



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

PROPOSED SUBSCRIPTION OF UP TO 44,247,788 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0113 PER SHARE

1. INTRODUCTION

1.1. The board of directors (the "**Board**" or "**Directors**") of Medi Lifestyle Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that, on 30 June 2022, the Company had entered into a separate subscription agreement (the "**Subscription Agreement**") with Dato' Willy Chan Foo Weng (the "**Subscriber**").

1.2. Pursuant to the Subscription Agreement, the Subscriber has agreed to subscribe for an aggregate of 44,247,788 new ordinary shares ("**Shares**") in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.0113 (the "**Issue Price**") for each Subscription Share amounting to an aggregate cash consideration of S\$500,000 (the "**Aggregate Consideration**"), subject to and upon the terms and conditions of the Subscription Agreement (the "**Proposed Subscription**"). Please refer to paragraph 2 of this announcement for more information on the Proposed Subscription.

1.3. Additional Listing Application

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

1.4. Exemption from Prospectus Requirement

The Proposed Subscription is not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscription. The offer and allotment and issue of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2. INFORMATION RELATING TO THE SUBSCRIBER

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

2.1. The Subscriber is a private investor and has experience in financial investment in private and public companies in various countries including Malaysia and Singapore. His subscription is for investment purposes.

2.2. As at the date of this announcement, the Subscriber currently holds 23,472,733 Shares representing 4.25% of the total issued and paid-up share capital of the Company. Subsequent to the completion of the Proposed

Subscription, the Subscriber will become a substantial shareholder of the Company holding 67,720,521 Shares representing 11.34% of the enlarged share capital.

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

3. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

3.1. Subscription Shares

Pursuant to the terms of the Subscription Agreement, the Subscriber shall subscribe for 44,247,788 Subscription Shares at the Issue Price per Subscription Share.

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

The Subscription Shares represent approximately 8.01% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement and approximately 7.41% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Subscription, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Proposed Placement.

3.2. Issue Price

The Issue Price of S\$0.0113 per Subscription Share represents a discount of approximately 9.6% to the volume weighted average price ("**VWAP**") of S\$0.0125 per Share for trades done on the SGX-ST on 29 June 2022, being the last full market day on which the Shares were traded and prior to the signing of the Subscription Agreement.

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

3.3. General Mandate

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company ("**Shareholders**") by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 27 May 2022 ("**2022 AGM**"). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2022 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). As at the date of the 2022 AGM, the Company had 552,768,971 Shares in issue (excluding 200,000 treasury shares) and accordingly, the Company had 276,384,485 Shares available for issuance under the General Mandate on a non-*pro-rata* basis. As at the date of this announcement, the Company has not issued any Shares under the General Mandate. Accordingly, the proposed allotment and issue of the Subscription Shares falls within the limit of the General Mandate.

3.4. Compliance with Catalist Rules

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

3.5. Conditions Precedent

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

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

3.6. Long-Stop Date

Under the Subscription Agreement, if the Conditions Precedent are not satisfied on the date falling four (4) weeks after the date of the Subscription Agreement (i.e. on or before 29 July 2022) (or such later date as the parties may mutually agree) (the "**Long-Stop Date**"), the Subscription Agreement shall terminate and

be of no further effect and no party shall be under any liability to the other in respect of the Subscription Agreement save that the Company shall remain liable for indemnities against the Subscriber.

3.7. Completion

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

4. **RATIONALE FOR THE PROPOSED SUBSCRIPTION AND USE OF PROCEEDS**

Based on the audited financial statements of the Group for the financial year ended 31 December 2021, the Group is in capital deficiency position of RM5.9 million and net current liability position of RM6.1 million. The Directors are of the view that the Proposed Subscription is beneficial to the Group as it will allow the Group to strengthen its financial position, improve the Group's cash flow and increase working capital available to the Group to fund the anticipated working capital requirements of the Group.

The Proposed Subscription will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimates expenses of approximately S\$15,000) of approximately S\$485,000 ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

Use of net proceeds	Proportion (%)	Amount of net proceeds
Settlement of outstanding convertible loans	34%	S\$165,000
Expansion of the Healthcare Business, including, <i>inter alia</i> , renovation and refurbishment of postpartum and chiropractic centres in Malaysia	14%	S\$70,000
Working Capital including, <i>inter alia</i> , professional fees, staff salaries and general overheads	52%	S\$250,000
Total	100%	S\$485,000

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

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

5. **DIRECTOR'S CONFIRMATION**

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

6. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

6.1. Bases and assumptions

The financial effects of the Proposed Subscription on (a) the consolidated net tangible assets (“**NTA**”) per Share and (b) the consolidated loss per Share (“**LPS**”) of the Group, have been prepared based on the audited financial statements of the Group for the financial year ended 31 December 2021 (“**FY2021**”). The *pro forma* financial effects of the Proposed Subscription are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Subscription.

The financial effects are based on the following assumptions:

- (a) the financial effects of the Proposed Subscription on the NTA per Share of the Group are computed based on the assumption that the Proposed Subscription had taken place on 31 December 2021;
- (b) the financial effects of the Proposed Subscription on the LPS is computed based on the assumption that the Proposed Subscription were completed on 1 January 2021;
- (c) the expenses incurred in connection with the Proposed Subscription amount to approximately S\$15,000; and
- (d) an exchange rate of S\$1.00 to RM3.1709 as at 31 December 2021.

6.2. Share Capital

	Before the Proposed Subscription	After the Proposed Subscription
Issued and paid-up share capital (S\$)	49,697,075	50,197,075
Total number of issued Shares (excluding treasury shares) ⁽¹⁾	552,768,971	597,016,759

Notes:-

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

6.3. NTA per Share

The illustrative financial effects of the Proposed Subscription on the NTA per Share of the Group as at 31 December 2021 are as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NTA ⁽¹⁾ (RM)	(6,129,447)	(4,576,706)
Number of Shares	552,768,971	592,451,511
NTA per Share (Malaysian sen)	(1.1)	(0.8)

Notes:-

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

6.4. LPS

The illustrative financial effects of the Proposed Subscription on the LPS of the Group for FY2021 are as follows:

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Loss from continuing operations (RM)	(13,661,359)	(13,661,359)
Loss from discontinued operations (RM)	(10,062,364)	(10,062,364)
Net Loss attributable to owners of the Company (RM)	(23,723,723)	(23,723,723)
Weighted average number of Shares	507,177,081 ⁽¹⁾	545,424,869
Loss per Share (Malaysian sen)	(4.7)	(4.4)

Notes:

- (1) The weighted average number of ordinary shares has been adjusted for (i) issuance of 19,685,039 Shares on 13 April 2021 pursuant to a share subscription exercise; and (ii) issuance of 40,201,005 Shares on 31 December 2021 for the conversion of a convertible loan.

7. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

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

8. **DOCUMENT AVAILABLE FOR INSPECTION**

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

9. **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

10. **TRADING CAUTION**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Subscription are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that

the Proposed Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Dato' Low Koon Poh
Executive Chairman & Chief Executive Officer
1 July 2022

MEDIA CONTACT

For media queries, please contact;

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

The contact person for the Sponsor is Ms Charmian Lim, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone: (65) 6232 3210.