as Executive Director and Chief Commercial Officer of the Company on 1 December 2020.

(9) An extraordinary general meeting was held on 15 October 2020 in relation to the disposal of IEV Group Sdn. Bhd. and the change of name of the Company.

All Directors are required to declare their board appointments. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company. Please refer to Principle 4 below for further disclosure in relation to multiple board representations.

In addition, the Director is also given access to the Board resources, including the Company's constitutional and governing documents, terms of references of the Board and the Board Committees, the Group's policy, Annual Reports, Board meeting papers and other pertinent information for his/her reference. Management ensures that all Directors are furnished on an on-going basis with relevant, complete, adequate and timely information concerning the Company, to enable them to make informed decisions and discharge their duties and responsibilities. Prior to each Board meeting, board papers and files are circulated for each meeting and the Board is provided with relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. This is to give the Directors sufficient time to review and consider the matters being tabled and/or discussed. Any other matters may also be tabled at the Board meeting and discussed without papers being distributed. The business/projects updates with information on financial, operating and corporate issues, the explanations on the financial information, and the rationale for the key decisions taken by the Management may also be made in the form of presentations by the Management in attendance at the meetings. The Directors are entitled to request additional information as needed to make informed decisions. The Management is invited to attend Board meetings to provide additional insights into matters being discussed, and to respond to any queries that the Directors may have.

Company Secretary

The Board is provided with the contact details of the Management and the Company Secretary, and has separate and have independent access to such persons. The Board, either individually or as a group, is entitled to seek appropriate independent and professional advice, as and when necessary, at the expense of the Company, in furtherance of their duties.

The Company Secretary and/or her representative are/is present at such meetings to record the proceedings, to ensure that all Board procedures are followed as well as to ensure that good information flows within the Board and its Board Committees and between the Management and the Non-Executive Directors. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

Together with the Management of the Company, the Company Secretary ensures that the Company complies with the requirements of the Catalist Rules, the Companies Act as well as other rules and regulations that are applicable to the Company and the Group.

BOARD COMPOSITION AND GUIDANCE

Principle 2 – The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Report, the Board comprises the following members:

- Dato' Low (Executive Chairman and CEO)
- Yvette Tan (Executive Director and Chief Commercial Officer)
- Ng Weng Sui Harry ("**Harry Ng**") (Lead Independent Director)
- Kesavan Nair (Independent Director)
- Carmen Ng (Independent Director)
- Tan Sri Ahmad (Independent Director)

The Board comprises two (2) Executive Directors and four (4) Independent Non-Executive Directors. There is therefore a good balance between the Executive and Non-Executive Directors as well as a strong and independent element on the Board with independent directors making up a majority of the Board.

Accordingly, Provisions 2.2 of the 2018 Code which requires independent directors to make up a majority of the Board where then Chairman is not independent as well as Provision 2.3 of the 2018 Code which requires that non-executive directors make up a majority of the Board have been complied with.

Board Independence and Independent Directors

As set out under the 2018 Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The independence of each Director is reviewed annually by the NC bearing in mind salient factors set out in the Catalist Rules, the 2018 Code as well as other relevant circumstances and facts. The NC is also committed to reassess the independence of each Independent Director as and when warranted.

All Independent Directors are required to confirm their independence by completing a Confirmation of Independence Form which is drawn up in accordance with the 2018 Code and the Catalist Rules and submitted to the NC for its assessment of the independence of each Director.

Based on the confirmation of independence submitted by the Independent Directors, the NC noted that:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration on is determined by the RC.

(b) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$200,000 for services rendered.

(c) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

Ms Carmen Ng had declared that a company which she is a controlling shareholder and director of, Cypress Advisory & Consulting Limited, has since 2015 provided corporate secretarial, accounting and advisory services to the inactive Hong Kong companies of Dato' Low (Executive Chairman, CEO and substantial shareholder of the Company) and Dato' Sri Michael Marcus Liew (who had ceased as substantial shareholder of the Company on 25 January 2021). The aggregate annual amount charged for the services did not exceed S$100,000 over any financial year and she confirmed that such business relationships would not interfere her ability to exercise independent business judgement in the best interests of the Company. Except disclosed herein, she has confirmed that she does not have any other relationships (including familial relationship) with any existing Director, existing executive officer, the Company, its related corporations and/or substantial shareholders of the Company or any of related corporations.

Save for Mr Harry Ng, who was appointed to the Board on 26 July 2011, and Mr Kesavan Nair, who was appointed to the Board on 29 September 2011, none of the Independent Directors has served on the Board beyond nine (9) years from the date of first appointment. Mr Harry Ng and Mr Kesavan Nair have offered themselves for re-election in the forthcoming Annual General Meeting to be held on 27 April 2021 and will be subject to the two-tier vote pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, i.e. (i) by all shareholders; and (ii) by all shareholders excluding shareholders who are Directors or CEO and their associates.

Board Size and Composition

The Company currently does not have a formal Board Diversity Policy. However, the Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development.

The NC and the Board review the size and composition of the Board and Board Committees annually, taking into account, *inter alia*, the scope and nature of the Group's business and operations and the benefits of all aspects of diversity, including but not limited to gender, age, and professional experience in order to provide the board access to an appropriate range and balance of skills, experience and backgrounds. The Board is satisfied that the current Board facilitates effective decision-making and that no individual or small group of individuals dominates the Board's decision-making process. The NC and the Board are of the view that the present Board has the necessary mix of gender, nationality, expertise, experience and competencies such as accounting or finance, business or management experience, and industry knowledge for the effective functioning of the Board and is appropriate for the current scope and nature of the operations of the Group. The Independent Non-Executive Directors contribute accounting and finance knowledge, legal expertise and business management experience to the Group, and provide the Executive Directors and the Management with diverse and objective perspectives on issues considered by the Board. There is female representation on the Board.

The biographies of the Directors are set out under "Directors' Profile" section in this Annual Report.

Non-Executive Directors

The Board and the Management are given opportunities to engage in open and constructive debate for the furtherance of achieving strategic objectives. The Independent Non-Executive Directors may challenge and help develop proposals on strategy, review the performance of and to extend guidance to the Management. Well equipped with their expertise, experience and knowledge, the Independent Non-Executive Directors have been actively participating in discussions and decision-making at the Board and the Board Committee levels, and had open discussions with the Management. Where necessary, the Independent Non-Executive Directors, led by the Lead Independent Director, meet and discuss the Group's affairs without the presence of the Management and the Executives Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 - There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The 2018 Code advocates that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

Dato' Low was re-designated from Executive Director to Executive Chairman ("**Chairman**") and CEO of the Company on 1 December 2020. Notwithstanding that the Chairman and the CEO is the same person, the Board is of the view that it is in the best interest of the Group to adopt a single leadership structure based on the present Group structure and business scope.

As Chairman, Dato' Low is responsible for: (i) leading the Board to ensure its effectiveness in all aspects of its role; (ii) establishing the agenda for the board meetings in consultation with the Company Secretary, and ensuring Board meetings are held when necessary, and adequate time is available for discussion of all agenda items, in particular strategic issues; (iii) ensuring that the Board receives complete, adequate and timely information; (iv) facilitating the effective contribution of all Directors; and (v) take a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and the Management. At Annual General Meetings of the Company, the Chairman plays a pivotal role in fostering constructive dialogue between the shareholders, the Board and Management.

As the CEO, Dato' Low holds executive responsibility for the Group's business. He is assisted by Management in the management of day-to-day operations of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the management team; and leads the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing business.

While the Company has not adopted Provision 3.1 of the 2018 Code which requires the Chairman and CEO to be separate persons, the Board is of the opinion that accountability and independence have not been compromised taking into consideration the following:

(i) the present Group structure, size and business scope does not warrant a meaningful split of the roles of the Chairman and the CEO;

(ii) the Independent Non-Executive Directors currently form majority of the Board and exercise objective judgement on corporate matters impartially, thus ensuring a good balance of power and authority. Major decisions or matters disclosed under Principle 1 of this Annual Report are under the purview of the Board and subject to majority approval of the Board. Where there are conflicts or potential conflicts of interest, whether direct or indirect, in relation to any matter or transaction discussed, the Director is required to disclose and abstain from voting on the matter. There are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence, which is consistent with the intent of Principle 3 of the Code;

(iii) there is a lead Independent Director appointed; and

(iv) the Board Committees are made up of only Independent Directors.

Lead Independent Director

Mr Harry Ng is appointed as the Lead Independent Director as the Chairman is non-independent. He coordinates and leads the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the principal liaison on board issues between the Independent Directors and the Chairman. His responsibilities include carrying out the functions of the Chairman in relation to any matter where it would be inappropriate for the Chairman to serve in such capacity, or if he is unable to do so. Mr Harry Ng is available to address shareholders where they have concerns for which contact through normal channels such as the Executive Chairman and CEO or the Chief Financial Officer is inappropriate or inadequate.

The Independent Directors of the Company discuss issues via meetings, telephone and electronic devices without the presence of the other Directors, where required. The Lead Independent Director will provide feedback to the Chairman and CEO if it is deemed necessary.

BOARD MEMBERSHIP

Principle 4 - The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has established a NC which comprises three (3) members, all of whom, including the NC Chairman, are Independent Non-Executive Directors. As at the date of this Report, the members of the NC are as follows:

Kesavan Nair (Chairman)	Independent Director
Harry Ng (Member)	Lead Independent Director
Tan Sri Ahmad (Member)	Independent Director

The NC meets at least once a year. Meetings of the NC can also be in the form of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a member being in the physical presence of another member or members and participation in a meeting. The principal functions of the NC in accordance with its terms of reference include, but are not limited to, the following:

a) reviewing the composition, structure and size of Board and Board Committees to ensure the Board and Board committees provide an appropriate balance and diversity of skills, expertise, gender and knowledge of Company and provide core competencies, and make recommendations to the Board with regard to any adjustments that are deemed necessary;

b) identifying, reviewing and recommending candidates to the Board for appointments to the Board (including alternate director, if applicable) and Board Committees (excluding the appointment of existing members of the Board to a Board committee) of the Company and entities within the Company and its subsidiaries;

c) reviewing and recommending re-nomination of the Directors for re-election at each annual general meeting in accordance with the Constitution and having regard to the Director's contribution and performance (including alternate directors, if applicable);

d) establishing a process for the selection, appointment and re-appointment of Directors;

e) reviewing and approving any new employment of related persons and proposed terms of their employment;

f) determining on an annual basis whether or not a Director is independent;

g) reviewing and determining whether or not a Director is able to and has been adequately carrying out his/her duties and responsibilities as a Director;

h) recommending to the Board on the development of a process for the evaluation of performance of the Board, its Board Committees and Directors; and proposed objective criteria which address how the Board has enhanced long-term shareholder value;

i) assessing the effectiveness of the Board as a whole and its Board Committees and to assess the contribution by the Chairman of the Board and each individual director to the effectiveness of the Board;

j) reviewing and recommending the training and professional development programmes for the Board;

k) recommending to the Board the review of board succession plans for Directors, in particular, the Chairman and the CEO; and

l) recommending the appointment of key management positions, reviewing succession plans for key positions within the Group and overseeing the development of key executives and talented executives within the Group.

Process for Nomination and Selection of New Directors

The NC reviews the need for appointment of additional director(s) from time to time and the composition of the Board, including the mix of expertise, skills and attributes of existing directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. The process for the search, selection and appointment of new Directors is as follows:

a) candidates are sourced through external search consultants or network of contacts and identified based on the needs of the relevant skills, experience, knowledge and expertise. Directors may also put forward names of potential candidates, together with their curriculum vitae, for consideration of the NC.

b) the NC, after completing its assessment, meets with the short-listed candidates to assess their suitability taking into consideration the existing composition of the Board and strives to ensure that the Board has an appropriate balance of independent directors as well as qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives and to ensure that the candidates are aware of the expectations and the level of commitment required of them.

c) the NC makes recommendations to the Board for approval.

Re-Appointment/Re-election of Retiring Directors

The NC recommends re-elections of Directors for approval by the Board, taking into account the Directors' overall contributions and performance and an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities. Article 98 of the Constitution stated that at each AGM, at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third and excluding newly appointment Directors) are required to retire from office by rotation. Pursuant to Rule 720(4) of the Catalist Rules, all Directors are required to retire from office at least once in every three years and submit themselves for re-election by the shareholders at the AGM.

The Directors retire by rotation at the forthcoming AGM pursuant to Article 98 of the Constitution of the Company are Mr Kesavan Nair and Mr Harry Ng.

Article 102 of the Constitution of the Company requires any newly appointed Director during the year to hold office only until the next AGM following his/her appointment and to be eligible for re-election but shall not be taken into account in determining the number of Directors who are retiring by rotation at each financial year. Hence, Ms Yvette Tan will retire at the forthcoming AGM pursuant to Article 102 of the Constitution of the Company.

Each of these retiring Directors has given their consent to stand for re-election.

The NC had recommended to the Board the re-election of all the retiring Directors. The NC had considered criteria such as the diversity, composition, progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour). The Board has endorsed the re-election as recommended by the NC.

Effective from 1 January 2022, Rule 406(3)(d)(iii) of the Catalist Rules requires the continued appointment of independent directors who have served the Board beyond nine (9) years from the date of their first date appointment to the Board to be subjected to two-tier shareholders voting process in order to be considered independent. As Mr Kesavan Nair and Mr Harry Ng have served on the Board for more than nine (9) years, the Company will be seeking two-tier shareholders' approval for the continued appointment of Mr Kesavan Nair and Mr Harry Ng as Independent Directors ahead of Rule 406(3)(d)(iii) of the Catalist Rules coming into effect on 1 January 2022.

Notwithstanding that Mr Kesavan Nair and Mr Harry Ng have served on the Board beyond nine (9) years, the NC and the Board are of the view that they are independent, having considered the following:

(i) Mr Kesavan Nair and Mr Harry Ng have exercised objective character and judgement providing non-aligned advice and insights;

(ii) Mr Kesavan Nair and Mr Harry Ng have acted independently and provided overall guidance to Management, including seeking clarification of matters and challenging proposals put forth by Management from time to time;

(iii) Mr Kesavan Nair and Mr Harry Ng have no personal and business relationship with the Company's substantial shareholders, Executive Directors or Management that could impair their fair judgement;

(iv) Mr Kesavan Nair and Mr Harry Ng are non-executive and they do not interfere with the day-to-day management of the business operations or participate in any operational or management meetings;

(v) Mr Kesavan Nair and Mr Harry Ng did not receive any gift or financial assistance from the Group; and

(vi) Mr Kesavan Nair and Mr Harry Ng are not financially dependent on fees received from the Company and their fees are not linked to the financial performance of the Group.

The NC had also assessed the contributions of Mr Kesavan Nair and Mr Harry Ng during their tenure, including, their attendance and participation in the Board and Board Committee meetings, their expertise and experience which are relevant to the Group and whether Mr Kesavan Nair and Mr Harry Ng have provided adequate attention and devoted sufficient time to the proceedings and business of the Company.

In consideration of the above, the NC, with the concurrence of the Board, is of the opinion that Mr Harry Ng and Mr Kesavan Nair's tenure in office do not affect their ability to remain objective and independent in discharging their duties as Independent Directors. In addition, as the Group is undergoing a phase of business transformation, having Mr Harry Ng and Mr Kesavan Nair continue in office will provide stability to the Board and the Company.

In the event that shareholders' do not approve the appointment of Mr Harry Ng and Mr Kesavan Nair as Independent Directors of the Company, they will not be considered independent directors from 1 January 2022 and the Group will search for replacement independent directors within two (2) months but in any case not later than three (3) months from 1 January 2022.

Each member of the NC and of the Board recused themselves from deliberations in respect of the assessment of his/her independence.

Additional Information of Retiring Directors seeking for Re-election

Pursuant to Rule 720(5) of the Catalist Rules, the additional information as set out in Appendix 7F of the Catalist Rules relating to the retiring Directors who are submitting themselves for re-election, is disclosed below and to be read in conjunction with their respective biographies under the sections entitled "Directors' Profiles" in the Annual Report:

		Ng Weng Sui Harry	**Kesavan Nair**	**Tan Chai Hong ("Yvette Tan")**
Date of Appointment	:	26 July 2011	29 September 2011	1 December 2020
Date of last re-appointment	:	24 June 2020	24 June 2020	Not applicable
Age	:	65	57	45
Country of Principal Residence	:	Singapore	Singapore	Singapore
The Board's comments on the re-appointment	:	The re-election of Ng Weng Sui Harry as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance.	The re-election of Kesavan Nair as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance.	The re-election of Yvette Tan as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her overall contribution and performance.

		Ng Weng Sui Harry	Kesavan Nair	Tan Chai Hong ("Yvette Tan")
Whether appointment is executive, and if so, the area of responsibility	:	Non-Executive	Non-Executive	Executive. Her main responsibilities are to: ● lead the development of the Company's identity and brand ● engage the organisation in managing customer relationships, revenue and profit ● develop sales plans and partnership programs for optimal performance and growth ● review and evaluate market trends and industry developments ● improvise systems/processes on all delivery activities ● collaborate with functional/departmental managers to motivate, drive and develop new talents within the organisation
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	:	● Lead Independent Director ● Chairman of Audit and Risk Committees ● Member of Remuneration and Nominating Committees	● Independent Director ● Chairman of Remuneration and Nominating Committees ● Member of Audit and Risk Committees	● Executive Director and Chief Commercial Officer
Professional Qualifications	:	Please refer to "Directors' Profile" on pages 5 to 7 of this annual report		

		Ng Weng Sui Harry	Kesavan Nair	Tan Chai Hong ("Yvette Tan")
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	:	No	No	No
Conflict of interests (including any competing business)	:	No	No	No
Working experience and occupation(s) during the past 10 years	:	Please refer to "Director's Profile" on pages 5 to 7 of this annual report		
Undertaking has been submitted to the listed issuer in the form of Appendix 7H under Rule 720(1) of the Catalist Rules	:	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	:	300,000 ordinary shares representing 0.06% of the issued and paid up share capital of the Company.	Nil	Nil
Past (for the last 5 years)	:	Directorships Subsidiaries of Company ● HealthPro Pte. Ltd. ● IEV Energy Investment Pte. Limited ● IEV Technologies Pte. Ltd. Other Principal Commitment Nil	Directorships ● Genesis Law Corporation ● Genvest Pte Ltd ● Kitchen Culture Holdings Ltd. Other Principal Commitment Nil	Nil

		Ng Weng Sui Harry	Kesavan Nair	Tan Chai Hong ("Yvette Tan")
Present	:	Directorships • MC Payment Limited (f.k.a Artivision Technologles Ltd.) • Q&M Dental Group (Singapore) Limited • Oxley Holdings Limited • HG Metal Manufacturing Limited • HLM (International) Corporate Services Pte. Ltd. Other Principal Commitment • Singapore Dental Council • NCC Research Fund • NCCS Cancer Fund	Directorships • Arion Entertainment Singapore Limited • HG Metal Manufacturing Limited • MC Payment Limited (f.k.a Artivision Technologles Ltd.) • Bayfront Law LLC Other Principal Commitment Nil	Directorships • Windsor Investments Pte. Ltd. Subsidiaries of Company • HealthPro Group (S) Pte. Ltd. • IEV Energy Investment Pte. Limited • HealthPro Pharma Pte. Ltd. Other Principal Commitment Nil
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he/she was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	:	No	No	No

			Ng Weng Sui Harry	Kesavan Nair	Tan Chai Hong ("Yvette Tan")
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	:	No	No	No
(c)	Whether there is any unsatisfied judgment against him?	:	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	:	No	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	:	No	No	No

			Ng Weng Sui Harry	Kesavan Nair	Tan Chai Hong ("Yvette Tan")
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	:	No	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	:	No	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	:	No	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	:	No	No	No

		Ng Weng Sui Harry	Kesavan Nair	Tan Chai Hong ("Yvette Tan")
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	: No	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	: No	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	: No	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	: No	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			

			Ng Weng Sui Harry	Kesavan Nair	Tan Chai Hong ("Yvette Tan")
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	:	No	No	No

Independence of the Directors

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required to complete a checklist annually to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent, save for Mr Harry Ng and Mr Kesavan Nair whose continued independence from 1 January 2022 shall be subject to the two-tier vote at the forthcoming AGM of the Company. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the 2018 Code which puts the independence of the Independent Directors in question save as disclosed.

Alternate Director

The Board does not, as a matter of practice, appoint alternate director.

Review of Director's Time Commitment

The NC reviews and determines annually whether Directors, who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. The NC has considered and is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of board committees on which they serve are of different complexities. Each Director shall determine the demands of his/her competing directorships and obligations and assess the number of directorships he/she could hold and serve effectively.

All Directors are required to provide declarations of any changes in their other appointments and principal commitments, which are disseminated to all Board members. The NC, having taken into consideration (i) the attendance and contributions by the individual Directors during Board and Board Committee meetings; and (ii) results of the evaluation of the effectiveness of the Board and the Board Committees is of the opinion that the Directors have devoted sufficient time and attention to the affairs of the Company and is satisfied that the Directors have adequately discharged their duties in FY2020.

The Board recognises the contributions of its Directors who over time have developed deep insight into the Group's operations and industry and who are therefore able to provide valuable contributions to the Group. As such, the Board has not set a fixed term of office for any of its Directors.

