



MEDI LIFESTYLE LIMITED

(Company Registration Number 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)

ENTRY INTO LOAN AGREEMENT WITH AN INTERESTED PERSON

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Medi Lifestyle Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, on 27 February 2024, entered into a loan agreement ("**Loan Agreement**") with Lingholm Holdings Pte. Ltd. ("**LHPL**"), pursuant to which, LHPL has agreed to provide the Company a non-interest bearing loan of S\$1.3 million ("**Loan**"), subject to the terms and conditions of the Loan Agreement.

2. INFORMATION ON LHPL

LHPL is a company incorporated in Singapore on 19 September 2012 and its principal business is that of an investment holding company. The shareholders of LHPL are Mr Xia Junwei and Ms Yuan Xiaohan who hold 90.0% and 10.0% of the shares in LHPL respectively and whom are both directors of LHPL.

LHPL had, on 19 February 2024, acquired 20,000,000 shares in the capital of the Company representing 14.86% of the total issued and paid-up share capital of the Company. Further details of which can be found in the Company's announcements dated 19 February 2024 and 20 February 2024.

3. SALIENT TERMS OF THE LOAN AGREEMENT

- 3.1. The Loan is interest-free and repayable within 12 months from the disbursement date (the "**Term**").
- 3.2. The Company may prepay all or any part of the Loan. On the date of prepayment and in addition to the amount to be prepaid, the Company shall pay to LHPL a prepayment fee of 1.0% of the amount prepaid. For the avoidance of doubt, the Company may not reborrow any part of the Loan which is repaid or prepaid.
- 3.3. During the Term (or such other period as may be mutually agreed in writing by the Company and LHPL), the Company acknowledges that LHPL shall have the right and option to make changes to the Board (including any nominations, appointments and/or resignations) (the "**Board Changes**") and the Company covenants that it shall procure for all Board Changes to be effected as requested by LHPL, provided that such Board Changes shall always be in compliance with the relevant laws and regulations (including the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**") and the Code of Corporate Governance 2018 of Singapore).

In relation to paragraph 3.3 above, the Company wishes to clarify that the Board Changes will still be subject to the review and assessment by the Nominating Committee of the Company and the approval by the Board.

4. USE OF PROCEEDS FROM THE LOAN

Of the S\$1.3 million principal amount of the Loan, S\$0.5 million will be used for working capital while S\$0.8 million will be used for the discharge of existing payables and financial obligations.

5. RATIONALE FOR THE LOAN

The Loan would allow the Group to repay a portion of its existing payables and financial obligations while at the same time retain cash resources for working capital purposes.

6. LOAN AS AN INTERESTED PERSON TRANSACTION

LHPL is only a substantial shareholder of the Company, holding approximately 14.86% shareholding of the issued share capital of the Company as at the date of this announcement. LHPL is not an interested person as defined under Chapter 9 of the Catalist Rules. However, in the interests of good corporate governance, the Group will consider the Loan as an interested person transaction. Pursuant to Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. As the Loan is interest-free, there is no amount at risk to the Group.

7. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee of the Company, having considered the terms of and the rationale for the Loan, are of the opinion that the transaction was conducted on an arm's length basis and on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company and as disclosed, none of the Directors or controlling shareholders of the Company or their respective associates has any direct or indirect interest in the Loan.

By Order of the Board

Dato' Alvin Joseph Nesakumar
Executive Director and Chief Commercial Officer
27 February 2024

MEDIA CONTACT

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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