The listed company directorships and principal commitments of each Director are set out below:

Director	Position	Present directorship in other listed companies	Present principal commitments*
Dato' Low	Executive Chairman and CEO	NA	● Medi Lifestyle Limited ● HealthPro Pte. Ltd. ● IEV Energy Investment Pte. Limited
Yvette Tan	Executive Director and Chief Commercial Officer	NA	● HealthPro Group (S) Pte. Ltd. ● IEV Energy Investment Pte. Limited ● HealthPro Pharma Pte. Ltd.
Harry Ng	Lead Independent Director	● MC Payment Limited (f.k.a Artivision Technologies Ltd.) ● Q&M Dental Group (Singapore) Limited ● Oxley Holdings Limited ● HG Metal Manufacturing Limited	● HLM (International) Corporate Services Pte. Ltd. ● Singapore Dental Council ● NCC Research Fund ● NCCS Cancer Fund
Kesavan Nair	Independent Director	● Arion Entertainment Singapore Limited ● HG Metal Manufacturing Limited ● MC Payment Limited (f.k.a Artivision Technologies Ltd.)	● Bayfront Law LLC
Carmen Ng	Independent Director	● Simplicity Holding Limited ● Get Nice Financial Group Limited	● Cypress Advisory & Consulting Limited ● Cypress Certified Public Accountants
Tan Sri Ahmad	Independent Director	● Alliance Bank Malaysia Berhad ● Malaysian Genomics Resource Centre Berhad	NA

NA – Not Applicable

* "**Principal Commitments**" as defined in the Code include all commitments which involve significant time commitment such as full time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

BOARD PERFORMANCE

Principle 5 - The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC will periodically review the Board's performance based on objective performance criteria proposed by the NC and approved by the Board. The performance criteria do not change from year to year and where circumstances deem it necessary to change the criteria, the onus is on the Board to justify this decision. The Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution of each individual Director to the effective functioning of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

Annually, a Board evaluation exercise is carried out by way of a board assessment checklist, which is circulated to the Board members for completion. The assessment covers areas such as Board Composition, Information to the Board, Board Procedures, Board Accountability, CEO/Top Management, Standards of Conduct, Risk Management and Internal Controls, Communication with Shareholders, Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference, and Director self-evaluation. Assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The performance criteria do not change from year to year. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board, to determine the actions required to improve the corporate governance of the Company and effectiveness of the Board as a whole.

Through the assessment, the performance of the Board, Board Committees and each Director was considered and how the Board as a whole adds value to the Company. The process identified areas where improvements can be made, allowing the Board and individual Director to direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors. The Board will act on the results of the performance assessment and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.

The NC, having reviewed the overall performance of the Board and Board Committees in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year reported on, is of the view that the performance of the Board and Board Committees as a whole has been satisfactory. The NC, in assessing the contribution of an individual Director, has considered each Director's level of participation in discussions and attendance at Board and Board Committee meetings, his or her qualifications, experience, expertise and the time and effort dedicated to the Group's business and affairs. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors. The NC is also satisfied that the current size and composition of the Board and Board Committees provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Group. From time to time, the NC will review the appropriateness of the Board size, taking into consideration changes in the nature of the Group's businesses, the scope of operations, as well as changing regulatory requirements.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, the Board Committees and each individual Director. Where relevant, the NC will consider such an engagement.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6 - The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Board has established a RC which comprises three (3) members, all of whom, including the RC Chairman are Independent Non-Executive Directors. The members of the RC as at the date of this Report are as follows:

●	Kesavan Nair (Chairman)	Independent Director
●	Harry Ng (Member)	Lead Independent Director
●	Carmen Ng (Member)	Independent Director

The RC meets at least once a year. Meetings of the RC can also be in the form of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a member being in the physical presence of another member or members and participation in a meeting. The principal functions of the RC include, but are not limited to, the following:

a) review and recommend to the Board on the general remuneration framework of the Directors and KMPs of the Company and its subsidiaries;

b) structure a significant and appropriate proportion of Executive Directors and KMPs' remuneration so as to link rewards to corporate and individual performance to be aligned with the interests of shareholders and promote the long-term success of the Company;

c) review the on-going appropriateness, attractiveness and relevance of the executive remuneration policy and other benefit programs including the terms of renewal for those executive directors whose current employment contracts will expire or had expired;

d) determine, review and approve the design of all option plans, stock plans and/or other equity based plans that the Company proposes to implement;

e) review the remuneration of employees who are substantial shareholders (if any) or related to the Directors, the CEO and the Company's substantial shareholders; and

f) review and recommend to the Board the eligibility of the Executive Directors and KMPs under long-term incentive schemes and to evaluate the costs and benefits of such long-term incentive schemes.

The Company's compensation framework comprises fixed, variable pay and other benefits-in-kind. The Company subscribes to linking remuneration of the Executive Directors and KMPs to corporate and individual performance. The RC and the Board will review the reward systems of the Group on an annual basis to ensure that the remuneration packages and systems are put in place to motivate and reward employees and align their interests to maximise long-term shareholders' value.

The RC will review and recommend to the Board a framework of remuneration for the Directors and KMPs, and determine specific remuneration packages for each Director and KMP. The recommendations of the RC are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards and other benefits-in-kind shall be overseen by the RC. The RC will also review the remuneration received by KMPs. Except for the payment in lieu of notice as provided for under the service agreements entered into with respective Executive Directors and KMPs, no compensation or damages are payable by the Company to them in respect of their respective termination in accordance with the terms of the service agreement. There are no other termination, retirement and post-employment benefits granted to the Directors, the CEO or any KMPs. Currently, contractual provisions are not used that would allow the Company to reclaim incentive components of remuneration from the Executive

Directors and KMPs. In exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and KMPs. The RC would review such contractual provisions as and when necessary. The RC aims to be fair and avoid rewarding poor performance.

Each member of the RC shall abstain from voting on any resolutions or making any recommendations and/or participating in the deliberations of the RC in respect of the remuneration package granted to him or someone related to him.

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and the Management, so that the Group remains competitive in this regard. No external remuneration consultant has been engaged for FY2020.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7 - The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation

In setting the remuneration packages of the Executive Directors, the Company takes into consideration the existing remuneration and employment conditions and makes a comparative study of the packages of Executive Directors in comparable companies/industries as well as the Group's sustained performance. The RC ensures that the level and structure of remuneration of the Executive Directors and KMPs are aligned with the long-term interest and risk policies of the Company, as well as the ability of such remuneration structures to attract, retain and motivate Executive Directors and KMPs to provide good stewardship and management of the Company. In addition, to ensure the alignment of the Executive Directors and the KMPs with the interests of Shareholders and to promote the long-term success of the Company, the Company has adopted the IEV Holdings Performance Share Plan ("**IEV Holdings PSP**" or the "**Plan**") which was approved by shareholders at an extraordinary general meeting held on 6 October 2011.

The Non-Executive Directors' remuneration takes into account the efforts and time spent, and responsibilities of the Directors. These Directors do not have service contacts and they are paid fixed base Directors' fee and an additional fixed fee for serving on any of the Board Committees. The Chairman of each Board Committee is compensated for his additional responsibilities. The RC recommends the payment of such fees in accordance with the contributions and responsibilities of the Non-Executive Directors, which will then be endorsed by the Board and subject to approval by the shareholders of the Company at the AGM. Such fees are payable quarterly in arrears. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.

Executive Directors do not receive Director's fees but is remunerated as member of the management team. The remuneration packages of the Executive Directors and KMPs comprise a basic salary component and a variable component which is the annual bonus based on the performance of the Group as a whole and their individual performance. The Company had entered into a service agreement with Dato' Low, Executive Director of the Company appointed on 1 June 2019, which is effective for a period of 3 years. The service agreement is renewable in accordance with the specific terms as set out in the service agreement. Under the service agreement, the salary and performance bonus shall be subject to annual review by the RC to be approved by the Board. The service agreement can be terminated by either party giving the required written notice in accordance with the service agreement and both parties have the option to pay salary in lieu of any required period of notice.

Additionally, the Company had entered into a service agreement with Ms Yvette Tan, Executive Director and Chief Commercial Officer of the Company appointed on 1 December 2020, which is effective for a period of 3 years. The service agreement is renewable in accordance with the specific terms as set out in the agreement and can be terminated by either party giving the required written notice in accordance with the service agreement, and both parties have the option to pay salary in lieu of any required period of notice. The RC had reviewed the service agreement with Ms Yvette Tan and recommended to the Board for endorsement.

The Company has also entered into separate employment contracts with each KMP which provides for remuneration payable to them, annual leave entitlements and termination agreements.

Having reviewed and considered the variable components of the Executive Directors and the KMPs, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 8 - The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Code recommends that companies fully disclose the name and remuneration of each Director and the CEO. For confidentiality reasons, the Board has reviewed and decided to deviate from complying with the above recommendation and has provided below a breakdown, showing the level and mix of remuneration of each Director and KMPs in bands of S$250,000.

Directors' Remuneration

Details of the remuneration for each Director and the CEO for FY2020 are disclosed below:

Name	Salary (%)	Benefits (%)	Bonus (%)	Directors' Fee (%)	Total (%)
S$250,00 to below S$500,000					
Christopher Nghia Do [(1)]	90.2	9.8	–	–	100
Below S$250,000					
Dato' Low	100	–	–	–	100
Tan Sri Dato' Hari Govindasamy [(2)]	–	–	–	100	100
Harry Ng	–	–	–	100	100
Kesavan Nair	–	–	–	100	100
Joanne Bruce [(3)]	–	–	–	100	100
Carmen Ng	–	–	–	100	100
Tan Sri Ahmad [(4)]	–	–	–	100	100
Yvette Tan [(5)]	93.2	6.8	–	–	100

Note:

(1) Mr Christopher Nghia Do resigned as Director, President and CEO with effect from 30 November 2020.

(2) Tan Sri Dato' Hari Govindasamy resigned as Director and Non-Independent Non-Executive Chairman with effect from 30 November 2020.

(3) Ms Joanna Bruce resigned as Independent Non-Executive Director with effect from 29 June 2020.

(4) Tan Sri Ahmad was appointed as Independent Non-Executive Director with effect from 16 January 2020.

(5) Ms Yvette Tan was appointed as Executive Director and Chief Commercial officer with effect from 1 December 2020.

KMP's Remuneration

The Company adopts a remuneration policy for staff that is responsive to market elements and performance of the Company and business segments respectively.

The 2018 Code recommends the Company to disclose the remuneration of at least the top five (5) key management personnel, who are not directors or CEO of the Company. For FY2020, the Company had five (5) KMPs (who is not a Director or CEO of the Company). A breakdown of the level and mix of the Group's KMP's (who are not Directors or the CEO) remuneration for FY2020 are as follows:

Name	Salary (%)	Benefits (%)	Payment in Lieu of notice (%)	Bonus (%)	Total (%)
Below S$250,000					
Edward Chen Boon Pok	89	11	–	–	100
Juzer Nomanbhoy[(1)]	85	4	–	11	100
Ng Siew Han[(2)]	89	11	–	–	100
Loh Koon Yau[(3)]	89	11	–	–	100
Loo Sow Kuen[(4)]	88	12	–	–	100

Note:

(1) Mr Juzer Nomanbhoy, Managing Director of IEV (Malaysia) Sdn. Bhd. and Vice President of Business Development, Asset Integrity Management Solutions of IEV Group Sdn. Bhd., ceased as KMP of the Company with effect from 30 November 2020 following the completion of the disposal of IEV Group Sdn. Bhd. together with its wholly-owned subsidiaries and associated company.

(2) Ms Ng Siew Han resigned as Deputy Vice President, Finance of the Company with effect from 30 November 2020 following the completion of the disposal of IEV Group Sdn. Bhd. together with its wholly-owned subsidiaries and associated company.

(3) Ms Loh Koon Yau resigned as Deputy Vice President – Sales and Proposal Engineering of the Company with effect from 15 March 2020.

(4) Ms Loo Sow Kuen was appointed as General Manager of the Company with effect from 1 December 2020.

The annual aggregate remuneration paid to the top five (5) KMPs (who are not Directors or the CEO) of the Group for FY2020 is S$363,274/-.

There were no employees who are substantial shareholders of the Company or are immediate family members of a Director or the CEO or a substantial shareholder of the Company and whose remuneration exceeds S$100,000/- during the financial period under review.

The Company has in place the IEV Holdings PSP to reward, retain and motivate Directors and employees of the Group to greater dedication, loyalty and higher standards of performance. The RC is responsible for the administration of the IEV Holdings PSP. Further information on the IEV Holdings PSP is set out in the "Directors' Statement" section of this Annual Report, and the Company's offer document dated 12 October 2011. The IEV Holdings PSP will expire on 5 October 2021 and the Board will not be seeking shareholders' approval to extend the IEV Holdings PSP. No share award has been granted by the Company under the IEV Holdings PSP during the financial year reported on and since the date of commencement of the IEV Holdings PSP. The RC and the Board will constantly evaluate and assess adoption of any new share-based compensation scheme or long-term incentive plan, with the aim of enhancing the link between rewards and corporate and individual performance.

During FY2020, the RC had reviewed the compensation and remuneration packages of all Directors and KMPs and believes that the remuneration of Directors and KMPs commensurate with their respective performance roles and responsibilities, giving due consideration to the financial and commercial health and business needs of the Company. The RC has recommended to the Board and the Board has approved the remuneration of the Directors and the KMPs.

The Board has also approved the RC's recommendation for the Directors' fees of S$124,800 for FY2021. The fees are subject to the approval of shareholders at the AGM.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 – The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material errors or poor judgment in decision-making.

The Board, assisted by the Risk Committee, reviews annually and ensures that a sound system of risk management and internal controls is maintained by the Group to safeguard Shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives.

Following the resignations of Ms Joanne Bruce, Mr Christopher Nghia Do and Tan Sri Dato' Hari as Directors of the Company, the Risk Committee as at the date of this Report comprises Harry Ng (Chairman) and Kesavan Nair.

The Risk Committee assumes the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Group's risk management systems and procedures. The Management reviews the Group's business and operational activities regularly to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The Management will also be responsible for ensuring that the risk management framework is effectively implemented within all areas of the respective business units. All significant matters will be highlighted to the Risk Committee and the Board.

On an annual basis, the Company engages internal auditors to formulate an internal audit plan and conduct an internal audit review of the Group's operations and will approved by the AC.

The AC has appointed Crowe Governance Sdn Bhd as internal auditors ("**IA**") of the Company to perform a review of the internal controls of the Group in accordance with the Standards for the Professional Practice of Internal Auditing laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors. Crowe Governance Sdn Bhd is a well-established firm with vast experience in areas, including internal audit. The engagement team assigned comprises of 3 members and the director-in-charge, Mr Amos Law, has 23 years of experience performing internal audits for listed companies in Singapore. The AC has assessed and is satisfied that the IA function of the Group is independent and the internal auditors have adequate resources to perform its function effectively and is staffed by qualified and experienced professionals with the relevant experience. Accordingly, the Company is in compliance with Rule 1204(10C) of the Catalist Rules.

The AC will review annually, the adequacy and effectiveness of the IA function. For FY2020, the internal audit review focused on procurement to payment cycle, production cycle, sales, billing, collection and credit control, human resource and payroll as well as follow-up reviews on information technology controls. High risk items noted from the internal audit review have been resolved as at the date of this Report.

Subsequent to the review, the IA will report its findings to the AC and will propose recommendations to enhance the Group's internal controls and to resolve any instances of inadequate internal control processes. The Management is responsible for the implementation of the various recommendations and will report the progress of implementation to the AC.

The external auditors will also highlight to the AC any major control weaknesses on financial reporting identified in the course of the statutory audit, if any.

As part of the Group's continuous efforts to ensure that its risk management systems and internal controls are adequate and effective, the Company is not only working towards strengthening the existing policies by conducting regular reviews to ensure that they remain relevant but is also implementing new ones where necessary to meet challenges brought on by a changing business environment.

The AC and the Board had received assurance from CEO and the Chief Financial Officer that, to the best of their knowledge, (i) the Group's financial records as at 31 December 2020 have been properly maintained and the financial statements for FY2020 give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are adequate and effective. In providing such assurance, the CEO and the Chief Financial Officer had evaluated the effectiveness of the Company's internal controls and had discussed with the Company's external and internal auditors of their reporting points and noted that there are no significant deficiencies in the design or operation of internal controls or material weaknesses identified which are outstanding and which could adversely affect the Company.

Based on the assurances from the CEO and the CFO, framework of risk management and internal controls established and maintained by the Group, work performed by the external and internal auditors, as well as regular reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems are adequate and effective as at 31 December 2020.

An overview of the key risks, the extent of the Group's exposure and the approach to managing these risks are set out on pages 128 to 135 of the Annual Report.

AUDIT COMMITTEE

Principle 10 – The Board has an Audit Committee ("AC") which discharges its duties objectively.

As at date of this Report, the AC comprises three (3) members, all of whom, including the AC Chairman, are Independent Non-Executive Directors. The members of the AC are as follows:

- Harry Ng (Chairman) — Lead Independent Director
- Kesavan Nair (Member) — Independent Director
- Tan Sri Ahmad (Member) — Independent Director

No former partner or director of the Company's current auditing firm or auditing corporation is a member of the AC. The Board considers Mr Harry Ng who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. The Board is of the view that the members of the AC have sufficient accounting and/or financial management expertise and experience to discharge the AC's functions given their experience as directors and/or senior management in accounting and financial fields.

The AC meets periodically to perform the following functions:

a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcement relating to the Company's financial performance;

b) review the annual and quarterly financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, key audit matters, significant adjustments arising from the audit, going concern basis of the Company, compliance with accounting standards as well as compliance with the Catalist Rules and other relevant statutory/regulatory requirements;

c) review the key financial risk areas, with a view to provide independent oversights on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;

d) monitor the use of proceeds raised;

e) review the assurance from the CEO and the CFO on the financial records and financial statements;

f) review with the external auditors, the audit plans, their evaluation of the system of internal controls, their audit report, their management letter, Management's response and results of audits compiled by the external auditors;

g) make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

h) review the internal controls and procedures and ensure coordination between the external auditors, internal auditors and Management, and review the assistance given by Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);

i) review and discuss with the external auditors and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

j) review and report to the Board at least annually the adequacy and effectiveness of the Company's risk management systems and internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

k) review the adequacy, effectiveness, independence, scope and results of the internal audit function at least annually;

l) review with the internal auditors the internal audit plans and their evaluation of the adequacy of the internal controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in annual report (where necessary);

m) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;

n) review potential conflict of interest (if any) and to set out a framework to resolve or mitigate any potential conflict of interests;

o) review and establish procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, and to ensure that arrangements are in place for independent investigations of such matter and for appropriate follow-up, pursuant to the Company's whistle-blowing policy;

p) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

q) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time.

In line with the terms of reference of the AC, the following activities were carried out by the AC during FY2020 in the discharge of its functions and duties including the deliberation and review of:

- the unaudited quarterly and full year financial results of the Group, and announcements prior to submission to the Board for approval and release of the results via SGXNET;

- the internal and external audit plans in terms of their scope prior to their commencement;

- the external auditors' report in relation to audit and accounting issues arising from the audit and meeting with the external auditors without presence of the executive board members and the Management;

- cooperation given by the Management to the external and internal auditors;

- the internal audit findings report including internal control processes and procedures;

- assurance letter from the CEO and CFO on the proper maintenance of the financial records and the integrity of the financial statements of the Group;

- the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and reporting the findings to the Board;

- the independence, adequacy and effectiveness of the Group's internal audit function;

- the audited financial statements of the Group and of the Company prior to submission to the Board for consideration and approval;

- the external audit and internal audit fees for FY2020 and recommended to the Board for approval;

- the quality of the external auditors across a number of evaluation criteria, including measures of relevance and quality of its work as well as its level of independence; and re-appointment of the external auditors and recommended to the Board for approval;

- interested person transactions falling within scope of Chapters 9 of the Catalist Rules and any potential conflict of interests; and

- the whistle-blowing policy of the Group and procedures by which employees of the Group and any other persons could report the possible improprieties to the AC Chairman.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC will abstain from voting in respect of matters in which he is interested.

The AC has full access to, and co-operation from, the Management and full discretion to invite any Director and/or executive officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

Independent meeting with external and internal auditors

The AC also meets with the internal and external auditors without the presence of the Management at least once a year to obtain feedback on the competency and adequacy of the finance function, to review the assistance given by the Management to internal and external auditors and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial and operational systems. The external auditors were also invited to be present at AC meetings held during FY2020 to, *inter alia*, answer or clarify any matter on cooperation from management, accounting and auditing of internal control.

AC's commentary on key audit matters

The AC has discussed with the Management and the external auditors on significant issues as well as the reasonableness of the key assumptions including significant judgements and key estimates used that impact the financial statements. In line with the recommendations by Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and SGX-ST, the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on Key Audit Matters ("**KAMs**").

In addition, significant matters that were discussed with management and the external auditors have been included as KAMs in the audit report for the financial year ended 31 December 2020 on pages 57 to 58 of the Annual Report.

In assessing each KAM, the AC took into consideration the approach and methodology applied, as well as the reasonableness of the estimates and key assumptions used. The AC concluded that management's accounting treatment and estimates in each of the KAMs were appropriate.

External Auditors and Audit Fees

The aggregate amount of audit fees paid and/or payable to the external auditors for FY2020 amounted to approximately S$121,000/-. In addition, approximately S$19,000/- non-audit fees were paid to the external auditors for FY2020 in relation to tax and other advisory services rendered. The AC has undertaken a review of the volume and nature of the non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Accordingly, the AC and the Board have recommended the re-appointment of Mazars LLP as external auditors of the Company for financial year ending 31 December 2021 at the forthcoming AGM.

The external auditors have unrestricted access to the AC.

The AC is satisfied that the Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have impact on the Group's financial statements, with training conducted by professionals or external consultants. In FY2020, the AC was briefed and updated by the external auditors on the changes or amendments to the accounting standards and its corresponding impact on the financial statements, if any.

Whistle-blowing policy

The Company has in place a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees and any other persons may raise concerns, in confidence, on improper conduct or other matters to the Management and/or the AC, where applicable. The details of the policy have been disseminated and made available to all parties concerned.

The AC oversees the administration of the policy and ensures that all concerns to be raised are independently investigated and appropriate follow-up actions are carried out.

Internal Audit

The Company has outsourced the internal audit function to Crowe Governance Sdn. Bhd. who will report to the AC. The AC approves the hiring, removal, evaluation and compensation of the internal auditors and the internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, and reports directly to the AC on audit matters.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11 - The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders are encouraged to participate during the general meetings. Shareholders are informed of Shareholders' meetings through notices contained in annual reports or circulars sent to all Shareholders. These notices are also published in the local newspapers and posted onto the SGXNET.

Any notice of general meeting consisting of only ordinary resolution is issued at least 14 calendar days before the scheduled date of the meeting while a notice of general meeting containing special resolution is issued at least 21 calendar days before the scheduled date of the meeting. All shareholders (other than a relevant intermediary as defined under Section 181 of the Companies Act) can appoint up to two (2) proxies to attend, vote and speak in general meeting in his stead. The Company allows relevant intermediaries to appoint more than two (2) proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Company tables separate resolutions at general meetings for each distinct issues for approval by shareholders unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. A proxy form is sent with the notice of general meeting to the Shareholders. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages for general meetings.

At the Company's general meetings, all Directors are usually present and shareholders are given the opportunity to voice their views and ask Directors, in particular the chairman of the Board Committees or the Management questions regarding the Company's business activities or financial performance. In addition to the Board, the external auditors are also invited to attend the AGMs to assist the Directors in addressing shareholders' queries about the conduct of audit and the preparation and contents of the auditors' report. For FY2020, the Company held one annual general meeting and one extraordinary general meeting via electronic means. All members of the Board were present for both meetings.

As the authentication of Shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being not to implement voting in absentia by mail, email or fax. In this connection, the Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of the Shareholders through the web is not compromised.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meetings, and responses from the Board and the Management. The minutes are made available on the Company's website.

The coming AGM will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM; and voting by appointing the Chairman of the meeting as proxy at the AGM, will be put in place for the AGM. The notice and proxy form of the AGM and FY2020 Annual Report, will be distributed electronically via SGXNet. Please refer to the announcement entitled "Alternative Arrangement for the Annual General Meeting of the Company to be held on 27 April 2021" for details.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of declaration and payment of future dividends on shares of the Company that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by the Directors:

- the level of cash and retained earnings;
- actual and projected financial performance;
- projected levels of capital expenditure and expansion plans;
- working capital requirements and general financing needs and conditions; and
- restrictions on payment of dividend imposed to the Company (if any).

The Board has not declared or recommended a dividend for FY2020 as the Group recorded a loss from its continuing operations in FY2020.

SHAREHOLDER ENGAGEMENT

Principle 12 - The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13 - The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company's dedicated internal Investor Relations ("**IR**") team is tasked with and focuses on facilitating effective and fair communication between the Company and its Shareholders by regularly conveying pertinent information to Shareholders, attend to their queries as well as to keep Shareholders apprised of the Group's corporate developments and financial performance.

In presenting the annual financial statements and quarterly results announcements to the Shareholders of the Company, it is the aim of the Board to provide the Shareholders with a balanced and understandable assessment of the Group's financial performance, financial position and business prospects. The financial performance and annual reports are announced or issued within the mandatory period under the Catalist Rules and are available on the Company's website.

The Company does not practice selective disclosure, and price sensitive information is publicly released on an immediate basis pursuant to the Catalist Rules. Shareholders, investors and analysts are kept informed of the major developments of the Company on a timely basis through various means of communication as follows:

- announcements and press releases (with contact details for investors to channel their comments or queries) via SGXNET;
- annual reports and notice of AGM issued to all shareholders;
- price sensitive information, significant transactions or matters are communicated to shareholders via SGXNET; and
- the Company's website at www.medi-lifestyle.com.

The IR team, together with the Management, will conduct roadshows, participate in investor seminars and conferences, analyst meetings to keep the market, shareholders and investors apprised of relevant information, to enable them to have a better understanding of the business, latest developments and financial performance of the Group. The Company makes available its briefing materials to analysts and the media through press releases which are released on SGXNET and its corporate website, with contact details for investors to channel their comments and queries.

The Company solicits feedback from and addresses the concerns of Shareholders (including institutional and retail investors) by email via a dedicated investor relations email: jeysie.wong@medi-lifestyle.com or in writing to the Company's headquarter located in Singapore. The Company also attends to shareholders' queries made via telephone.

The Company undertakes a formal stakeholder engagement exercise, such as formal and informal meetings, surveys, site visits, and feedback channels to identify material stakeholder groups which include shareholders, regulators, employees, suppliers and customers as well as the local communities. The Group has identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report. Further details can be found in our sustainability report for the year ended 31 December 2020 which will be released by May 2021.

INTERESTED PERSON TRANSACTION ("IPTs")

The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. All IPTs are subject to review by the AC to ensure compliance with the established procedures. In the event that a member of the AC is involved in any IPT, he will abstain from reviewing that particular transaction.

The Group does not have a general mandate for shareholders for recurring IPTs pursuant to Rule 920(1)(a)(i) of the Catalist Rules. There were no IPTs entered into during the financial period reported on which exceeds S$100,000 in value.

DEALINGS IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules on dealings in securities, the Company has in place a policy prohibiting share dealings by Directors, officers and employees of the Group during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, and one (1) month before the full financial year, as the case may be, and ending on the date of the announcement of the relevant results. This has been made known to Directors, officers and employees of the Group. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period. Directors, officers and employees of the Group are also prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information.

Directors are required to notify the Company of their securities dealings within two (2) business days of such dealings and the Company shall disseminate the notifications received to the market via SGXNet within one (1) business day of receiving such notifications.

MATERIAL CONTRACTS

Save for the service agreement entered into between the Executive Directors and the Company, there are no other material contracts or loans entered into by or taken up by the Company or its subsidiaries involving the interest of any Director or controlling shareholder which are either still subsisting as at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's Sponsor, SAC Capital Private Limited, during the financial year under review.

USE OF PROCEEDS

The Company's net proceeds arising from the allotment and issuance of 5,208,333 new ordinary shares at an issue price of S$0.0384 per share in the capital of the Company through a share subscription exercise (the "**Share Subscription**") that was completed on 19 October 2020 of approximately S$185,000 thousand (after deducting expenses of approximately S$15,000 thousand incurred by the Company in connection with the Share Subscription) have been utilised as follows:

Use of Proceeds		Amount allocated (as announced on 7 October 2020) (S$'000)	Amount utilised as at 31 March 2021 (S$'000)	Balance of net proceeds (S$'000)
(i)	Renovation and refurbishment of postpartum centres	85	35	50
(ii)	Working capital	100	100[1]	–
Total		185	135	50

Note 1. Working capital utilisation has been for corporate overheads and property rental for a postpartum centre

The Company's net proceeds arising from the entry into convertible loan agreements on 29 January 2021 for interest-bearing convertible loans (the "**Convertible Loans**") of approximately S$2.185 million (after deducting expenses of approximately S$65,000 million incurred by the Company in connection with the Convertible Loans) have been utilised as follows:

Use of Proceeds		Amount allocated (as announced on 29 January 2021) (S$'000)	Amount utilised as at 31 March 2021 (S$'000)	Balance of net proceeds (S$'000)
(i)	Renovation and refurbishment of postpartum and chiropractic centres	1,300	100	1,200
(ii)	Working capital	885	500[1]	385
Total		2,185	600	1,585

Note 1. Working capital utilisation has been for (i) property rental for a postpartum centre of S$300 thousand; (ii) payment of professional fees of S$50 thousand; and (iii) manpower and overheads of S$150 thousand.

SUSTAINABILITY REPORTING

The Company recognises the importance of sustainability and will be implementing the appropriate policies and programs. The Company will publish its sustainability report by 31 May 2021, in accordance with Practice Note 7F of the Catalist Rules.

Financial Contents

Directors' Statement

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Medi Lifestyle Limited (formerly known as IEV Holdings Limited) (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

1. Opinion of the Directors

In the opinion of the Directors,

a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are:

Dato' Low Koon Poh	
Ng Weng Sui Harry	
Kesavan Nair	
Ng Yau Kuen Carmen	
Tan Sri Ahmad Bin Mohd Don	(Appointed on 16 January 2020)
Tan Chai Hong	(Appointed on 1 December 2020)

3. Arrangements to enable director to acquire shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the share scheme mentioned in paragraph 6 of this statement.

4. Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "**Act**") except as follows:

Name of Directors	Shareholdings registered in name of Directors		Shareholdings in which Directors are deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of financial year	At beginning of year or date of appointment, if later	At end of financial year
The Company				
(Ordinary shares)				
Ng Weng Sui Harry	300,000	300,000	–	–
Dato' Low Koon Poh	50,000,000	50,000,000	–	–

By virtue of Section 7 of the Act, Dato' Low Koon Poh is deemed to have an interest in all the related corporations of the Company.

The Directors' interests in the shares of the Company at 21 January 2021 were the same as at 31 December 2020.

5. Share options

(a) *Options to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

6. Share scheme

The IEV Holdings Performance Share Plan (the "**Share Plan**") was approved and adopted by the Shareholders of the Company at an Extraordinary General Meeting held on 6 October 2011.

The objectives of the Share Plan are as follows:

(a) to foster an ownership culture within the Group which aligns the interests of participants with the interests of shareholders;

(b) to motivate participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and

(c) to make total employee remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long term growth and profitability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company.

The Share Plan is administered by the Remuneration Committee which has the absolute discretion to determine the persons who will be eligible to participate in the Share Plan in accordance with the rules of the Share Plan and Chapter 8 of the Catalist Rules. A participant who is a member of the Remuneration Committee shall not participate in any deliberation or decision in respect of awards granted or to be granted to that participant.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is adopted, provided always that the Share Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. The Share Plan will expire on 5 October 2021 and the Remuneration Committee and the Board will not be seeking Shareholders' approval to extend the Share Plan.

The Share Plan may be terminated at any time by the Remuneration Committee or, at the discretion of the Remuneration Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Share Plan is so terminated, no further awards shall be granted by the Remuneration Committee hereunder. The expiry or termination of the Share Plan shall not affect awards which have been granted prior to such expiry or termination, whether such awards have been released (whether fully or partially) or not.

The aggregate number of new Shares which may be issued pursuant to awards granted under the Share Plan on any date, when added to (i) the number of new Shares issued and issuable in respect of all awards granted under the Share Plan; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or plans adopted by the Company for the time being in force, shall not exceed 15.0% of the issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date.

Since the commencement of the Share Plan, the Company has not granted any awards under the Share Plan.

7. Audit committee

The Audit Committee of the Company ("**AC**") comprises three members, all of of whom, including the AC Chairman, are Independent Non-Executive Directors. The members of the AC at the date of this statement are as follows:

Ng Weng Sui Harry	(Lead Independent Director)
Kesavan Nair	(Independent Director)
Tan Sri Ahmad Bin Mohd Don	(Independent Director) (Appointed on 6 March 2020)

The AC performs the functions in accordance with Section 201B of the Act and the Singapore Code of Corporate Governance.

The AC has met four times during the financial year in discharge of its functions and duties including deliberation and review of the following, where relevant, with the executive directors, external and internal auditors of the Company:

(i) the unaudited quarterly and full year financial results of the Group, and announcements prior to submission to the Board for approval and release of the results via SGXNET;

(ii) the internal and external audit plans in terms of their scope prior to their commencement;

(iii) the external auditors' report in relation to audit and accounting issues arising from the audit and meeting with the external auditors without presence of the executive board members and the Management;

(iv) the internal audit findings report including internal control processes and procedures;

(v) the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and reporting the findings to the Board;

(vi) the audited financial statements of the Group and of the Company prior to submission to the Board for consideration and approval; and

(vii) the quality of the external auditors across a number of evaluation criteria, including measures of relevance and quality of its work as well as level of Independence; and re-appointment of the external auditors and recommend to the Board for approval.

The AC has full access to and co-operation of Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

Further details regarding the AC are disclosed in the Report of Corporate Governance included in the Annual Report of the Company.

8. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Dato' Low Koon Poh
Director

Ng Weng Sui Harry
Director

31 March 2021

Independent Auditors' Report

To the members of Medi Lifestyle Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Medi Lifestyle Limited (formerly known as IEV Holdings Limited) (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 61 to 136.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the accompanying financial statements, which indicates that as at 31 December 2020, the Group's current liabilities exceeded its current assets by RM8.5 million. In addition, the Group incurred a net loss of RM2.8 million and net operating cash outflow of RM10.5 million for the financial year then ended. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The ability of the Group to fulfil its obligations is dependent on the Group generating sufficient cash flows from its Healthcare sector and the ability to raise new capital via private share placement and convertible loans primarily to finance the Group's capital expenditure for its healthcare business. Our opinion is not modified in respect of this matter.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Overview (Continued)

Scope of audit

For the audit of the current financial year's financial statements, we identified 8 significant components which required a full scope audit and audit of specific account balances and transactions of their financial information, either because of their size or/and their risk characteristics.

Out of the 8 significant components, 6 were audited by overseas member firms of Mazars and Cheng & Cheng Limited as component auditors (the "component auditors") under our instructions and the remaining 2 were audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

Key Audit Matters

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

Matter	Audit response
Impairment review of goodwill (refer to Note 3.2 and Note 14 to the financial statements)	
As at 31 December 2020, the Group had recognised goodwill on consolidation with carrying amount of RM6.1 million, net of impairment loss of RM1.3 million, and this constitutes 29% of the total assets recorded on the statement of financial position of the Group. SFRS(I) 1-36 *Impairment of Assets* ("SFRS(I) 1-36") requires that a cash-generating unit to which goodwill has been allocated to be tested for impairment annually, and whenever there is any indication of potential impairment. The recoverable amounts are determined based on estimates of operating margin, terminal growth rates and discount rates. These estimates require judgement, and the determination of the recoverable amounts is a key focus area in our audit.	Our audit approach included procedures as follows: ● We obtained an understanding of the Group's process in assessing the goodwill for impairment; ● We assessed achievability of the forecast based on actual results with previous forecast; ● We evaluated reasonableness of management's estimate of expected future cash flows and challenge management's estimates applied in the value-in-use models, with comparison to recent performance, trend analysis and market expectations; ● The involvement of internal valuation expert on the assessment of value-in-use model; and ● We reviewed sensitivity analysis to assess the impact on the recoverable amount of the cash-generating unit subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

Key Audit Matters (Continued)

Matter	Audit response
Impairment review of investment in subsidiaries (refer to Note 3.2 and Note 17 to the financial statements)	
As at 31 December 2020, the carrying amount of the Company's investments in subsidiaries was RM7.0 million (31 December 2019: RM7.0 million) and this constitutes 38% of the total assets recorded on the statements of fi nancial position of the Company. Where there is an indication of impairment, management will prepare a Discounted Cash Flow ("DCF") projection on cash-generating unit basis or on subsidiary basis as appropriate in accordance with SFRS(I) 1-36 so as to determine whether the investee company is impaired. The determination of impairment of investment in subsidiaries involves a high level of judgement, which may have signifi cant impact on the financial statements.	Our audit procedures included, and were not limited to, the following: ● We assessed for any the indication of impairment with reference to SFRS(I)1-36; ● We reviewed the reliability, consistency and the reasonableness of the assumptions made in the preparation of the DCF projection by the management in compliance with SFRS(I) 1-36, for subsidiaries which have shown indications of impairment; ● We assessed and where found necessary, critically challenge judgements and estimates used by management in the preparation of the DCF projection; and ● We reviewed the completeness and appropriateness of corresponding disclosures made in the financialstatements.

Other information

Management is responsible for the other information. The other information comprises the information, included in the annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2021

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the financial year ended 31 December 2020

	Note	2020 RM	2019 RM
Revenue	4	**622,695**	27,852
Cost of sales		**(537,396)**	(25,754)
Gross profit		**85,299**	2,098
Other operating income	5	**431,455**	2,210
Administrative expenses		**(9,754,709)**	(2,305,000)
Other operating expenses		**(683,007)**	(1,315,417)
Finance costs	6	**(553,524)**	(56,402)
Loss before income tax from continuing operations	7	**(10,474,486)**	(3,672,511)
Income tax	8	**4,165**	–
Loss for the year from continuing operations		**(10,470,321)**	(3,672,511)
Discontinued operations			
Profit for the year from discontinued operations	9	**7,706,922**	3,988,165
(Loss)/Profit for the year		**(2,763,399)**	315,654
Other comprehensive (loss)/income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(5,121,857)**	275,299
Total comprehensive (loss)/income for the year		**(7,885,256)**	590,953
(Loss)/income attributable to:			
Owners of the Company:			
- continuing operations		**(10,470,321)**	(3,672,511)
- discontinued operations		**7,706,922**	4,159,995
Non-controlling interests:			
- discontinued operations		**–**	(171,830)
		(2,763,399)	315,654
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(7,885,256)**	762,783
Non-controlling interests		**–**	(171,830)
		(7,885,256)	590,953
(Loss)/earnings per share			
Basic and Diluted (Malaysian sen)			
- Continuing operations	11	**(2.15)**	(1.09)
- Discontinued operations	11	**1.58**	1.23
Total		**(0.57)**	0.14

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Financial Position

as at 31 December 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	12	**4,814,488**	203,186	**–**	–
Right-of-use assets	13	**7,396,884**	12,679,400	**–**	–
Goodwill	14	**6,132,528**	6,132,528	**–**	–
Intangible assets	15	**–**	32,694	**–**	–
Oil and gas properties	16	**–**	–	**–**	–
Subsidiaries	17	**–**	–	**7,036,141**	7,008,709
Associate	18	**–**	–	**–**	–
Other receivables and prepayments	24	**27,500**	5,739,343	**–**	–
Deferred tax assets	19	**–**	–	**–**	–
Total non-current assets		**18,371,400**	24,787,151	**7,036,141**	7,008,709
Current assets					
Cash and cash equivalents	20	**495,636**	2,994,483	**208,469**	1,311,145
Trade receivables	21	**–**	994,837	**–**	–
Other receivables and prepayments	22	**2,049,841**	583,719	**11,409,024**	95,496
Inventories	23	**27,187**	970,671	**–**	–
Total current assets		**2,572,664**	5,543,710	**11,617,493**	1,406,641
Total assets		**20,944,064**	30,330,861	**18,653,634**	8,415,350
EQUITY AND LIABILITIES					
Equity					
Share capital	24	**119,718,300**	107,673,989	**119,718,300**	107,673,989
Treasury shares	25	**(38,268)**	(38,268)	**(38,268)**	(38,268)
Currency translation reserve	26	**(3,360,354)**	1,761,503	**(69,476)**	(187,724)
Capital reserve	27	**3,526,051**	3,526,051	**3,526,051**	3,526,051
Accumulated losses		**(112,238,149)**	(109,474,750)	**(106,065,094)**	(103,774,749)
Equity attributable to owners of the Company		**7,607,580**	3,448,525	**17,071,513**	7,199,299
Non-controlling interests		**–**	(29,763)	**–**	–
Total equity		**7,607,580**	3,418,762	**17,071,513**	7,199,299
Non-current liability					
Lease liabilities	28	**2,256,229**	7,521,943	**–**	–
Total non-current liabilities		**2,256,229**	7,521,943	**–**	–
Current liabilities					
Bank overdrafts	29	**–**	2,280,768	**–**	–
Trade payables	30	**9,350**	2,013,396	**–**	–
Other payables and other provisions	31	**5,711,492**	9,429,315	**1,582,121**	1,216,051
Contract liabilities	32	**7,835**	33,710	**–**	–
Advances from a related party	33	**–**	408,844	**–**	–
Lease liabilities	28	**5,351,578**	5,201,208	**–**	–
Income tax payable		**–**	22,915	**–**	–
Total current liabilities		**11,080,255**	19,390,156	**1,582,121**	1,216,051
Total liabilities		**13,336,484**	26,912,099	**1,582,121**	1,216,051
Total equity and liabilities		**20,944,064**	30,330,861	**18,653,634**	8,415,350

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes in Equity

for the financial year ended 31 December 2020

	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation reserve RM	Accumulated losses RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Group								
Balance at 1 January 2019	98,338,106	(38,268)	(379,690)	1,486,204	(109,582,544)	(10,176,192)	(8,039)	(10,184,231)
Total comprehensive income for the year:								
Profit for the year	–	–	–	–	487,484	487,484	(171,830)	315,654
Exchange differences on translating foreign operations	–	–	–	275,299	–	275,299	–	275,299
Total	–	–	–	275,299	487,484	762,783	(171,830)	590,953
Transactions with owners:								
Issuance of shares (Note 24)	9,621,133	–	–	–	–	9,621,133	–	9,621,133
Share issuance costs (Note 24)	(285,250)	–	–	–	–	(285,250)	–	(285,250)
Acquisition of a subsidiary (Note 17)	–	–	3,526,051	–	–	3,526,051	–	3,526,051
Non-controlling interest arising from subscription of shares in a subsidiary	–	–	–	–	–	–	150,566	150,566
Effect of disposal/deconsolidation of subsidiaries (Note 9)	–	–	379,690	–	(379,690)	–	(460)	(460)
Total	9,335,883	–	3,905,741	–	(379,690)	12,861,934	150,106	13,012,040
Balance at 31 December 2019	107,673,989	(38,268)	3,526,051	1,761,503	(109,474,750)	3,448,525	(29,763)	3,418,762
Total comprehensive loss for the year:								
Loss for the year	–	–	–	–	(2,763,399)	(2,763,399)	–	(2,763,399)
Exchange differences on translating foreign operations	–	–	–	(227,130)	–	(227,130)	–	(227,130)
Disposal of subsidiaries (Note 9)	–	–	–	(4,894,727)	–	(4,894,727)	–	(4,894,727)
Total	–	–	–	(5,121,857)	(2,763,399)	(7,885,256)	–	(7,885,256)
Transactions with owners:								
Issuance of shares (Note 24)	12,101,135	–	–	–	–	12,101,135	–	12,101,135
Share issuance costs (Note 24)	(56,824)	–	–	–	–	(56,824)	–	(56,824)
Effect of disposal of subsidiaries (Note 9)	–	–	–	–	–	–	29,763	29,763
Total	12,044,311	–	–	–	–	12,044,311	29,763	12,074,074
Balance at 31 December 2020	119,718,300	(38,268)	3,526,051	(3,360,354)	(112,238,149)	7,607,580	–	7,607,580

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes in Equity

for the financial year ended 31 December 2020

	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation Reserve RM	Accumulated losses RM	Total RM
Company						
Balance at 1 January 2019	98,338,106	(38,268)	–	(121,071)	(99,909,632)	(1,730,865)
Loss for the year, representing total comprehensive loss for the year	–	–	–	(66,653)	(3,865,117)	(3,931,770)
Transaction with owners:						
Issuance of shares (Note 24)	9,621,133	–	–	–	–	9,621,133
Shares issuance costs (Note 24)	(285,250)	–	–	–	–	(285,250)
Acquisition of a subsidiary (Note 17)	–	–	3,526,051	–	–	3,526,051
Balance at 31 December 2019	107,673,989	(38,268)	3,526,051	(187,724)	(103,774,749)	7,199,299
Loss for the year, representing total comprehensive loss for the year	–	–	–	118,248	(2,290,345)	(2,172,097)
Transactions with owners:						
Issuance of shares (Note 24)	12,101,135	–	–	–	–	12,101,135
Shares issuance costs (Note 24)	(56,824)	–	–	–	–	(56,824)
Balance at 31 December 2020	119,718,300	(38,268)	3,526,051	(69,476)	(106,065,094)	17,071,513

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2020

	Note	2020 RM	2019 RM
Operating activities			
(Loss)/Profit before tax			
Continuing operations		**(10,474,486)**	(3,672,511)
Discontinued operations (Note 9)		**7,706,438**	3,930,148
		(2,768,048)	257,637
Adjustments for:			
Share of results of associate	18	**(1,274,803)**	75,393
Amortisation of intangible assets		**33,725**	53,844
Depreciation of property, plant and equipment		**428,042**	622,201
Depreciation of right-of-use assets		**5,632,859**	692,918
Gain on disposal of property, plant and equipment		**–**	(22,053)
Gain on disposal of subsidiaries	9	**(6,335,577)**	(39,843)
Loss from deconsolidation of subsidiaries	9	**–**	560,574
Property, plant and equipment written off		**10,100**	98,547
(Write back)/Allowance for inventories, net		**(317,857)**	86,743
Inventories written off		**479,892**	205,767
Receivables written off		**627,202**	109,896
Write-back of payables and accrued expenses		**(341,511)**	(1,148,144)
(Write-back of impairment)/impairment of property, plant and equipment		**(304,731)**	815,093
Impairment of goodwill		**–**	1,301,926
(Write back)/impairment of value-added tax receivables		**(26,123)**	290,098
(Reversal)/allowance for expected credit loss, net		**(1,164,455)**	1,203,974
Write-back provision for termination liabilities		**–**	(7,839,665)
Write-back provision for extension penalty		**–**	(2,830,349)
Interest income		**(49)**	(1,259)
Interest expense		**815,054**	336,805
Operating cash flows before movements in working capital		**(4,506,280)**	(5,169,897)
Long term other receivables and prepayments		**(27,500)**	6,269
Inventories		**207,521**	304,482
Contract costs		**–**	1,001,496
Trade and other receivables and prepayments		**(1,122,584)**	4,848,826
Trade and other payables and other provisions		**(5,975,820)**	(510,287)
Contract liabilities		**(25,875)**	(2,626,000)
Amount due from an associate		**1,229,103**	(1,269,596)
Cash used in operations		**(10,221,435)**	(3,414,707)
Interest received		**49**	1,259
Interest paid		**(240,667)**	(238,771)
Post-employment benefit paid		**–**	(135,175)
Income tax (paid)/refunded		**(60,018)**	286,579
Net cash used in operating activities		**(10,522,071)**	(3,500,815)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2020

	Note	2020 RM	2019 RM
Investing activities			
Purchase of property, plant and equipment		**(308,199)**	(66,245)
Proceeds from disposal of property, plant and equipment		**–**	23,431
Cash outflow arising from deconsolidation of subsidiary	9	**–**	(2,751)
Disposal of subsidiaries	9	**1,935,376**	103,353
Net cash arising from acquisition of a subsidiary	17	**–**	115,350
Net cash generated from investing activities		**1,627,177**	173,138
Financing activities			
Repayment of lease liabilities		**(3,245,626)**	(291,555)
Advances from a related party		**–**	414,186
Fixed deposits pledged		**(4)**	(195)
Net proceeds from issuance of ordinary shares		**12,044,311**	5,809,832
Net cash generated from financing activities		**8,798,681**	5,932,268
Net (decrease)/increase in cash and cash equivalents		**(96,213)**	2,604,591
Cash and cash equivalents at beginning of the year		**647,973**	(1,924,720)
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		**(56,124)**	(31,898)
Cash and cash equivalents at end of the year	20	**495,636**	647,973

Reconciliation of asset/liabilities arising from financing activities

			Non-cash movement					
	Beginning balance RM	Financing cash flows RM	New lease liabilities RM	Interest RM	Foreign exchange movement RM	Gain on disposal of subsidiaries RM	Other changes [(i)] RM	Ending balance RM
2020								
Advances from a related party	**408,844**	**–**	**–**	**2,626**	**(1,553)**	**(409,917)**	**–**	**–**
Lease liabilities (Note 28)	**12,723,151**	**(3,245,626)**	**394,025**	**571,761**	**45,626**	**(77,811)**	**(2,803,319)**	**7,607,807**
	13,131,995	**(3,245,626)**	**394,025**	**574,387**	**44,073**	**(487,728)**	**(2,803,319)**	**7,607,807**
2019								
Advances from a related party	–	414,186	–	182	(5,524)	–	–	408,844
Lease liabilities (Note 28)	601,234	(291,555)	12,771,084	97,852	–	–	(455,464)	12,723,151
	601,234	122,631	12,771,084	98,034	(5,524)	–	(455,464)	13,131,995

(i) Other changes include accrual of lease payments.

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

1. General

Medi Lifestyle Limited (formerly known as IEV Holdings Limited) (the "**Company**") (Registration No. 201117734D) is incorporated in Singapore with its principal place of business at 380 Jalan Besar, #09-05 ARC 380, Singapore 209000 and registered office at 80 Robinson Road #02-00, Singapore 068898.

The Company was admitted to the Catalist Board of Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 25 October 2011.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries and associate are disclosed in Notes 17 and 18 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020 were authorised for issue by the Board of Directors on 31 March 2021.

Material Uncertainty Related to Going Concern

As at 31 December 2020, the Group's current liabilities exceeded its current assets by RM8.5 million. In addition, the Group incurred a net loss of RM2.8 million and net operating cash outflow of RM10.5 million for the financial year then ended. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. To support the financial statements having been prepared on a going concern basis and to ensure the adequacy of funds required to meet its obligations, working capital and capital commitment needs, the Group has prepared a 15-months consolidated cash flow forecast from 1 January 2021 ("**Cash Flow Forecast**"). In preparing the Cash Flow Forecast, management has taken the following into consideration:

(i) new capital to be raised via private share placements and convertible loans of S$8.0 million (approximately RM24.4 million) from January 2021 onwards to finance the capital outlays set out in (ii) below and for the Group's working capital purposes; as of date of authorisation of the financial statements, the convertible loan agreements had been entered into with lenders for an aggregate principal amount of S$2.25 million (approximately RM6.9 million);

(ii) the Group expects to spend on capital outlays of approximately S$5.3 million (approximately RM16.1 million) which are required for the renovation of two new confinement centres and seven new chiropractic and physiotherapy centres, of which approximately S$1.5 million (approximately RM4.5 million) is contractually committed; the confinement centres are expected to commence operations in June 2021 and August 2021 whilst chiropractic and physiotherapy centres are to commence operations over the course of 2021;

(iii) on-going negotiations for the settlement of overdue rentals of SGD0.9 million (approximately RM2.8 million) related to a commercial lease in Singapore; and

(iv) possible delay in the Group's plan in the commencement of the Healthcare Sector Operations in 2021 as a result of the outbreak of Covid-19.

The ability of the Group to fulfil its obligation is dependent on the Group generating sufficient cash flows from its Healthcare sector and the ability to raise new funding via private share placements and convertible loans primarily to finance the Group's capital expenditure for its Healthcare Sector. The directors and management are confident that the Cash Flow Forecast is achievable and will allow the Group to fulfil its obligations as and when they arise.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") including related Interpretations of SFRS(I) ("**SFRS(I)s INT**") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the Company is Singapore Dollar ("**S$**") while the consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company are presented in Malaysia Ringgit ("**RM**").

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 16	Amendment to SFRS(I) 16: *Covid-19- Related Rent Concessions*	1 June 2020
SFRS(I) 3	Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non- current*	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
Various	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.4. Revenue recognition

The Group recognises revenue from the following sources:

Continuing operations

Healthcare sector

- Rendering confinement and postnatal care services and sale of related products

  Rendering of services

  The Group provides pre and post-natal care services and consultancy, including but not limited to dietary programs, confinement nannies, confinement baby daycare, traditional post-natal massage, ante natal and post-natal classes, baby care products and post-natal nursing centres. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised when the services are rendered.

  Sales of goods

  Revenue from sales of goods is recognised when the control of the goods have been transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

Discontinued operations

Asset Integrity Management sector

- Rendering of services

  The Group provides services for offshore and onshore engineering and petroleum projects. Revenue from offshore engineering and petroleum projects undertaken is therefore recognised based on the stage of completion of the contract, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers* ("**SFRS(I) 15**").

2. Summary of significant accounting policies (Continued)

2.4. Revenue recognition (Continued)

Discontinued operations (Continued)

Asset Integrity Management sector (Continued)

- Rendering of services (Continued)

  The Group becomes entitled to invoice customers for the work performed based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost–to–cost method then the Group recognises a contract liability for the difference. There is no significant financing component considered in engineering contracts with customers as the period between the recognition of revenue under the cost–to–cost method and the milestone payment is always less than one year.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognis`ed in profit or loss in the period in which they are incurred.

2.6 Retirement benefit costs

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations.

The Singapore incorporated companies in the Group contribute to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund ("**CPF**"), are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. Payments to defined contribution retirement benefit plans are charged to profit or loss in the period which contributions relate.

The Malaysia incorporated companies in the Group contribute to the State Pension Scheme, the Employees Provident Fund ("**EPF**"), a defined contribution plan regulated and managed by the Government of Malaysia, which applies to the majority of the employees. The contributions to EPF or other defined contribution plans are charged to the profit or loss in the period to which contributions relate.

2. Summary of significant accounting policies (Continued)

2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2. Summary of significant accounting policies (Continued)

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

2.10 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in other comprehensive income.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associate that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Summary of significant accounting policies (Continued)

2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Production equipment	5 years
Plant and machinery	5 years
Factory equipment, tools and light machinery	3 to 16 years
Computer and office equipment	3 to 5 years
Motor vehicles	4 to 8 years
Furniture, fittings and office renovation	4 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.12 Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Such assets are tested for impairment in accordance with the policy below.

Licenses

Costs relating to licenses which are acquired are capitalised and amortised on a straight-line basis over their useful lives of 5 to 20 years.

2. Summary of significant accounting policies (Continued)

2.13 Goodwill

Goodwill on acquisition

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.14 Investment in associate

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of these policies, and generally accompanying a shareholding of between 20% or more of the voting rights.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

2. Summary of significant accounting policies (Continued)

2.14 Investment in associate (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.15 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Summary of significant accounting policies (Continued)

2.15 Impairment of tangible and intangible assets excluding goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Financial Instrument

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 in Note 2.4.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("**ECL**") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 38.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognized directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the eff ective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the eff ective interest method. Any diff erence between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5). A gain or loss is recognised in profi t or loss when the liability is derecognised and through the amortisation process.

Derecognition of financialliabilities

The Group derecognises fi nancial liabilities when, and only when, the Group's obligation are discharged, cancelled or they expire.

Offsettingof financialinstruments

A fi nancial asset and a fi nancial liability shall be off set and the net amount presented in the statements of financialpositionwhenandonlywhen,anentity:

(a) currently has a legally enforceable right to set-off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. In arriving at the net realisable value, due allowance is made for obsolete, damaged and slow-moving items.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral and are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

2. Summary of significant accounting policies (Continued)

2.19 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Depreciation is charged over the lease term, using the straight-line method, on the following bases:

Office unit	3 years
Confinement centre	2.5 years

The right-of-use assets are presented as a separate line in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

- amounts expected to be payable under a residual value guarantee,

2. Summary of significant accounting policies (Continued)

2.19 Leases (Continued)

- the exercise price under a purchase option that the Group is reasonably certain to exercise, and

- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

<u>The Group as a lessor</u>

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

<u>Operating Leases</u>

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.20 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2. Summary of significant accounting policies (Continued)

2.20 Non-current assets held for sale and discontinued operations (Continued)

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

(a) represents a separate major line of business or geographical area of operations,

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

(c) is a subsidiary acquired exclusively with a view to resale.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. Management makes decision about resources to be allocated to the segment and assess its performance. Segment managers report directly to the management of the Group. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other operating income".

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Other than that disclosed in Note 1 and the key sources of estimation uncertainty as disclosed in 3.2 below, the Directors and the management are of the opinion that there are no critical judgement that management has made in the process of applying the Group's accounting policies which have the most significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment review of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Management has assessed that an impairment on the goodwill of RM Nil (2019: RM1,301,926) is required at the end of the reporting period.

The carrying amount of goodwill as at 31 December 2020 is RM6,132,528 (2019: RM6,132,528) and details of the impairment loss are disclosed in Note 14 to the financial statements.

Impairment review of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value-in-use) of the asset is estimated to determine the impairment loss.

The estimation of recoverable amount involves projection of future cash flows and use of an appropriate discount rate to discount the projected cash flows to net present value. These projections and discount rate are significant accounting estimates which can cause significant change in the carrying amount in the future should the estimates change. The Group has experienced the effects of challenging economic conditions in the oil and gas industry. Management has made significant estimates on the probability of the economic conditions improving in their projected cash flows.

The carrying amount of property, plant and equipment and right-of-use assets are disclosed in Note 12 and Note 13 to the financial statements, respectively.

Impairment of investment in subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in subsidiaries of the Company.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment of investment in subsidiaries (Continued)

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amount of the Company's investment in subsidiaries is disclosed in Note 17 to the financial statements.

Calculation of loss allowance for trade and other receivables

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Notes 21 and 22 to the financial statements, respectively.

4. Revenue

The disaggregation of the Group's revenue for the year, for both continuing and discontinued operations, are as follows:

	Group	
	2020	**2019**
	RM	**RM**
Continuing operations (Healthcare Sector)		
Rendering of confinement centre services – Overtime	**573,649**	27,852
Sale of related products – Point in time	**49,046**	–
	622,695	27,852
Discontinued operations (AIM Sector) (Note 9)		
Rendering of services – Overtime	**4,905,103**	9,739,732
	5,527,798	9,767,584

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less which mainly from rendering of confinement centre services.

5. Other operating income

	Continuing operations		Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM	RM	RM	RM	RM	RM
Interest income	**30**	–	**19**	1,259	**49**	1,259
Gain on disposal of property, plant and equipment	**–**	–	**–**	22,053	**–**	22,053
Rental income from sub-lease of factory and office space	**–**	–	**125,950**	137,400	**125,950**	137,400
Write-back impairment of property, plant and equipment	**–**	–	**304,731**	19,330	**304,731**	19,330
Write-back impairment of inventories	**–**	–	**317,857**	–	**317,857**	–
Write back allowance for doubtful VAT receivables	**–**	–	**26,123**	–	**26,123**	–
Write-back of payables and accrued expenses	**–**	–	**341,511**	1,148,144	**341,511**	1,148,144
Write-back provision for termination liabilities	**–**	–	**–**	7,839,665	**–**	7,839,665
Write-back provision for extension penalty	**–**	–	**–**	2,830,349	**–**	2,830,349
Reversal of ECL allowance	**–**	–	**1,166,491**	–	**1,166,491**	–
Gain on deconsolidation of subsidiary	**–**	–	**–**	300,306	**–**	300,306
Government grants	**49,962**	–	**64,800**	–	**114,762**	–
Rental rebate	**221,929**	–	**2,650**	–	**224,579**	–
Exchange gain realised	**124,888**	–	**105,354**	–	**230,242**	–
Exchange gain unrealised	**–**	2,210	**40,499**	237,519	**40,499**	239,729
Sundry income	**34,646**	–	**16,532**	18,786	**51,178**	18,786
	431,455	2,210	**2,512,517**	12,554,811	**2,943,972**	12,557,021

6. Finance costs

	Continuing operations		Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM	RM	RM	RM	RM	RM
Interest on bank overdrafts	**–**	–	**135,947**	224,199	**135,947**	224,199
Interest on lease liabilities	**553,524**	56,402	**18,237**	41,450	**571,761**	97,852
Interest on advances from associate company (Note 37)	**–**	–	**76,433**	14,572	**76,433**	14,572
Interest on advances received (Note 37)	**–**	–	**30,913**	182	**30,913**	182
	553,524	56,402	**261,530**	280,403	**815,054**	336,805

7. Loss before income tax

Loss before income tax has been arrived at after charging/(crediting) the following items, not disclosed elsewhere in the financial statements:

	Continuing operations		Discontinued operations		Total	
	2020	2019	**2020**	2019	**2020**	2019
	RM	RM	**RM**	RM	**RM**	RM
Directors' remuneration of the Company	**545,169**	104,751	**763,960**	936,146	**1,309,129**	1,040,897
Directors' fees of the Company	**558,163**	478,829	**–**	–	**558,163**	478,829
Employee benefits expense (including Directors' remuneration and Directors' fees)	**1,959,308**	597,034	**2,757,076**	4,026,487	**4,716,384**	4,623,521
Defined contribution plans	**148,554**	–	**237,717**	357,408	**386,271**	357,408
Employee benefit expense recognised as cost of sales	**293,460**	21,989	**88,729**	96,503	**382,189**	118,492
Depreciation of right-of-use assets	**5,387,911**	425,703	**244,948**	267,215	**5,632,859**	692,918
Depreciation of property, plant and equipment	**30,672**	547	**397,370**	621,654	**428,042**	622,201
Rental expenses	**120,000**	31,881	**279,459**	362,598	**399,459**	394,479
Allowance for inventories, net	**–**	–	**–**	86,743	**–**	86,743
Inventories written off	**45,705**	13,491	**434,187**	192,276	**479,892**	205,767
Property, plant and equipment written off	**10,100**	–	**–**	98,547	**10,100**	98,547
Loss on deconsolidation of subsidiary	**–**	–	**–**	860,880	**–**	860,880
Impairment of property, plant and equipment	**–**	–	**–**	834,423	**–**	834,423
Impairment of goodwill	**–**	1,301,926	**–**	–	**–**	1,301,926
Allowance for doubtful VAT receivables	**–**	–	**–**	290,098	**–**	290,098
Expected credit loss allowance	**–**	–	**–**	1,203,974	**–**	1,203,974
Receivables written off	**627,202**	–	**–**	109,896	**627,202**	109,896
Exchange loss	**161,541**	–	**–**	–	**161,541**	–
Audit fees:						
- Auditors of the Company	**213,226**	282,677	**14,723**	22,226	**227,949**	304,903
- Other auditors	**12,000**	–	**127,266**	191,954	**139,266**	191,954
Non-audit fees:						
- Auditors of the Company	**–**	13,663	**–**	11,555	**–**	25,218
- Other auditors	**16,707**	–	**42,190**	29,741	**58,897**	29,741

8. Income tax

	Continuing operations		Discontinued operations		Total	
	2020	2019	**2020**	2019	**2020**	2019
	RM	RM	**RM**	RM	**RM**	RM
Current tax expenses (tax credit)	**–**	–	**–**	–	**–**	–
Adjustments recognised in the current year in relation to the current tax of prior years	**(4,165)**	–	**(484)**	19,007	**(4,649)**	19,007
Deferred tax (Note 19)	**–**	–	**–**	(77,024)	**–**	(77,024)
	(4,165)	–	**(484)**	(58,017)	**(4,649)**	(58,017)

The income tax on the results of the financial year varies from the amount of income tax determined by applying the Malaysia statutory rate of income tax on the results of the respective companies in the Group. The total income tax expense for the year can be reconciled to the accounting loss as follows:

	Group	
	2020	2019
	RM	RM
(Loss)/Profit before tax:		
- Continuing operations	**(10,474,486)**	(3,672,511)
- Discontinued operations (Note 9)	**7,706,438**	3,930,148
	(2,768,048)	257,637
Tax at the domestic income tax rate of 24% in Malaysia (2019: 24%)	**(664,331)**	61,833
Effect of expenses that are not deductible in determining taxable profit	**776,767**	685,047
Effect of income that is exempt from taxation	**(1,577,511)**	(2,574,820)
Tax effect of share of result of associate	**305,953**	(18,094)
Effect on offshore exemption for Hong Kong entity (Note A)	**(56,426)**	(202,758)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**734,475**	477,673
Deferred tax assets not recognised	**481,073**	1,571,119
Adjustments recognised in the current year in relation to the tax of prior years, net	**(4,649)**	19,007
Overprovision of deferred tax	**–**	(77,024)
	(4,649)	(58,017)

Note A

A subsidiary, IEV International Limited, a company incorporated in Hong Kong, enjoyed a full tax exemption since year 2005 under Section 14 of the Hong Kong Inland Revenue Ordinance (the "**Ordinance**") and the Departmental Interpretation Practice Note 22 on the basis that the mode of business operations are wholly and exclusively outside Hong Kong. This tax exemption status is applicable to onward years unless the mode of business operations changes to be in Hong Kong and that the provisions of the current Hong Kong Tax Practice and provisions of the Ordinance are complied with.

9. Discontinued operations

In 2020, the Group undertook a strategic review of investment and divestment opportunities with a view to improve its financial position and streamline its activities and business.

On 14 September 2020, the Company entered into a conditional share sale and purchase agreement ("**SPA**") with Disruptech Holdings Sdn Bhd ("**Disruptech**"), Antara Consolidated Sdn. Bhd. ("**Antara**") and Muwori Pty Ltd ("**Muwori**") to dispose its wholly-owned subsidiary, IEV Group Sdn Bhd and together with its subsidiaries and associated company (the "**IEV Group of companies**"). The result of IEV Group of companies was classified as discontinued operations in year 2020 and 2019 respectively.

The profit/(loss) attributable to the owners of the Company from discontinued operations is analysed as follows:

	Group	
	2020	2019
	RM	RM
Profit/(loss) from Asset Integrity Management sector	**7,570,660**	(6,436,981)
Gain from deconsolidation of subsidiary in Exploration and Production sector	**–**	10,448,613
Loss from liquidation of subsidiary in Renewable Energy sector	**–**	(23,467)
Profit from Exploration and Production sector (discontinued in 2017)*	**136,262**	–
	7,706,922	3,988,165

* Profit from exploration and production sector arising from IEV Energy Investment Pte Ltd is an investment holding of Exploration and Production sector. The Company become dormant upon the discontinued Exploration and Production sector and classified as discontinued operations.

9. Discontinued operations (Continued)

The consolidated profit for the period from 1 January 2020 to 25 November 2020 from the discontinued operations is set out below. The comparative figures in the consolidated statement of comprehensive income have been re-presented to show IEV Group as discontinued operations.

	Note	Group	
		1.1.2020 to 25.11.2020	1.1.2019 to 31.12.2019
		RM	RM
Revenue	4	**4,905,103**	9,739,732
Cost of sales		**(1,237,235)**	(5,278,884)
Gross profit		**3,667,868**	4,460,848
Other operating income	5	**2,512,517**	12,554,811
Selling and distribution costs		**(442,258)**	(659,284)
Administrative expenses		**(4,913,871)**	(8,177,823)
Other operating expenses		**(466,668)**	(3,932,451)
Share of results of associate		**1,274,803**	(75,393)
Finance costs	6	**(261,530)**	(280,403)
Profit before income tax	7	**1,370,861**	3,890,305
Income tax	8	**484**	58,017
Profit after income tax		**1,371,345**	3,948,322
Post-tax gain on disposal of discontinued operation		**6,335,577**	39,843
Profit for the period, representing total comprehensive income for the period		**7,706,922**	3,988,165
Non-controlling interests		**–**	171,830
Total comprehensive income attributable to owners of the Company		**7,706,922**	4,159,995

The discontinued operations cash flows for the year are as follows:

	Group	
	2020	2019
	RM	RM
Operating activities	**1,228,665**	1,084,930
Investing activities	**(52,955)**	(143,416)
Financing activities	**(293,108)**	(122,436)
Net cash inflows	**882,602**	819,078

<u>Disposal of IEV Group of companies</u>

Upon the disposal of IEV Group of companies, the Group has exit from the off shore engineering sector. The disposal was completed on 25 November 2020 with a consideration of S$200,000 (equivalent to RM609,219). Details of the disposal are as follows:

9. Discontinued operations (Continued)

Carrying amounts of net assets/(liabilities) over which control was lost

	IEV Group of Companies 25 November 2020 RM
Non-current asset	
Property, plant and equipment	**68,601**
Rights-of-use asset	**89,071**
Associate	**1,274,803**
Total non-current assets	**1,432,475**
Current assets	
Inventories	**607,500**
Trade and other receivables	**1,639,258**
Tax recoverable	**90,945**
Cash and bank balances	**378,478**
Total current assets	**2,716,181**
Current liabilities	
Trade and other payables	**(2,418,590)**
Borrowings	**(1,639,125)**
Advances from related party	**(409,917)**
Lease liability	**(77,811)**
Amount due to associate company	**(464,607)**
Total current liabilities	**(5,010,050)**
Net liabilities derecognised	**(861,394)**
Consideration received	**609,219**
Gain on disposal	
Consideration received	**609,219**
Net liabilities derecognised	**861,394**
Non-controlling interest derecognised	**(29,763)**
Cumulative exchange differences in respect of the net liabilities of the subsidiaries reclassified from equity on loss of control of subsidiaries	**4,894,727**
Gain on disposal	**6,335,577**

The gain on disposal of the subsidiaries is recorded as part of the profit for the year from discontinued operations in the statement of profit or loss and other comprehensive income.

9. Discontinued operations (Continued)

	Group 2020 RM
Net cash inflow arising on disposal	
Cash consideration	**609,219**
Cash and cash equivalents disposed of	
- Cash and cash equivalents	**(312,968)**
- Bank overdraft	**1,639,125**
	1,935,376

2019

Disposal of IEV Technologies Vietnam Liability Limited Company and IEV Engineering (India) Pvt. Ltd.

In 2019, the Company's wholly-owned subsidiary, IEV Group Sdn. Bhd., subscribed for additional shares in IEV Engineering (India) Pte Ltd amounting to RM155,249 and in IEV Technologies Vietnam LLC amounting to RM206,700. On 22 October 2019, IEV Group Sdn. Bhd. entered into a Share Sale Agreement with a related party, Disruptech Holdings Sdn. Bhd., for the disposal of its 100% equity in IEV Technologies Vietnam Liability Limited Company ("**IEV Tech LLC**") and 50% plus 1 share equity capital in IEV Engineering (India) Pvt Ltd ("**IEV India**").

The consideration of the disposal is S$69,000 for IEV Tech LLC (approximately RM212,000) and S$47,000 for IEV India (approximately RM144,000) which will be fully satisfiedbywayofcash.

The disposals of the 2 entities were completed on 30 November 2019.

Details of the disposal are as follows:

Carrying amounts of net assets over which control was lost

	IEV Tech LLC 30 November 2019 RM	IEV India 30 November 2019 RM	Total 30 November 2019 RM
Non-current assets			
Property, plant and equipment	3,309	7,300	10,609
Other receivables and prepayment	28,396	–	28,396
Total non-current assets	31,705	7,300	39,005
Current assets			
Inventories	32,053	–	32,053
Trade receivables	44,690	–	44,690
Other receivables and prepayment	–	45,071	45,071
Cash and bank balances	252,246	753	252,999
Total current assets	328,989	45,824	374,813
Current liabilities			
Other payables	(28,275)	(95,737)	(124,012)
Total current liabilities	(28,275)	(95,737)	(124,012)
Net assets/(liabilities) derecognised	332,419	(42,613)	289,806
Consideration received	211,968	144,384	356,352

9. Discontinued operations (Continued)

2019 (Continued)

	Group		
	2019		
	IEV Tech LLC	IEV India	Total
	RM	RM	RM
Loss on disposal			
Consideration received	211,968	144,384	356,352
Net (assets)/liabilities derecognised	(332,419)	42,613	(289,806)
Non-controlling interest derecognised	–	(21,264)	(21,264)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	1,588	(7,027)	(5,439)
(Loss)/Gain on disposal	(118,863)	158,706	39,843

	Group
	2019
	RM
Net cash inflow arising on disposal	
Cash consideration	356,352
Cash and cash equivalents disposed of	(252,999)
	103,353

The net gain on disposal of the subsidiaries is recorded as part of the profit for the year from discontinued operations in the statement of profit or loss and other comprehensive income.

Deconsolidation of PT IEV Pabuaran KSO and IEV Vietnam Liability Limited Company

In 2019, the Group discontinued its activities in the exploration and production and renewable energy sectors.

On 13 September 2019, the Group announced the commencement of member's voluntary liquidation of PT IEV Pabuaran KSO ("**IEV KSO**") and accordingly deconsolidated IEV KSO on 30 September 2019.

The Group commenced the liquidation of IEV Vietnam Liability Limited Company ("**IEV Vietnam LLC**") during the year and completed the process in November 2019. Accordingly, the Group deconsolidated the entity on 30 November 2019.

Details of the deconsolidation are as follows:

9. Discontinued operations (Continued)

2019 (Continued)

IEV KSO

Carrying amounts of net assets over which control was lost

	IEV KSO 30 September 2019 RM
Current assets	
Cash and bank balances	2,751
Net assets derecognised	2,751

IEV KSO's gain for the year amounting to RM11,629,486 arising mainly from write back of payables is recorded as part of loss for the year from discontinued operations in the statement of profit or loss and other comprehensive income.

IEV Vietnam LLC

As of 30 November 2019, IEV Vietnam LLC has zeroised all the assets and liabilities by returning its net cash position of RM870,877 to the Group prior to deregistration. The entity's loss for the year amounting to RM361,760 is recorded as part of loss for the year from discontinued operations in the statement of profit or loss and other comprehensive income.

	Group		
	2019		
	IEV KSO RM	IEV Vietnam LLC RM	Total RM
Loss on deconsolidation			
Consideration received	–	–	–
Net assets derecognised	(2,751)	(21,250)	(24,001)
Non-controlling interest derecognised	21,724	–	21,724
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(879,853)	321,556	(558,297)
(Loss)/Gain on deconsolidation	(860,880)	300,306	(560,574)

9. Discontinued operations (Continued)

The net loss on deconsolidation of the subsidiaries is recorded as part of loss for the year from discontinued operations in the statement of profit or loss and other comprehensive income.

	Group 2019 RM
Net cash outflow arising on deconsolidation	
Cash consideration	–
Cash and cash equivalents disposed of	(2,751)
	(2,751)

10. Dividends

No dividends were declared and paid to shareholders in 2020 and 2019.

11. (Loss)/earnings per share

(Loss)/earnings per share is calculated by dividing the Group's net (loss)/income attributable to the owners of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2020	2019
Weighted average number of ordinary shares for purposes of basic earnings per share [(1)&(2)]	**486,028,191**	337,820,658
Attributable to the owners of the Company:		
Loss for the year from continuing operations (RM)	**(10,470,321)**	(3,672,511)
Profit for the year from discontinued operations (RM)	**7,706,922**	4,159,995
Total (loss)/profit for the year (RM)	**(2,763,399)**	487,484
Basic and Diluted (loss)/earnings per share (Malaysian sen)		
- Continuing operations	**(2.15)**	(1.09)
- Discontinued operations	**1.58**	1.23
Total	**0.57**	0.14

(1) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 December 2020 to take into effect the new issuance of share capital of 76,000,000 and 5,208,333 14 January 2020 and 19 October 2020 respectively (Note 24).

(2) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 December 2019 to take into effect the new issuance of share capital of 80,000,000 and 46,161,962 on 13 May 2019 and 17 December 2019 respectively.

As there are no outstanding dilutive potential ordinary shares, the diluted earnings per ordinary share is accordingly the same as the basic earnings per ordinary share for the respective financial years.

12. Property, plant and equipment

Group	Production equipment RM	Plant and machinery RM	Computer and office equipment RM	Motor vehicles RM	Furniture, fittings and office renovation RM	Construction –in–progress RM	Total RM
Cost:							
At 1 January 2019	1,193,140	4,054,796	730,117	78,294	716,010	–	6,772,357
Additions	3,649	–	40,726	–	21,870	–	66,245
Acquired on acquisition of a subsidiary (Note 17)	–	–	43,374	–	51,036	–	94,410
Disposals	–	–	–	(49,441)	–	–	(49,441)
Written off	–	(890,494)	(34,575)	–	(21,083)	–	(946,152)
Disposal of a subsidiary (Note 9)	–	(5,673)	(7,984)	–	–	–	(13,657)
Currency translation difference	–	(21,303)	(1,976)	1,148	–	–	(22,131)
At 31 December 2019	1,196,789	3,137,326	769,682	30,001	767,833	–	5,901,631
Additions	23,350	–	99,876	–	184,973	4,530,130*	4,838,329
Written off	–	–	(35,605)	–	(9,276)	–	(44,881)
Reclassification/transfer	–	–	4,184	–	(24,616)	–	(20,432)
Disposal of a subsidiary (Note 9)	(1,220,139)	(2,465,761)	(719,191)	(30,001)	(716,795)	–	(5,151,887)
Currency translation difference	–	(8,858)	(3,633)	–	(3)	–	(12,494)
At 31 December 2020	**–**	**662,707**	**115,313**	**–**	**202,116**	**4,530,130**	**5,510,266**
Accumulated depreciation:							
At 1 January 2019	1,012,352	3,140,238	633,275	72,413	306,446	–	5,164,724
Depreciation for the year	82,852	365,644	54,354	4,642	114,709	–	622,201
Disposals	–	–	–	(48,063)	–	–	(48,063)
Written off	–	(792,611)	(33,911)	–	(21,083)	–	(847,605)
Disposal of a subsidiary (Note 9)	–	(2,364)	(684)	–	–	–	(3,048)
Currency translation difference	–	(18,732)	(1,926)	1,009	–	–	(19,649)
At 31 December 2019	1,095,204	2,692,175	651,108	30,001	400,072	–	4,868,560
Depreciation for the year	63,795	208,722	40,888	–	114,637	–	428,042
Written off	–	–	(32,898)	–	(1,883)	–	(34,781)
Reclassification/transfer	–	–	4,073	–	(6,185)	–	(2,112)
Disposal of a subsidiary (Note 9)	(1,158,999)	(2,223,814)	(645,571)	(30,001)	(496,873)	–	(4,555,258)
Currency translation difference	–	(14,376)	5,704	–	(1)	–	(8,673)
At 31 December 2020	**–**	**662,707**	**23,304**	**–**	**9,767**	**–**	**695,778**

* *Construction-in-progress pertains to capitalisation of prepayment (Note 22) for the renovation of the confinement centre in Singapore which has met the recognition criteria during the year 2020.*

12. Property, plant and equipment (Continued)

Group	Production equipment RM	Plant and machinery RM	Computer and office equipment RM	Motor vehicles RM	Furniture, fittings and office renovation RM	Construction –in–progress RM	Total RM
Impairment:							
At 1 January 2019	–	18,880	–	–	–	–	18,880
Impairment loss recognised during the year	101,585	340,370	75,444	–	317,024	–	834,423
Written off	–	(19,330)	–	–	–	–	(19,330)
Currency translation difference	–	(4,088)	–	–	–	–	(4,088)
At 31 December 2019	101,585	335,832	75,444	–	317,024	–	829,885
Write back during the year	(63,383)	(119,660)	(24,586)	–	(97,102)	–	(304,731)
Disposal of a subsidiary (Note 9)	(38,202)	(219,046)	(50,858)	–	(219,922)	–	(528,028)
Currency translation difference	–	2,874	–	–	–	–	2,874
At 31 December 2020	–	–	–	–	–	–	–
Carrying amount:							
At 31 December 2020	**–**	**–**	**92,009**	**–**	**192,349**	**4,530,130**	**4,814,488**
At 31 December 2019	–	109,319	43,130	–	50,737	–	203,186

In 2019, the management carried out a review of the recoverable amount of its property, plant and equipment. The review led to the recognition of an impairment loss of RM834,423 on the property, plant and equipment which is no longer in good condition or expected to be in use. The total impairment of RM834,423 has been included in the line item "Other operating expenses" under discontinued operations in Note 9. In 2020, impairment of RM304,731 has been written back to its recoverable amount as the AIM sector have awarded new projects during the year and indicates that the economic performance of the asset is better than expected.

13. Right-of-use assets

The Group leases office unit and a confinement centre for its new Healthcare sector business. The lease term ranges from 2.5 years to 3 years.

Group	Office unit RM	Confinement centre RM	Total RM
Cost:			
At 1 January 2019	601,234	–	601,234
Additions	–	12,771,084	12,771,084
At 31 December 2019	601,234	12,771,084	13,372,318
Additions	–	394,025	394,025
Disposal of subsidiaries (Note 9)	(601,234)	–	(601,234)
Currency translation difference	–	50,920	50,920
At 31 December 2020	**–**	**13,216,029**	**13,216,029**
Accumulated depreciation:			
At 1 January 2019	–	–	–
Depreciation for the year	267,215	425,703	692,918
At 31 December 2019	267,215	425,703	692,918
Depreciation for the year	244,948	5,387,911	5,632,859
Disposal of subsidiaries (Note 9)	(512,163)	–	(512,163)
Currency translation difference	–	5,531	5,531
At 31 December 2020	**–**	**5,819,145**	**5,819,145**
Carrying amount:			
At 31 December 2020	**–**	**7,396,884**	**7,396,884**
At 31 December 2019	334,019	12,345,381	12,679,400

14. Goodwill

	RM
Group	
Cost:	
At 1 January 2019	-
Arising on acquisition of a subsidiary (Note 17)	7,434,454
At 31 December 2019 and 31 December 2020	7,434,454
Accumulated impairment:	
At 1 January 2019	–
Impairment during the year	1,301,926
At 31 December 2019 and 31 December 2020	1,301,926
Carrying amount:	
At 31 December 2020	**6,132,528**
At 31 December 2019	6,132,528

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating unit (CGU) that is expected to benefit from that business combination. The goodwill is allocated to the Healthcare sector.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value-in-use calculations using 5-years cash flows projections prepared by management. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on expectations of future changes in the market.

Discount rates: The discount rate used of 15% (2019: 19%) is based on the weighted average cost of the Group's capital (the "**WACC**"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rate.

Growth rates: The projected revenue growth rates used are based on the published industry research, adjusted for the specific circumstances of the CGU and based on management's experience, and do not exceed the long-term average growth rate for the corresponding industry of the CGU. The growth rates used during the projection periods range from 4% to 134% (2019: 7.1% to 642.4%). Perpetual growth rate of 1% (2019:1%) are determined based on management's estimate of the long-term industry growth rates.

As at 31 December 2019, based on the value-in-use calculations prepared by management, there is an impairment of RM1,301,926 to goodwill, and the impairment is mainly due to the acquisition was completed and recorded at a share price of SGD0.050 per ordinary share in the capital of the Company instead of that set out in the Sales & Purchase Agreement of SGD0.025 per ordinary share (Note 17). The impairment of RM1,301,926 has been included in the line item "Other operating expenses" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Management is of the view that no reasonable possible changes in any of the key assumptions would cause the CGU's carrying amount to exceed its recoverable amount. There is no impairment for goodwill identified by the management for the current financial year.

15. Intangible assets

	Licenses RM
Group	
Cost:	
At 1 January 2019	7,776,520
Written off	(7,357,991)
Currency translation difference	71,868
At 31 December 2019	490,397
Written off	(488,641)
Currency translation difference	(1,756)
At 31 December 2020	–
Amortisation:	
At 1 January 2019	3,048,419
Amortisation for the year	53,844
Written off	(2,665,010)
Currency translation difference	20,450
At 31 December 2019	457,703
Amortisation for the year	33,725
Written off	(488,641)
Currency translation difference	(2,787)
At 31 December 2020	–
Impairment:	
At 1 January 2019	4,641,245
Written off	(4,692,981)
Currency translation difference	51,736
At 31 December 2019 and 31 December 2020	–
Carrying amount:	
At 31 December 2020	–
At 31 December 2019	32,694

The intangible assets included above have finite useful lives over which the assets are amortised. The licenses, with useful lives ranging from 5 to 20 years, pertain to exclusive distribution rights relevant to Oxifree Metal Protection product range and signature bonus for the KSO Agreement.

As at 31 December 2019, management wrote off the signature bonus of KSO Agreement ("signature bonus") since the subsidiary, PT IEV Pabuaran KSO commenced member's voluntary liquidation in September 2019 (Note 9). The write-off of the signature bonus has no impact to the profit or loss as full impairment on the carrying value of the signature bonus was recognised in previous financial years.

Group	**2020 RM**	2019 RM
Amortisation expense is charged to:		
Administrative expenses	**33,725**	53,844

16. Oil and gas properties

2019

Oil and gas properties represent costs for assets under construction related to exploration and evaluation activities at the area of interest in the Exploration and Production sector ("EPS").

Group	Development and Production assets RM	Exploration and Evaluation assets RM	Total RM
Cost			
At 1 January 2019	50,407,063	14,128,791	64,535,854
Currency translation difference	632,039	177,156	809,195
Written off	(51,039,102)	(14,305,947)	(65,345,049)
At 31 December 2019	–	–	–
Accumulated depreciation, depletion and amortisation			
At 1 January 2019	117,264	–	117,264
Currency translation difference	1,470	–	1,470
Written off	(118,734)	–	(118,734)
At 31 December 2019	–	–	–
Impairment			
At 1 January 2019	50,289,799	14,128,791	64,418,590
Currency translation difference	630,569	177,156	807,725
Written off	(50,920,368)	(14,305,947)	(65,226,315)
At 31 December 2019	–	–	–
Net carrying amount			
At 31 December 2019	–	–	–

The Group, through a subsidiary, PT IEV Pabuaran KSO ("**IEV KSO**") engaged in reactivation and optimisation of hydrocarbons production at Pabuaran, West Java, Indonesia, under an Operations Cooperation Agreement ("**KSO Agreement**") with PT Pertamina EP ("**Pertamina**"), to assist Pertamina in carrying out its obligations as the operator under Kontrak Minyak dan Gas Bumi Pertamina ("**Pertamina EP KKS**"), a contract entered with SKK Migas, the oil and gas regulatory agency of Indonesia, on 17 September 2005.

On 12 December 2015, the Group obtained approval of an extension of work program totalling USD18.6 million (RM80,028,360) to be completed by 11 December 2017; the work program was supposed to be completed by 12 December 2015. As required with the extension, the Group had in December 2015 placed a Bank Guarantee of USD2,340,000 with a validity up to 11 December 2017 with Pertamina. In accordance with the KSO Agreement, Pertamina has the right to claim and disburse the Bank Guarantee in the case if IEV KSO does not fulfil its obligations under the KSO Agreement.

IEV KSO received a letter dated 28 December 2017 from Pertamina terminating the KSO Agreement in the Pabuaran Block effective 2 January 2018 and has also made a claim for the disbursement of a bank guarantee amounting to USD2,340,000 ("**Termination Letter**"). The bank guarantee was previously provided to Pertamina in the form of a pledged fixed deposit of USD468,000 and a banker guarantee of USD1,872,000.

16. Oil and gas properties (Continued)

The Termination Letter was served on the basis of IEV KSO, not fulfilling certain conditions and obligations under the KSO Agreement. One of the key conditions, amongst others, include the completion of USD18,600,000 work program by 11 December 2017.

Pertamina has claimed the banker guarantee of USD1,872,000 and the pledged fixed deposit of USD468,000. As at 31 December 2017, the Group recognised termination liabilities of USD1,872,000 (approximately RM7,607,097). In 2018, the Group completed the handover of all operating equipment on the Pabuaran Block to Pertamina. The termination liabilities of USD1,872,000 (approximately RM7,742,583) remain unpaid as at 31 December 2018.

Management believes that there is no other material contingencies or liabilities that have not been recorded with the termination of the KSO Agreement.

In 2017, the Group made full impairment on the oil and gas properties and the intangible asset (signature bonus), including full impairment on the pledged fixed deposit of USD468,000 (RM1,901,774).

In 2019, IEV KSO commenced member's voluntary liquidation and the entity was deconsolidated by the Group as at 30 September 2019. Accordingly, the oil and gas properties, the intangible asset (signature bonus) and the pledged fixed deposit were written off and the provisions for termination liabilities and extension penalty were written back.

17. Subsidiaries

	Company	
	2020	2019
	RM	RM
Unquoted equity shares, at cost	**6,777,589**	32,357,691
Deemed investment arising from:		
- Quasi loans to subsidiaries	**88,611,990**	96,896,027
- Acquisition of a subsidiary	**–**	7,052,103
Allowance for impairment	**(86,316,754)**	(127,161,424)
Currency translation difference	**(2,036,684)**	(2,135,688)
	7,036,141	7,008,709

Movement in the allowance for impairment:

	Company	
	2020	2019
	RM	RM
Balance at beginning of the year	**(127,161,424)**	(125,217,701)
Allowance for impairment	**–**	(1,821,865)
Write off	**41,340,552**	–
Currency translation difference	**(495,882)**	(121,858)
Balance at end of the year	**(86,316,754)**	(127,161,424)

17. Subsidiaries (Continued)

On 27 April 2016, management obtained approval for a series of loans made to its subsidiaries in prior years for purposes of business investments and working capital commitments to be treated as being quasi-equity in nature with effect from 1 January 2016 and to be classifi ed as deemed investments in the subsidiaries. These loans to subsidiaries are unsecured, interest-free and repayment is at the discretion of the borrowers.

In 2019, the Company has recognised an allowance of RM1,821,865 on these loans as management determined that this amount was irrecoverable from two of the subsidiaries, which were in the Exploration and Production and Renewable Energy sectors as the Group ceased operations in these entities and exited from the two sectors (Note 9). Accordingly, the cost of investment of the subsidiary in Exploration and Production sector was fully provided for in 2017.

As at 31 December 2019, management performed an impairment review and assessed that the cost of investment in IEV Group Sdn. Bhd. is impaired due to the declining performance of the subsidiary over the recent years.

In year 2020, the Company disposed its entire shareholdings in IEV Group Sdn. Bhd. and the gain on disposal of the subsidiaries is recorded as part of the profit for the year from discontinued operations in the statement of profit or loss and other comprehensive income (Note 9).

Incorporation of a wholly-owned subsidiary

On 25 November 2020, the Company announced the incorporation of a wholly-owned subsidiary, namely Back To Life Sdn. Bhd. ("**Back To Life**"). Back To Life is incorporate in Malaysia, with an initial issued and paid-up share capital of RM100.

Details of the Company's subsidiaries at 31 December are as follows:

Name of subsidiaries/ Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		2020 %	2019 %
IEV Group Sdn. Bhd. (2)&(5) Malaysia	Investment holding, provision of technical and management services to its subsidiaries conducting product development for the Group's product and services.	–	100
IEV Energy Investment Pte. Limited (1) Singapore	Dormant.	100	100
HealthPro Pte. Ltd. (1) Singapore	Investment in healthcare services and wellness business.	100	100
Back to Life Sdn. Bhd. (4) Malaysia	Provision of physical therapy and alternative medicine services business.	100	–
Held by HealthPro Pte. Ltd.			
HealthPro Life Sdn Bhd (2) (f.k.a Lady Paradise (M) Sdn. Bhd.)	Rendering confinement and postnatal care services and sale of related products.	100	100

17. Subsidiaries (Continued)

Name of subsidiaries/ Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		2020	2019
		%	%
Held by IEV Group Sdn. Bhd.			
IEV International Limited (3)&(5) Hong Kong	Provision of marine growth control corrosion control, subsea engineering and oilfield equipment and services to onshore, offshore, and marine industries in global market.	–	100
PT IEV Indonesia. (2)&(5) Indonesia	Provision of marine growth control corrosion control, subsea engineering and oilfield equipment and services to oil and marine industries in Indonesia.	–	100
IEV Manufacturing Sdn. Bhd. (2)&(5) Malaysia	Manufacturing, exporting, importing, supplying and wholesaling of marine growth products, corrosion control products and other subsea engineering and oilfield equipment to the oil and gas and marine industries.	–	100
IEV Energy Sdn. Bhd.(2)&(5) Malaysia	Dormant.	–	100
IEV Engineering Sdn. Bhd. (2)&(5) Malaysia	Provision of marine growth control corrosion control, subsea engineering and oilfield equipment and services to the oil and gas and marine industries in Malaysia	–	100
IEV Technologies Pte. Ltd. (1)&(5) Singapore	Dormant.	–	100
Held by IEV Energy Investment Pte Limited			
PT IEV Pabuaran KSO (6) Indonesia	Dormant.	–	–

(1) Audited by Mazars LLP, Singapore.

(2) Audited by member firms of Mazars.

(3) Audited by another firm of auditors, Cheng & Cheng Limited, Hong Kong.

(4) The subsidiary was incorporated in November 2020.

(5) The subsidiaries were disposed of in November 2020.

(6) The member's voluntary liquidation process was completed in year 2020.

17. Subsidiaries (Continued)

Acquisition of Lady Paradise (M) Sdn. Bhd. - 2019

On 16 September 2019, HealthPro Pte. Ltd. entered into a sales and purchase agreement (“**SPA**”) to acquire the entire issued share capital of Lady Paradise (M) Sdn. Bhd. (“**Lady Paradise**”) at a purchase consideration of RM3,500,000. In accordance with the SPA, the consideration was to be satisfied by the issuance and allotment of an aggregate of 46,161,962 new ordinary shares of the Company at SGD0.025 per share to the sellers.

Lady Paradise was incorporated in Malaysia. It is principally engaged in the business of providing pre and post-natal care services and consultancy, including but not limited to dietary programs, confinement nannies, confinement baby daycare, traditional post-natal massage, ante natal and post-natal classes, baby care products and post-natal nursing centres in Malaysia. The Group seeks to pursue the acquisition of Lady Paradise as its first foray into the healthcare, postpartum care and wellness business sector.

On 17 December 2019, the Group completed its acquisition of Lady Paradise and settled the consideration via the issuance and allotment of 46,161,962 new ordinary shares in the capital of the Company at SGD0.025 per share (Note 24) and the share price of the Company at the date of completion of acquisition was SGD0.050. The difference in share price resulted in a recognition of SGD1,154,049 (RM3,526,051) in capital reserve (Note 29). The cost of investment totalling SGD2,308,098 (approximately RM7,052,103) in Lady Paradise was determined based on the closing share price of SGD0.050 on 17 December 2019. Accordingly, the final consideration settled via issuance of shares increased from RM3,500,000 to RM7,052,103.

This transaction has been accounted for by the acquisition method of accounting.

Consideration transferred (at acquisition date fair values)

	Total RM
Consideration settled via issuance of new shares	7,052,103
Contingent consideration arrangement [(i)]	–
Total	7,052,103

(i) The sellers have guaranteed HealthPro Pte. Ltd. (“**HealthPro**”) that Lady Paradise’s cumulative earnings before interest, tax, depreciation and amortisation (EBITDA) for the period of three consecutive financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 shall not be less than RM2,100,000 (“**Profit Target**”). In the event that the Profit Target is not achieved, the sellers undertake that they will make good to HealthPro the shortfall with respect to the Profit Target (“**Profit Guarantee**”). The management does not consider it probable that there will be any payment arising from the shortfall to be made to the Group. The fair value of the Profit Guarantee after applying the Black-Scholes model in estimating the fair value is nil.

Acquisition-related costs amounting to RM112,356 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the “other operating expenses” line item in the statement of profit or loss and other comprehensive income.

17. Subsidiaries (Continued)

Acquisition of Lady Paradise (M) Sdn. Bhd. - 2019 (Continued)

Assets acquired and liabilities assumed at the date of acquisition

	17 December 2019 RM
Non-current asset	
Property, plant and equipment	94,410
Current assets	
Inventories	71,694
Trade and other receivables	39,797
Cash and bank balances	115,350
Current liabilities	
Trade and other payables	(375,666)
Accrual	(261,004)
Deposit received	(38,100)
Contract liabilities	(24,667)
Provision for taxation	(4,165)
Net liabilities assumed	(382,351)

Goodwill arising from acquisition

	17 December 2019 RM
Consideration transferred	7,052,103
Add: Fair value of identifiable net liabilities assumed	382,351
Goodwill arising on acquisition	7,434,454

Goodwill arose in the acquisition of Lady Paradise because the cost of the combination included a control premium and the movement in share prices as mentioned above. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, the assembled workforce of Lady Paradise, the know-how and operational knowledge of running confinement centres as Lady Paradise is one of the pioneers of confinement centres in Malaysia. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

17. Subsidiaries (Continued)

Acquisition of Lady Paradise (M) Sdn. Bhd. - 2019 (Continued)

Net cash inflow from acquisition of subsidiary

	2019 RM
Consideration paid in cash	–
Add: Cash and cash equivalent balances acquired	115,350
	115,350

Impact of acquisition on the results of the Group

Included in the loss for the year 2019 was a loss of RM31,056 attributable to the additional business generated by Lady Paradise. Revenue for the period from Lady Paradise amounted RM27,852.

Had the business combination during the year been effected at 1 January 2019, the revenue of the Group from continuing operations would have been RM10,546,976, and the loss for the year from continuing operations would have been RM10,596,516.

18. Associate

	Group	
	2020 RM	2019 RM
Unquoted equity shares, at cost	**–**	366,752
Share of post-acquisition reserves	**–**	(366,752)
	–	–

IEV (Malaysia) Sdn. Bhd. is an associate of IEV Group Sdn Bhd and one of the entities under "IEV Group of companies" which is disposed of as disclosed in Note 9.

Details of the Group's associate at 31 December are as follows:

Name of associate company/ Place of incorporation and operation	**Principal activity**	**Proportion of ownership interest and voting power held**	
		2020 %	2019 %
IEV (Malaysia) Sdn. Bhd. [1][2] Malaysia	Provision of marine growth control, subsea engineering and oilfield equipment to the onshore, offshore and marine industries in Malaysia	**–**	49

[1] Audited by a member firm of Mazars.

[2] The associate was disposed of in November 2020.

18. Associate (Continued)

	Group	
	25.11.2020	31.12.2019
	RM	RM
Current assets	**17,224,809**	3,419,662
Non-current assets	**20,199**	36,662
Current liabilities	**(14,180,933)**	(3,851,490)
Revenue	**31,700,989**	4,772,825
Profit/(loss) for the year, representing total comprehensive income/(loss) for the year	**3,459,250**	(549,028)
Share of profit/(loss) for the year:	**1,695,033**	(495,618)
Accumulated share of loss not recognised:	**(420,230)**	–
Limited to:	**1,274,803**	(75,393)

Reconciliation of the above summarised financial information to the carrying amount of the interest in IEV Malaysia recognised in these consolidated financial statements:

	Group	
	2020	2019
	RM	RM
Net assets/(liabilities) assets of the associate	**3,064,076**	(395,166)
Less: Capital reserve of RM462,437 arising from debt waiver from a subsidiary (restricted to remaining net asset of RM153,863)	**(462,437)**	(153,863)
	2,601,639	(549,029)
Limited to carrying amount in investment in an associate company	**–**	549,029
	2,601,639	–
Proportion of the Group's ownership interest in IEV Malaysia	**49%**	49%
Carrying amount of the Group's interest in IEV Malaysia prior to disposal	**1,274,803**	–

19. Deferred tax assets

The following are the major deferred tax assets recognised by the Group and movements thereon in prior reporting periods:

	Provision for post-employment obligations	Others	Total
	RM	RM	RM
Group			
At 1 January 2019	12,939	(89,963)	(77,024)
(Charge)/credit to profit or loss for the year (Note 8)	(12,939)	89,963	77,024
At 31 December 2019 and 31 December 2020	–	–	–

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has unutilised tax losses of RM29,214,536 (2019: RM25,244,416), and unabsorbed capital allowance of RM630,359 (2019: RM998,546) which will expire in 7 years. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

20. Cash and cash equivalents

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Cash at banks	**494,825**	2,910,869	**208,469**	1,305,600
Cash on hand	**811**	17,872	**–**	5,545
Fixed deposits	**–**	65,742	**–**	–
	495,636	2,994,483	**208,469**	1,311,145

Fixed deposits bear interest ranging from 0.1% to 0.3% per annum (2019: 0.1% to 0.3% per annum) and a tenure of 14 days (2019: 14 days).

The fixed deposits have been pledged to certain financial institutions for providing a corporate credit card facility to a subsidiary.

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2020	2019
	RM	RM
Cash and bank balances	**495,636**	2,994,483
Less: Restricted cash	**–**	(65,742)
	495,636	2,928,741
Less: Bank overdrafts (Note 29)	**–**	(2,280,768)
	495,636	647,973

20. Cash and cash equivalents (Continued)

The Group's and Company's cash and cash equivalents that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Singapore dollar	**271,614**	1,323,113	**202,997**	1,305,600
United State dollar	**10,597**	1,331,800	**5,472**	5,545
Malaysia Ringgit	**213,425**	308,782	**–**	–
Others	**–**	30,788	**–**	–
	495,636	2,994,483	**208,469**	1,311,145

21. Trade receivables

	Group	
	2020	2019
	RM	RM
Outside parties	**–**	1,087,228
Amount due from an associate	**–**	1,356,192
Loss allowance	**–**	(1,448,583)
	–	994,837

The trade receivables are derived from AIMS business segment. Upon the completion of disposal AIMS business segment on 25 November 2020, the trade receivables are recorded RM Nil as at 31 December 2020.

During the financial period, the average credit period on sale of goods is 14 to 90 days (2019: 14 to 90 days). No interest is charged on the outstanding trade receivables. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions, if any, at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

21. Trade receivables (Continued)

The table below shows the movement in lifetime ECL in year 2019 that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

Group	Lifetime ECL – not credit-impaired		Lifetime ECL credit-impaired	Total
	Collectively assessed	Individually assessed		
	RM	RM	RM	RM
Balance as at 1 January 2019	–	–	1,633,931	1,633,931
Allowance during the year	–	–	1,170,482	1,170,482
Write back of allowance	–	–	(1,742)	(1,742)
Amounts written off	–	–	(1,343,559)	(1,343,559)
Currency translation difference	–	–	(10,529)	(10,529)
Balance as at 31 December 2019	–	–	1,448,583	1,448,583
Write back of allowance	–	–	(1,166,491)	(1,166,491)
Amounts written off	–	–	(244,660)	(244,660)
Currency translation difference	–	–	4,283	4,283
	–	–	41,715	41,715
Disposal of subsidiary	–	–	(41,715)	(41,715)
Balance as at 31 December 2020	–	–	–	–

As at 31 December 2019, management assessed the loss allowance on the amount due from an associate at an amount equal to lifetime ECL as the associate was in capital deficiency position (Note 20), and made allowance of RM1,167,163 in 2019. Subsequent to end of the reporting period, the management received RM147,000 from the associate in March 2020 for a particular invoice.

In prior years, management has provided an expected credit loss of RM1.3 million on the Group's net exposure from receivables due from Swiber Holdings Limited and its affiliates ("Swiber"), which has been placed under judicial management since 29 July 2016. On 29 May 2019, a creditors meeting was held and based on the outcome, the Group has minimal recoverability of the amounts from Swiber. Accordingly, management has written off all balances associated with Swiber against the expected credit loss allowance of RM1.3 million in 2019.

The Group's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group	
	2020	2019
	RM	RM
Singapore dollar	–	105,622
United States dollar	–	889,215
	–	994,837

22. Other receivables and prepayments

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Deposits	**1,433,438**	2,186,937	**–**	–
Prepayments	**59,116**	3,954,266	**50,114**	19,585
Amount owing by subsidiaries	**–**	–	**11,358,910**	94,822
Amount owing by a Director of certain subsidiaries and a Director of the Company (Note 37)	**–**	180,772	**–**	–
Tax recoverable	**–**	48,809	**–**	–
Value-added tax receivables	**581,521**	381,225	**–**	–
Others	**3,266**	87,571	**–**	–
	2,077,341	6,839,580	**11,409,024**	114,407
Less: Loss allowance	**–**	(516,518)	**–**	(18,911)
	2,077,341	6,323,062	**11,409,024**	95,496
Less: Amount receivable within 12 months (shown under current assets)	**(2,049,841)**	(583,719)	**(11,409,024)**	(95,496)
Amount receivable after 12 months	**27,500**	5,739,343	**–**	–

In 2019, the Group placed rental deposits of RM1,055,140 for the confinement centres in the Healthcare sector and made prepayments/deposit of RM4,828,410 for the renovation of the confinement centre in Singapore ("renovation deposit/prepayment"). These deposits and prepayments are classified as non-current as at 31 December 2019, and a portion of the renovation was paid on behalf by a third party (Note 31).

In 2020, the renovation prepayment of RM4,530,130 and rental deposits of RM916,024 are capitalised/reclassified as construction-in-progress in property, plant and equipment and other receivables and prepayment, respectively.

The amount owing by directors and subsidiaries are interest free and repayable on demand.

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

22. Other receivables and prepayments (Continued)

The following table shows the movement in 12-month ECL that has been recognised for other receivables.

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Balance as at beginning	**516,518**	5,427,992	**18,911**	75,477
Allowance for impairment	**–**	325,332	**–**	–
Amount written off	**(25,743)**	(5,301,276)	**(18,804)**	–
Write back of allowance	**(26,123)**	–	**(168)**	(56,636)
Currency translation difference	**(7,083)**	64,470	**61**	70
	457,569	516,518	**–**	18,911
Amount written off due to disposal of subsidiary	**(457,569)**	–	**–**	–
Balance at end of the year	**–**	516,518	**–**	18,911
Consist of:				
Financial assets	**–**	226,420	**–**	18,911
Non-financial assets	**–**	290,098	**–**	–
	–	516,518	**–**	18,911

The Group's and Company's other receivables and prepayments that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Singapore Dollar	**1,616,621**	5,760,116	**11,333,783**	95,496
Malaysia Ringgit	**460,721**	521,695	**75,241**	–
Others	**–**	41,251	**–**	–
	2,077,342	6,323,062	**11,409,024**	95,496

23. Inventories

	Group	
	2020	2019
	RM	RM
Raw materials	**–**	2,235,639
Spare parts	**–**	134,262
Finished Goods	**3,008**	57,736
Consumables	**24,179**	166,567
	27,187	2,594,204
Less: Allowance for inventories	**–**	(1,623,533)
	27,187	970,671
Comprising:		
At net realisable value	**–**	127,846
At cost	**27,187**	842,825
Balance at end of the year	**27,187**	970,671

The cost of inventories recognised as an expense in "Cost of Sales" includes RM456,654 (2019: RM568,843) in respect of write-downs of inventory to net realisable value.

	Group	
	2020	2019
	RM	RM
Movement in the allowance for inventories		
Balance at the beginning of the year	**1,623,533**	2,032,271
Allowance provided for during the year	**–**	201,758
Write back allowances during the year	**(317,857)**	(115,015)
Write off	**–**	(496,123)
Currency translation difference	**5,538**	642
	1,311,214	1,623,533
Classified as part of a disposal of subsidiary (Note 9)	**(1,311,214)**	–
Balance at end of the year	**–**	1,623,533

In year 2019, write off of allowance for inventories included RM450,822 and RM45,301 which relate to PT IEV Pabuaran KSO and IEV Vietnam LLC respectively (entities deconsolidated in the year (Note 17).

Amount written back includes the reversal of allowance for slow moving inventories of RM317,857 (2019: RM115,015) which were utilised during the year.

24. Share capital

	Group and Company			
	2020	2019	**2020**	2019
	Number of ordinary shares		**RM**	RM
Issued and paid up:				
At beginning of the year	**411,874,594**	285,712,632	**107,673,989**	98,338,106
Issued for cash	**5,208,333**	80,000,000	**611,318**	6,095,082
Issued as consideration (Note 17)	**76,000,000**	46,161,962	**11,489,817**	3,526,051
Less: Shares issuance costs	**–**	–	**(56,824)**	(285,250)
At end of the year	**493,082,927**	411,874,594	**119,718,300**	107,673,989

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

On 13 May 2019, the Company allotted and issued an aggregate of 80,000,000 ordinary shares to 2 new shareholders pursuant to the completion of a share subscription exercise. The new ordinary shares were issued at an issue price of SGD0.025 per ordinary share for an aggregate cash consideration of SGD2,000,000.

On 17 December 2019, the Company allotted and issued an aggregate of 46,161,962 new ordinary shares of SGD0.025 each as consideration for the acquisition of 100% equity interest in Lady Paradise (M) Sdn. Bhd. (Note 17). The share price of the Company at the date of completion of acquisition was SGD0.050, and the difference in share price resulted in a recognition of SGD1,154,049 (RM3,526,051) in capital reserve (Note 27).

Arising from the above two allotment of shares on 13 May 2019 and 17 December 2019 respectively, the Company increased its issued and fully paid-up ordinary capital from RM98,338,106 to RM107,673,989 as at 31 December 2019.

On 14 January 2020, the Company allotted and issued an aggregate of 76,000,000 ordinary shares to 3 new shareholders pursuant to the completion of a share subscription exercise. The new ordinary shares were issued at an issue price of SGD0.050 per ordinary share for an aggregate cash consideration of SGD3,800,000, approximately RM11,489,817. These proceeds are for the renovation and refurbishment of the Group's existing postpartum centres in Singapore and Malaysia post the acquisition of Lady Paradise (M) Sdn. Bhd. (Note 17) in December 2019 and the Group's working capital and marketing expenses.

On 19 October 2020, the Company allotted and issued an aggregate of 5,208,333 ordinary shares to a new shareholder pursuant to the completion of a share subscription exercise. The new ordinary shares were issued at an issue price of SGD0.0384 per ordinary share for an aggregate cash consideration of SGD200,000.

Arising from the above two allotment of shares on 14 January 2020 and 19 October 2020 respectively, the Company increased its issued and fully paid-up ordinary capital from RM107,673,989 to RM119,718,300 as at 31 December 2020.

25. Treasury shares

	Group and Company			
	2020	2019	**2020**	2019
	Number of ordinary shares		**RM**	RM
At beginning and at end of the year	**200,000**	200,000	**38,268**	38,268

26. Currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign operations and the Company's operations into Ringgit Malaysia are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of currency translation reserve.

27. Capital reserve

The Group and Company's capital reserve arises from the differences of the pre-determined cost of investment and the fair value of the share price at the date of acquisition of a subsidiary (Note 17).

28. Lease liabilities

The Group as lessee

	Group	
	2020	2019
	RM	RM
Lease Liabilities		
Maturity analysis:		
Year 1	**5,624,219**	5,757,151
Year 2	**2,286,212**	5,545,111
Year 3	**–**	2,277,332
	7,910,431	13,579,594
Less: Unearned interest	**(302,624)**	(856,443)
	7,607,807	12,723,151
Analysed as:		
Current	**5,351,578**	5,201,208
Non-current	**2,256,229**	7,521,943
	7,607,807	12,723,151

Lease liabilities are monitored by the Group. The total cash outflow for leases during the financial year ended 31 December 2020 is RM3,245,626 (2019: RM291,555).

29. Bank overdrafts

	Group 2020 RM	Group 2019 RM
Secured - at amortised cost		
Bank overdrafts	**–**	2,280,768

The bank overdrafts are repayable on demand and bear interest rates range from 7.20% to 8.45% (2019: 8.15% to 8.45%) per annum, which is repriced on a monthly basis. The bank overdrafts are secured by a debenture by way of a fixed and floating charge over all present and future assets of a subsidiary, a corporate guarantee provided by the Company and a subsidiary and a personal guarantee provided by a Director, Christopher Nghia Do. The Bank overdrafts had discharged upon the disposal of the IEV Group of Companies.

30. Trade payables

	Group 2020 RM	Group 2019 RM
Trade payables - third parties	**9,350**	1,086,378
Accruals for projects costs	**–**	927,018
	9,350	2,013,396

The credit period granted by suppliers is 30 to 60 days (2019: 30 to 90 days). No interest is charged on the outstanding balance.

The Group's trade payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group 2020 RM	Group 2019 RM
Singapore dollar	**–**	20,768
United State dollar	**–**	1,543,994
Malaysia Ringgit	**9,350**	445,866
Others	**–**	2,768
	9,350	2,013,396

31. Other payables and other provisions

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Amount owing to directors	**13,541**	68,655	**–**	–
Amount owing to subsidiaries	**–**	–	**483,918**	673,762
Withholding tax	**–**	41,646	**–**	–
Value-added tax payables	**–**	137,094	**–**	–
Service tax payable	**2,730**	48,138	**–**	–
Accruals	**904,868**	1,736,851	**598,552**	474,827
Accruals for rental deposit and renovation work	**–**	5,145,296	**–**	–
Other payables	**4,195,026**	1,343,248	**–**	–
Others	**592,327**	908,387	**499,651**	67,462
	5,711,492	9,429,315	**1,582,121**	1,216,051

The amount owing to Directors of the Company related to reimbursable disbursements incurred for business use and are repayable on demand.

The amount owing to subsidiaries are interest free and repayable on demand.

Included in other payables is rental payable of RM2,808,139 in relation to the outstanding rent in year 2020.

In 2019, amount owing to a third party pertains to payment made on behalf of the Group by The Rain Maker Mgmt Sdn. Bhd. ("**TRM**"), includes S$200,000 (approximately RM607,288) for renovation of the new confinement centre, RM182,207 rental deposits for the new confinement centre and existing confinement centre and the remaining balance pertains to payment made on behalf for operating expenses.

The Group's and Company's other payables and provisions that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Singapore dollar	**3,787,912**	6,914,712	**849,656**	540,752
United States dollar	**125,508**	164,501	**691,232**	673,762
Malaysia Ringgit	**1,632,647**	1,940,643	**41,233**	1,537
Others	**165,425**	409,459	**–**	–
	5,711,492	9,429,315	**1,582,121**	1,216,051

32. Contract liabilities

As at 31 December 2019, the contract liabilities of RM33,710 relate to advance payments received by the Group for services to be provided and revenue was not recognised as the performance obligation has yet to be satisfied. The amount has been fully recognised as revenue in the year.

As at 31 December 2020, the contract liabilities of RM7,835 relate to advance payments received by the Group for services to be provided.

33. Advances from a related party

The Group's wholly-owned subsidiary, IEV International Limited ("IEV International") entered into a loan agreement with a related party on 17 December 2019 for a facility of USD200,000 for a period of 1 year from the date of agreement which may be renewed subject to mutual agreement between both parties.

The loan shall be repaid in full by the end of the loan period, i.e 12 months from the date of loan agreement and bears an interest of 8% per annum, payable on a monthly basis. The loan is secured on the Group's all rights and beneficial interest in the world-wide patents of marine growth products.

As at 31 December 2019, the balance comprises principal loan amount drawn down by the Group of USD100,000 (approximately RM414,186) and interest payable of RM182.

The Group received a letter dated 23 April 2020 from the related party on its willingness to consider an extension of tenure in view of the global economic slowdown due to the Covid-19 viral outbreak subject to receipt of request for extension by the Group at least 1 month before the loan maturity date.

Upon the completion of disposal AIMS business segment on 25 November 2020, the advances from a related party are recorded RM Nil as at 31 December 2020.

34. Operating lease arrangements

The Group as lessor

Operating leases, in which the Group is the lessor, relate to the office unit leased by the Group with lease term of 1 year, with no extension option.

In year 2019, office rental income earned was RM137,400. The office space held had committed tenant for the next one year. The lessee does not have the option to renew at the expiry of the lease period.

	Group 2019 RM
Within one year	137,400

35. Commitments

In October 2019, the Group entered into a contract for renovation work of its confinement centre in Singapore amounting to SGD3.18 million including GST. As at the end of year 2019, the commitment for the remaining renovation work amounts to SGD1.6 million (RM4,828,410).

As at 31 December 2020, the commitment for the remaining renovation work amounts to SGD1.5 million (RM4,530,130).

36. Segment information

The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer ("CEO"), who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's CEO to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

For management purposes, the Group is organised into business units based on their products and services. In 2019, the Group has a new Healthcare segment following its acquisition of HealthPro Life Sdn Bhd (formerly known as Lady Paradise (M) Sdn. Bhd.) in prior year (Note 17). During the year, upon the completion of disposal of IEV Group Sdn Bhd together with its subsidiaries and associate company under the Asset Integrity Management segment had been classified as discontinued operations.

Segment revenue represents revenue generated from external customers and inter-segment sales. The accounting policies of these reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment after allocation of central finance costs and share of results of associates. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment.

All assets are allocated to reportable segments other than tax assets.

Information regarding each of the Group's reportable segments is presented below.

Continuing Operations

	Healthcare		**Corporate**		**Consolidated**	
Group	**2020**	2019	**2020**	2019	**2020**	2019
	RM	RM	**RM**	RM	**RM**	RM
Revenue						
External sales	**622,695**	27,852	**–**	–	**622,695**	27,852
Results						
Segment results	**(7,439,863)**	(1,814,282)	**(2,481,099)**	(1,801,827)	**(9,920,962)**	(3,616,109)
Finance costs	**(553,524)**	(56,402)	**–**	–	**(553,524)**	(56,402)
Loss before tax	**(7,993,387)**	(1,870,684)	**(2,481,099)**	(1,801,827)	**(10,474,486)**	(3,672,511)
Income tax					**4,165**	–
Loss for the year					**(10,470,321)**	(3,672,511)
Loss attributable to:						
Owners of the Company					**(10,470,321)**	(3,672,511)
Loss for the year					**(10,470,321)**	(3,672,511)

36. Segment information (Continued)

Discontinued Operations

Group	**Asset Integrity Management**		**Exploration and Production**		**Renewable Energy**		**Consolidated**	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RM	RM	**RM**	RM	**RM**	RM	**RM**	RM
Revenue								
Total sales	**8,143,413**	14,191,057	**–**	–	**–**	–	**8,143,413**	14,191,057
Inter-segment sales	**(3,238,310)**	(4,451,325)	**–**	–	**–**	–	**(3,238,310)**	(4,451,325)
External sales	**4,905,103**	9,739,732	**–**	–	**–**	–	**4,905,103**	9,739,732
Results								
Segment results	**6,557,387**	(6,139,698)	**135,778**	10,449,109	**–**	(23,467)	**6,693,165**	4,285,944
Finance costs	**(261,530)**	(280,403)	**–**	–	**–**	–	**(261,530)**	(280,403)
Share of results of associate	**1,274,803**	(75,393)	**–**	–	**–**	–	**1,274,803**	(75,393)
Profit/(loss) before tax	**7,570,660**	(6,495,494)	**135,778**	10,449,109	**–**	(23,467)	**7,706,438**	3,930,148
Income tax							**484**	58,017
Profit for the year							**7,706,922**	3,988,165
Profit attributable to:								
Owners of the Company							**7,706,922**	4,159,995
Non-controlling interests							**–**	(171,830)
Profit for the year							**7,706,922**	3,988,165

36. Segment information (Continued)

	Healthcare		Corporate		Discontinued operations		Consolidated	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RM	RM	**RM**	RM	**RM**	RM	**RM**	RM
Assets								
Segment assets	**20,098,836**	24,682,898	**258,582**	1,330,730	**5,125**	3,887,199	**20,362,543**	29,900,827
Sub-total	**20,098,836**	24,682,898	**258,582**	1,330,730	**5,125**	3,887,199	**20,362,543**	29,900,827
Unallocated assets [(a)]							**581,521**	430,034
Consolidated total assets							**20,944,064**	30,330,861
Liabilities								
Segment liabilities	**12,177,364**	19,501,205	**1,098,203**	542,289	**58,187**	6,641,727	**13,333,754**	26,685,221
Unallocated liabilities [(b)]							**2,730**	226,878
Consolidated total liabilities							**13,336,484**	26,912,099

(a) Unallocated assets comprise tax recoverable, value-added tax receivables and deferred tax assets.

(b) Unallocated liabilities comprise withholding tax, value-added tax payables, deferred tax liabilities and income tax payable.

36. Segment information (Continued)

Group	Continuing operations				Discontinued operations							
	Healthcare		Corporate		Asset Integrity Management		Exploration and Production		Renewable Energy		Consolidated	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RM	RM	**RM**	RM	**RM**	RM	**RM**	RM	**RM**	RM	**RM**	RM
Other information												
Capital expenditure	**-**	94,411	**-**	-	**-**	66,244	**-**	-	**-**	-	**-**	160,655
Amortisation of intangible assets	**-**	-	**-**	-	**33,725**	53,844	**-**	-	**-**	-	**33,725**	53,844
Depreciation of property, plant and equipment	**30,672**	547	**-**	-	**397,370**	621,654	**-**	-	**-**	-	**428,042**	622,201
Depreciation of right-of-use assets	**5,387,911**	425,703	**-**	-	**244,948**	267,215	**-**	-	**-**	-	**5,632,859**	692,918
(Write-back of impairment)/ impairment of property, plant and equipment	**-**	-	**-**	-	**(304,731)**	834,423	**-**	-	**-**	-	**(304,731)**	834,423
Impairment of goodwill	**-**	1,301,926	**-**	-	**-**	-	**-**	-	**-**	-	**-**	1,301,926
Write-back of loss allowance	**-**	-	**-**	-	**(1,166,491)**	(1,742)	**-**	-	**-**	-	**(1,166,491)**	(1,742)
Expected credit loss allowance	**-**	-	**-**	-	**-**	1,182,377	**-**	-	**-**	23,339	**-**	1,205,716
Allowance for inventories	**-**	-	**-**	-	**-**	201,758	**-**	-	**-**	-	**-**	201,758
Write-back impairment of inventories	**-**	-	**-**	-	**(317,857)**	(115,015)	**-**	-	**-**	-	**(317,857)**	(115,015)
Inventories written off	**45,705**	13,491	**-**	-	**434,187**	60,276	**-**	-	**-**	132,000	**479,892**	205,767
(Write back of impairment)/ impairment of VAT receivables	**-**	-	**-**	-	**(26,123)**	290,098	**-**	-	**-**	-	**(26,123)**	290,098
Receivables written off	**627,202**	-	**-**	-	**-**	109,896	**-**	-	**-**	-	**627,202**	109,896
Property, plant and equipment written off	**10,100**	-	**-**	-	**-**	79,212	**-**	-	**-**	-	**10,100**	79,212
Write-back of payables and accrued expenses	**-**	-	**-**	-	**(168,995)**	(173,157)	**(172,516)**	(974,987)	**-**	-	**(341,511)**	(1,148,144)
Write-back provision for termination of liabilities	**-**	-	**-**	-	**-**	-	**-**	(7,839,665)	**-**	-	**-**	(7,839,665)
Write-back of provision for extension penalty	**-**	-	**-**	-	**-**	-	**-**	(2,830,349)	**-**	-	**-**	(2,830,349)
(Gain) Loss on disposal of subsidiaries	**-**	-	**-**	-	**(6,335,577)**	(39,843)	**-**	-	**-**	-	**(6,335,577)**	(39,842)
Loss (Gain) on deconsolidation of subsidiaries	**-**	-	**-**	-	**-**	-	**-**	860,880	**-**	(300,306)	**-**	560,574

36. Segment information (Continued)

Geographical information:

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment non-current assets: Segment non-current assets are analysed based on the location of those assets.

	Revenue		Non-current assets	
			31 December	31 December
	2020	2019	2020	2019
	RM	RM	RM	RM
Group				
Continuing operations				
Malaysia	**622,695**	27,852	**304,180**	93,864
Singapore	**–**	–	**18,067,220**	24,217,252
	622,695	27,852	**18,371,400**	24,311,116
Discontinued operations				
Nigeria	**–**	3,175,035	**–**	–
Hong Kong	**–**	–	**–**	142,016
Vietnam	**1,678,361**	2,848,572	**–**	–
Malaysia	**3,152,168**	2,285,129	**–**	334,019
Thailand	**74,574**	1,430,996	**–**	–
	4,905,103	9,739,732	**–**	476,035
	5,527,798	9,767,584	**18,371,400**	24,787,151

Information about major customers:

Included in revenue arising from asset integrity management sector are revenue of approximately RM 4,121,158 (2019: asset integrity management - RM3,625,369) which arose from sales to the Group's largest customer in the respective sectors.

37. Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant related party transactions are as follows:

		Group	
		2020	2019
		RM	RM
	Discontinued operations		
(a)	Transactions with IEV (Malaysia) Sdn. Bhd.		
	Charged to an associate		
	Project income	**2,796,793**	1,964,591
	Rental income	**125,950**	137,400
	Management fee income	**76,100**	–
	Charged by an associate		
	Purchases	**(264,928)**	(241,701)
	Rental expenses	**(25,060)**	(52,534)
	Project related costs	**–**	(465)
	Finance costs	**(76,433)**	(14,572)
(b)	Transactions with Disruptech Holdings Sdn. Bhd.		
	Charged by related party		
	Finance costs	**(30,913)**	(182)
(c)	Transactions with Christopher Nghia Do		
	Charged by related party		
	Rental expenses	**(16,000)**	–

In 2019, Christopher Nghia Do acquired IEV Technologies Vietnam Liability Limited Company and IEV Engineering (India) Pvt. Ltd. from the Group via his solely owned company, Disruptech Holdings Sdn. Bhd.. In December 2019, Disruptech Holdings Sdn. Bhd. provided a loan of USD100,000 to the Group (Note 33).

37. Related party transactions (Continued)

(d) Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	Group	
	2020	2019
	RM	RM
Directors' remuneration:		
- salaries and related costs	**1,260,473**	1,040,897
- defined contributions	**15,535**	–
- Directors' fees	**558,163**	478,829
	1,834,171	1,519,726
Key management personnel:		
- salaries and related costs	**950,572**	913,770
- defined contributions	**97,952**	91,837
	1,048,524	1,005,607
	2,882,695	2,525,333

The remuneration of Directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

38. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposure is measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortized cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

38. Financial instruments and financial risks (Continued)

Credit risk (Continued)

To assess and manage its credit risk, the Group categorizes the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analysed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a prepayment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognizing ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial asset has a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

38. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial asset is credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

During the financial year ended 31 December 2020, the Group wrote off RM244,660 (2019: RM1,343,559) of trade receivables. The amounts were trade receivables from third parties which had been long outstanding and were not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there was no reasonable expectation of recovery.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, other than as disclosed above, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

38. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade and other receivables (Note 21 and 22)

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The loss allowance for trade receivables and contract assets are shown in Note 21 and 22.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Foreign currency risk

The Group transacts business in various foreign currencies, including, Singapore dollar ("SGD"), Malaysian Ringgit ("RM"), Indonesia Rupiah ("IDR") and United States dollar ("USD"), other than the respective functional currencies of the Group, and hence is exposed to foreign currency risk. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities other than the Group's and the Company's functional currencies as at the end of the financial year are as follows:

	Group		**Company**	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Monetary assets				
SGD	**–**	14,029	**–**	–
RM	**–**	–	**75,241**	–
USD	**5,472**	244,650	**5,472**	5,545
Monetary liabilities				
SGD	**–**	114,303	**–**	–
RM	**74,722**	25,005	**41,234**	1,536
USD	**81,926**	59,317	**691,232**	673,762
IDR	**165,424**	167,785	**–**	–

38. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to SGD, RM, USD and IDR.

The following table show the financial impact if the relevant foreign currency weakens by 5% against the functional currency of each Group entity, profit or loss after tax will decrease/(increase) by:

	(Increase)/Decrease in Profit or Loss	
	2020	2019
	RM	RM
Group		
SGD	**–**	(3,810)
RM	**(2,839)**	(950)
USD	**(2,905)**	7,043
IDR	**(6,286)**	(6,376)

	(Increase)/Decrease in Profit or Loss	
	2020	2019
	RM	RM
Company		
USD	**(26,059)**	(25,392)
RM	**1,292**	(58)

<u>Interest rate risk</u>

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 100 basis points higher or lower and all other variables were held constant, the Group's loss after tax for the year ended 31 December 2020 would increase/decrease by RM NIL (2019: RM17,334). This is mainly attributable to the Group's exposure to interest rates on its variable rate overdrafts.

The Company's profit or loss after tax was not affected by changes in interest rates as the Company does not have any borrowings or inter-company loans that are at variable rates.

38. Financial instruments and financial risks (Continued)

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company monitor their liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's operations are financed mainly through equity, retained profits and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of bank overdraft and lease liabilities are disclosed in Notes 29 and 28 to these financial statements respectively.

The Group has access to credit facilities as follows:

	Group	
	2020	2019
	RM	RM
Unutilized credit facilities		
Bank overdraft facilities	**–**	2,280,768

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	**1 year or less**	**1 to 5 years**	**Total**
	RM	**RM**	**RM**
2020			
Financial assets:			
Trade and other receivables (exclude prepayment and GST receivables)	1,409,205	27,500	1,436,705
Cash and cash equivalents	495,636	–	495,636
	1,904,841	27,500	1,932,341
Financial liabilities:			
Lease liabilities (Note 28)	5,624,219	2,286,212	7,910,431
Trade and other payables	5,725,947	–	5,725,947
	11,350,166	2,286,212	13,636,378
Total net undiscounted financial liabilities	(9,445,325)	(2,258,712)	(11,704,037)

38. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Group	1 year or less RM	1 to 5 years RM	Total RM
2019			
Financial assets:			
Trade and other receivables (exclude prepayment and GST receivables)	2,933,599	–	2,933,599
Cash and cash equivalents	2,928,741	–	2,928,741
Fixed interest instruments	65,742	–	65,742
	5,928,082	–	5,928,082
Financial liabilities:			
Bank loans	2,280,768	–	2,280,768
Lease liabilities (Note 28)	5,757,152	7,822,442	13,579,594
Advances from a related party	408,844	–	408,844
Trade and other payables	11,249,543	–	11,249,543
	19,696,307	7,822,442	27,518,749
Total net undiscounted financial liabilities	(13,768,225)	(7,822,442)	(21,590,667)

Company	1 year or less RM
2020	
Financial assets:	
Amounts due from subsidiaries	11,358,910
Cash and cash equivalents	208,469
	11,567,379
Financial liabilities:	
Other payables and other provisions	1,582,121
	1,582,121
Total net undiscounted financial assets	9,985,258
2019	
Financial assets:	
Amounts due from subsidiaries	75,911
Cash and cash equivalents	1,311,145
	1,387,056
Financial liabilities:	
Other payables and other provisions	1,216,051
Total net undiscounted financial assets	171,005

38. Financial instruments and financial risks (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Financial assets at amortised cost	**1,932,341**	6,218,180	**11,567,379**	1,387,056
Financial liabilities at amortised cost	**5,725,947**	13,939,155	**1,582,121**	1,216,051
Lease liabilities	**7,607,807**	12,723,151	**–**	–

39. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through optimization of debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes trade and other payables, lease liabilities and contract liabilities. The equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Notes 24, 25, 26 and 27.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders, return capital to shareholders or issue new shares and share buy-backs. The Group's overall strategy remains unchanged from 31 December 2019.

Management monitors capital based on a gearing ratio of less than one. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total debts (excluding bank overdrafts, income tax payable and deferred tax liabilities as shown in the statements of financial position), less cash and cash equivalents (net of bank overdrafts and fixed deposits pledged). Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	Group	
	2020	2019
	RM	RM
Total debts	**13,336,484**	26,912,099
Less: Cash and cash equivalents	**(495,636)**	(647,973)
Net debt	**12,840,848**	26,264,126
Total equity	**7,607,580**	3,448,525
Total capital	**20,448,428**	29,712,651
Gearing ratio	**0.63**	0.88

The Group and the Company are not subjected to any externally imposed capital requirements during the financial year ended 31 December 2020 and 2019.

40. Event subsequent to the reporting date

On 29 January 2021, the Group has issued 1-year convertible loans for an aggregate principal amount of SGD2,250,000 (approximately RM6,900,000). The repayment due date is 12 months from the date of issuance and bear interest rate of 10% per annum. They are optional to convert into 56,250,000 ordinary shares with conversions price of SGD0.04 per share in June, September, and December 2021.

41. Development of COVID-19 outbreak and its corresponding impact on the Group/Company

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain, and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group´s business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management’s latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

Statistics of Shareholdings

As at 16 March 2021

Number of Issued and Paid-up Share Capital	:	S$47,597,074.56
Number of Issued and Paid-up Shares	:	493,082,927
Class of Shares	:	Ordinary Shares fully paid
Number of Issued and Paid-up Shares excluding Treasury Shares and Subsidiary Holdings	:	492,882,927
Number and Percentage of Treasury Shares	:	200,000 (0.04%)
Number and Percentage of Subsidiary Holdings	:	Nil
Voting Rights	:	One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	7	0.72	283	0.00
100 - 1,000	34	3.48	19,627	0.00
1,001 - 10,000	207	21.16	1,651,500	0.34
10,001 - 1,000,000	698	71.37	86,002,772	17.45
1,000,001 AND ABOVE	32	3.27	405,208,745	82.21
TOTAL	**978**	**100.00**	**492,882,927**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	54,577,200	11.07
2	LOW KOON POH	50,000,000	10.14
3	LIW CHAI YUK	44,777,103	9.08
4	PHILLIP SECURITIES PTE LTD	36,209,350	7.35
5	CHRISTOPHER NGHIA DO	27,788,158	5.64
6	WILLY CHAN FOO WENG	27,515,633	5.58
7	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	25,192,042	5.11
8	OCBC SECURITIES PRIVATE LIMITED	24,586,800	4.99
9	UOB KAY HIAN PRIVATE LIMITED	23,328,600	4.73
10	MICHAEL MARCUS LIEW	12,909,600	2.62
11	RAFFLES NOMINEES (PTE.) LIMITED	7,987,850	1.62
12	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,768,800	1.58
13	PERMBROOK PTY LIMITED	7,524,000	1.53
14	CROGAR PTY LIMITED	7,230,000	1.47
15	MUWORI PTY LIMITED	7,230,000	1.47
16	DBS NOMINEES (PRIVATE) LIMITED	4,913,950	1.00
17	KHIEM TRONG DO	4,691,000	0.95
18	NG LEE ENG	4,000,000	0.81
19	POH CHENG SENG OR POH SENG KUI	4,000,000	0.81
20	ROZIA HANIS BINTI TUN HUSSEIN	3,133,000	0.64
	TOTAL	**385,363,086**	**78.19**

Note:

The shareholding percentage is computed based on the number of issued and paid-up shares (excluding treasury shares) of 492,882,927 shares as at 16 March 2021.

Substantial Shareholders

As recorded in the Register of Substantial Shareholders as at 16 March 2021

		Direct Interest		Deemed Interest	
No	Name	No. of Shares	%	No. of Shares	%
1	TAN SRI DATO' HARI N. GOVINDASAMY	–	–	53,856,500 [1]	10.93
2.	VIMALA J. GOVINDASAMY	–	–	53,856,500[1]	10.93
3.	CHRISTOPHER NGHIA DO	27,788,158	5.64	1,736,000[2]	0.35
4.	LOW KOON POH	50,000,000	10.14	–	–
5.	LIW CHAI YUK	44,777,103	9.08	–	–
6.	WILLY CHAN FOO WENG	27,515,633	5.58	–	–

Notes:

[1] The deemed interest in 53,856,500 shares are held by Tan Sri Dato' Hari N. Govindasamy and Vimala J. Govindasamy through a joint account in Citibank Nominees Singapore Pte. Ltd.

[2] Christopher Nghia Do is deemed to be interested in 1,736,000 shares held by his spouse, Tran Thi Mai Thao.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 16 March 2021, approximately 57.26% of the issued and paid-up shares of the Company (excluding treasury shares and subsidiary holdings) were held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). Accordingly, Rule 723 of the Catalist Rules has been complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Medi Lifestyle Limited (the "**Company**") will be held by way of electronic means on **Tuesday, 27 April 2021 at 3.00 p.m.** (Singapore time) to transact the following business thereon:

Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Directors' Statement together with the Auditors' Report.
(Resolution 1)

2. To re-elect Ng Weng Sui Harry who is retiring by rotation pursuant to Article 98 of the Constitution of the Company. *[See explanatory Note 1]*
(Resolution 2)

3. To re-elect Kesavan Nair who is retiring by rotation pursuant to Article 98 of the Constitution of the Company. *[See explanatory Note 1]*
(Resolution 3)

4. To re-elect Tan Chai Hong who is retiring pursuant to Article 102 of the Constitution of the Company. *[See explanatory Note 1]*
(Resolution 4)

5. To approve the payment of Directors' fees amounting to S$124,800/- for the financial year ending 31 December 2021, to be paid quarterly in arrears (2020: S$201,600/-).
(Resolution 5)

6. To re-appoint Messrs Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 6)

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

7. **Authority to Allot and Issue Shares**

THAT pursuant to Section 161 of the Companies Act (Chapter 50) (the "**Act**") and Rule 806(2) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

I (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that may or would require shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures, convertible securities or other instruments convertible into shares; and/or

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

II (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided always that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 100% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of the total issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising of share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

provided further that adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(c) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 2]

(Resolution 7)

8. **Approval for the continued appointment of Mr Ng Weng Sui Harry ("Mr Harry Ng") as an Independent Director for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules by all shareholders**

That subject to and contingent upon the passing of Ordinary Resolution 2 by shareholders and the passing of Ordinary Resolution 9 by shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their associates) and in accordance with Rule 406(3)(d)(iii)(A) of the Catalist Rules (which will take effect from 1 January 2022):

(a) the continued appointment of Mr Harry Ng as an Independent Director be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Mr Harry Ng as a director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. *[See explanatory Note 3]*

(Resolution 8)

9. **Approval for the continued appointment of Mr Harry Ng as an Independent Director for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules by shareholders excluding the Directors and the Chief Executive Officer of the Company and their associates**

That subject to and contingent upon the passing of Ordinary Resolutions 2 and 8 by shareholders and in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules (which will take effect from 1 January 2022):

(a) the continued appointment of Mr Harry Ng as an Independent Director be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Mr Harry Ng as a director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. *[See explanatory Note 3]*

(Resolution 9)

10. **Approval for the continued appointment of Mr Kesavan Nair as an Independent Director for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules by all shareholders**

That subject to and contingent upon the passing of Ordinary Resolution 3 by shareholders and the passing of Ordinary Resolution 11 by shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their associates) and in accordance with Rule 406(3)(d)(iii)(A) of the Catalist Rules (which will take effect from 1 January 2022):

(a) the continued appointment of Mr Kesavan Nair as an Independent Director be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Mr Kesavan Nair as a director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. *[See explanatory Note 3]*

(Resolution 10)

11. **Approval for the continued appointment of Mr Kesavan Nair as an Independent Director for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules by shareholders excluding the Directors and the Chief Executive Officer of the Company and their associates**

That subject to and contingent upon the passing of Ordinary Resolutions 3 and 10 by shareholders and in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules (which will take effect from 1 January 2022):

(a) the continued appointment of Mr Kesavan Nair as an Independent Director be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Kesavan Nair as a director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. *[See explanatory Note 3]*

(Resolution 11)

12. To transact any other business that may be transacted at an AGM of the Company.

By Order of the Board

Kong Wei Fung
Company Secretary
Singapore
5 April 2021

Explanatory Notes:

(1) **Resolutions 2 to 4**

Ordinary Resolution 2 - Mr Harry Ng will, upon re-election as a Director, continue to serve as Lead Independent Director, Chairman of the Audit Committee and member of the Nominating and Remuneration Committees. The Board of Directors considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Ordinary Resolution 3 - Mr Kesavan Nair will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Nominating and Remuneration Committees and member of the Audit Committee. The Board of Directors considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Ordinary Resolution 4 - Ms Tan Chai Hong will, upon re-election as a Director, continue to serve as Executive Director of the Company.

Detailed information of the retiring Directors can be found under sections entitled "Directors' Profile" and "Report on Corporate Governance" of the Company's Annual Report 2020.

(2) **Resolution 7**

This is to empower the Directors of the Company, effective until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, without seeking any further approval from shareholders in a general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution. For issue of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) other than on a *pro rata* basis to existing shareholders, the aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution.

(3) **Resolutions 8 to 11**

The proposed Ordinary Resolutions 8, 9, 10, and 11 are in anticipation of Rule 406(3)(d)(iii) of the Catalist Rules which will take effect on 1 January 2022. Rule 406(3)(d)(iii) of the Catalist Rules provides that a director will not be independent if he has been a director for an aggregate period of more than nine (9) years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer, and their respective associates.

Messrs Harry Ng and Kesavan Nair have served for more than nine (9) years on the Board of the Company and unless subject to the two-tier vote, they will not be considered as Independent Directors from 1 January 2022. The Company is seeking a two-tier shareholders' approval for the continued appointment of Messrs Harry Ng and Kesavan Nair as Independent Directors for a three (3) year term, with effect from passing of the Resolutions until the conclusion of the third AGM of the Company following the passing of the Resolutions. Directors, Chief Executive Officer and their associates (as defined under the Catalist Rules) are required to abstain from voting on proposed Ordinary Resolutions 9 and 11.

Ordinary Resolutions 8 and 9, if passed, will remain in force until the earlier of: (i) Mr Harry Ng's retirement or resignation as Director of the Company; or (ii) the conclusion of the third AGM of the Company following the passing of such Resolutions.

Ordinary Resolutions 10 and 11, if passed, will remain in force until the earlier of: (i) Mr Kesavan Nair's retirement or resignation as Director of the Company; or (ii) the conclusion of the third AGM of the Company following the passing of such Resolutions.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at the URL https://investor.medi-lifestyle.com/agm.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-visual webcast ("**Live Webcast**") or "live" audio-only stream ("**Live Audio Stream**")), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 5 April 2021 ("**AGM Alternative Arrangements Announcement**"). The AGM Alternative Arrangements Announcement, this Notice of AGM, the Annual Report of the Company and the proxy form may be accessed at the Company's website at the URL https://investor.medi-lifestyle.com/agm.html as well as at the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Participation of Meeting via Live Webcast/Live Audio Stream

3. The proceedings of the AGM will be broadcasted "live" through an audio-and-visual webcast and an audio-only stream. Members and investors holding shares in the Company through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings through the Live Webcast or the Live Audio Stream must pre-register at the URL https://investor.medi-lifestyle.com/agm.html no later than 3.00 p.m. on 25 April 2021 ("**Registration Cut-Off Time**"). Following verification, an email containing a unique link and password to access the Live Webcast and a toll-free telephone number to access the Live Audio Stream of the proceedings of the AGM will be sent to authenticated members and CPF/SRS investors. Members and CPF/SRS investors who do not receive any email by 3.00 p.m. on 26 April 2021, but have registered by the Registration Cut-Off Time, should contact the Company's investor relations via email at agm2021@medi-lifestyle.com for assistance.

   Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at the URL https://investor.medi-lifestyle.com/agm.html for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) via email to the Company's Share Registrar at srs.teamd@boardroomlimited.com no later than 3.00 p.m. on 25 April 2021.

Appointment of Chairman as Proxy and Voting

4. **As the AGM will be held by way of electronic means, members will not be able to attend the AGM in person. A member (whether individual or corporate) will also not be able to vote "live" on the Resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

   The instrument appointing the Chairman of the AGM as proxy ("**proxy form**") may be accessed at the Company's website and the SGX website. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.

5. The Chairman of the AGM, as proxy, needs not be a member of the Company.

6. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 15 April 2021, being seven (7) working days before the date of the AGM. For investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50) should approach their respective relevant intermediaries as soon as possible to specify voting instructions.

7. The proxy form must be submitted to the Company in the following manner:

    a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or

    b) if submitted electronically, be submitted via email enclosing a signed PDF copy of the proxy form to the Company's Share Registrar at srs.teamd@boardroomlimited.com,

    in either case, by no later than 3.00 p.m. on 25 April 2021, not less than forty-eight (48) hours before the time appointed for holding the AGM and in default the instrument of proxy shall not be treated as valid.

    A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or sending it by email to the email address provided above. **Members are strongly encouraged to submit completed proxy forms electronically via email.**

8. The proxy form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised or in such manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

9. Where the proxy form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

10. A depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the depositor to be entitled to attend, speak and vote at the AGM.

Submission of Questions in Advance

11. **Members will not be able to ask questions "live" during the broadcast of the AGM. Members and CPF/SRS investors may submit questions relating to the business of the AGM no later than 3.00 p.m. on 24 April 2021:**

    (a) via the pre-registration website at the URL https://investor.medi-lifestyle.com/agm.html; or

    (b) by email to the Company's investor relations at agm2021@medi-lifestyle.com.

    he Company will endeavour to answer all substantial and relevant questions prior to, or at, the AGM.

    Investors (other than CPF/SRS investors) will not be able to submit questions relating to the business of the AGM via the above means. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

12. All documents (including the Annual Report, this Notice of AGM and the proxy form) or information relating to the business of the AGM have been, or will be, published on the Company's website and SGX website. **Printed copies of the documents will not be despatched to members.** Members and Investors are advised to check the Company's website or SGX website regularly for updates.

Personal data privacy:

By (a) submitting a proxy form appointing the Chairman of the AGM to vote at the AGM and/or any adjournment thereof or (b) submitting any question prior to the AGM or (c) submitting the pre-registration form in accordance with this Notice, a member of the Company (i) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty; and (ii) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of (collectively, the "**Purposes**"):

I. the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);

II. processing the pre-registration forms for purposes of granting access to members for the Live Webcast or Live Audio Stream and providing viewers with any technical assistance, where necessary;

III. addressing selected substantive questions from members received before or during the AGM;

IV. the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

V. enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

---

*This notice of AGM ("**Notice**") has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This Notice 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 Notice, including the correctness of any of the statements or opinions made, or reports contained in this Notice.*

The contact person for the Sponsor is Ms Charmian Lim, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone: (65) 6232 3210.

MEDI LIFESTYLE LIMITED

(Incorporated in the Republic of Singapore – Company Registration No. 201117734D)

ANNUAL GENERAL MEETING PROXY FORM

Important:

1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM and this form of proxy ("**Proxy Form**") have been made available on Company's website at the URL https://investor.medi-lifestyle.com/agm.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the Notice of AGM and this Proxy Form will not be sent to members.
2. Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions in advance, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 5 April 2021. This announcement may be assessed on the Company's website at the URL https://investor.medi-lifestyle.com/agm.html and on the SGX website at URL https://www.sgx.com/securities/company-announcements.
3. **As the AGM is held by way of electronic means, member will NOT be able to attend the AGM in person. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM.**
4. This Proxy Form is not valid for use by investors who buy shares using CPF monies ("**CPF Investors**") and/or SRS monies ("**SRS investors**") (as may be applicable) and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors and/or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM.

I/We, ______________________________ (name) ____________________ (NRIC/Passport/Co Registration No.)

of ____ (address)

being a member/members of Medi Lifestyle Limited (the "**Company**"), hereby appoint Chairman of the AGM as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the AGM to be held by way of electronic means on **Tuesday, 27 April 2021 at 3.00 p.m.** (Singapore time) and at any adjournment thereof. I/We direct the Chairman of the AGM, being my/our proxy, to vote for or against, or to abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder.

No.	Ordinary Resolutions relating to:	For*	Against*	Abstain*
Ordinary Business				
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Directors' Statement together with the Auditors' Report			
2.	To re-elect Ng Weng Sui Harry as a Director of the Company			
3.	To re-elect Kesavan Nair as a Director of the Company			
4.	To re-elect Tan Chai Hong as a Director of the Company			
5.	To approve the payment of Directors' fees for the financial year ending 31 December 2021, to be paid quarterly in arrears			
6.	To re-appoint Mazars LLP as the Company's auditors for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration			
Special Business				
7.	To approve the authority to allot and issue shares			
8.	To approve continued appointment of Ng Weng Sui Harry as an Independent Director by shareholders			
9.	To approve continued appointment of Ng Weng Sui Harry as an Independent Director by shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their associates)			
10.	To approve continued appointment of Kesavan Nair as an independent Director by shareholders			
11.	To approve continued appointment of Kesavan Nair as an Independent Director by shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their associates)			

Notes:

* Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes **for** or **against** a resolution, please indicate with "X" in the "**For**" or "**Against**" box in respect of that resolution. Alternatively, please indicate the number of shares **for** or **against** in the "**For**" or "**Against**" box in respect of that resolution. If you wish the Chairman of the AGM as your proxy to **abstain** from voting on a resolution, please indicate with "X" in the "**Abstain**" box in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Dated this ______ day of ______________ 2021

Total Number of Shares held (Note 1)

____

Signature(s) / Common Seal of members(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO PROXY FORM:
IMPORTANT

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. **Due to current Covid-19 situation and the Company's effort to minimise physical interactions and Covid-19 transmission risk to minimum, the AGM will be held by way of electronic means and members will NOT be able to attend the AGM in person. A member (whether individual or corporate) will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

3. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. **Printed copies of the Notice of AGM and this form of proxy will not be sent to members.**

4. A Chairman of the AGM, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the AGM as proxy must be submitted in the following manner:

    a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or

    b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.teamd@boardroomlimited.com,

    in either case, by no later than 3.00 p.m. on 25 April 2021, not less than forty-eight (48) hours before the time appointed for holding the AGM and in default the instrument of proxy shall not be treated as valid.

    A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Members are strongly encouraged to submit completed proxy forms electronically via email.**

6. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised or in such manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

7. Where the instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. This proxy form is not valid for use by CPF investors and/or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 15 April 2021, being seven (7) working days before the AGM.

9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy). In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have Shares entered against his/her name in the Depository Register at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2021.

MEDI LIFESTYLE

Medi Lifestyle Limited
Company Registration Number (201117734D)

380 Jalan Besar,
#09-05 ARC 380,
Singapore 209000
+65 6299 9881
info@medi-lifestyle.com

cre8
Tel: (65) 63278398