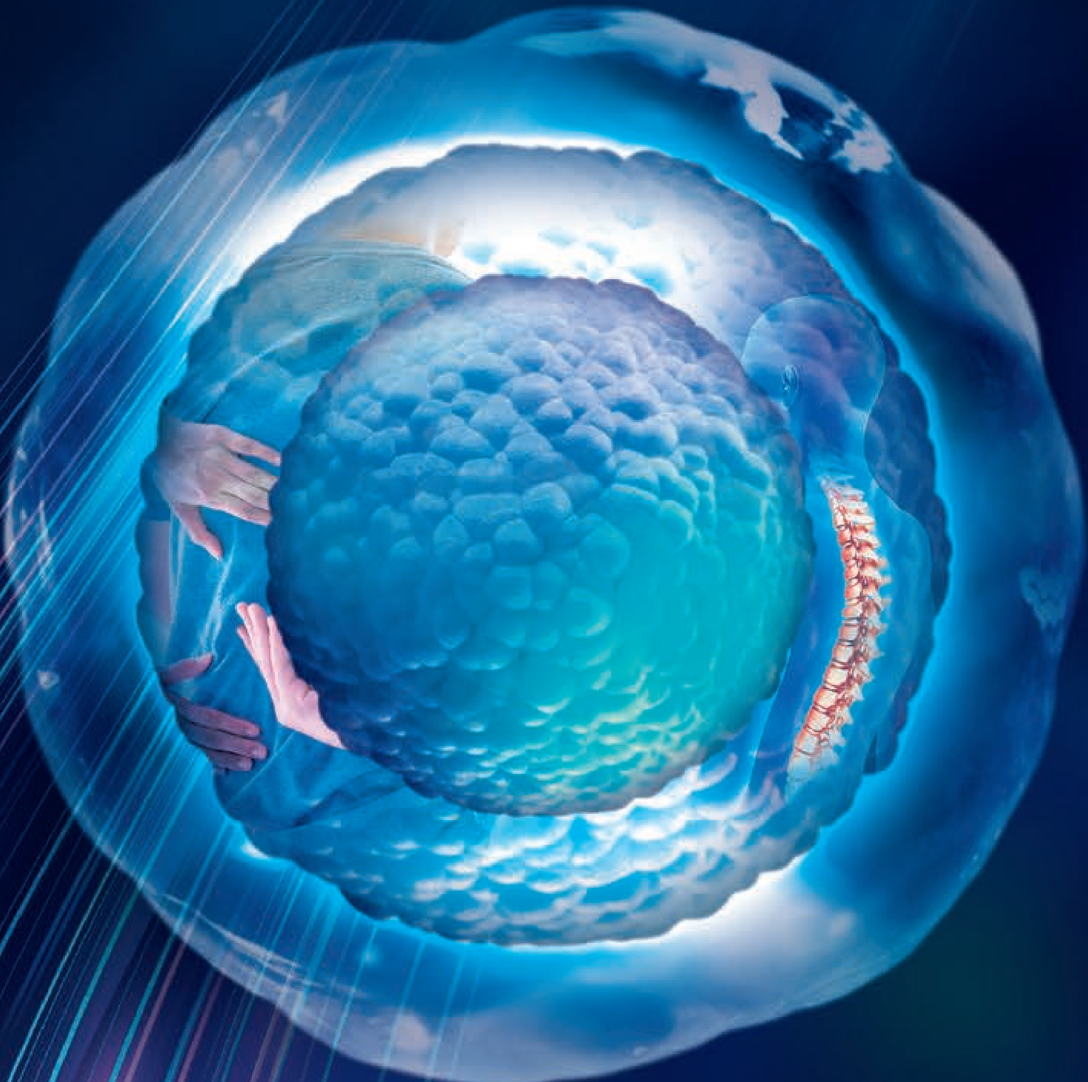
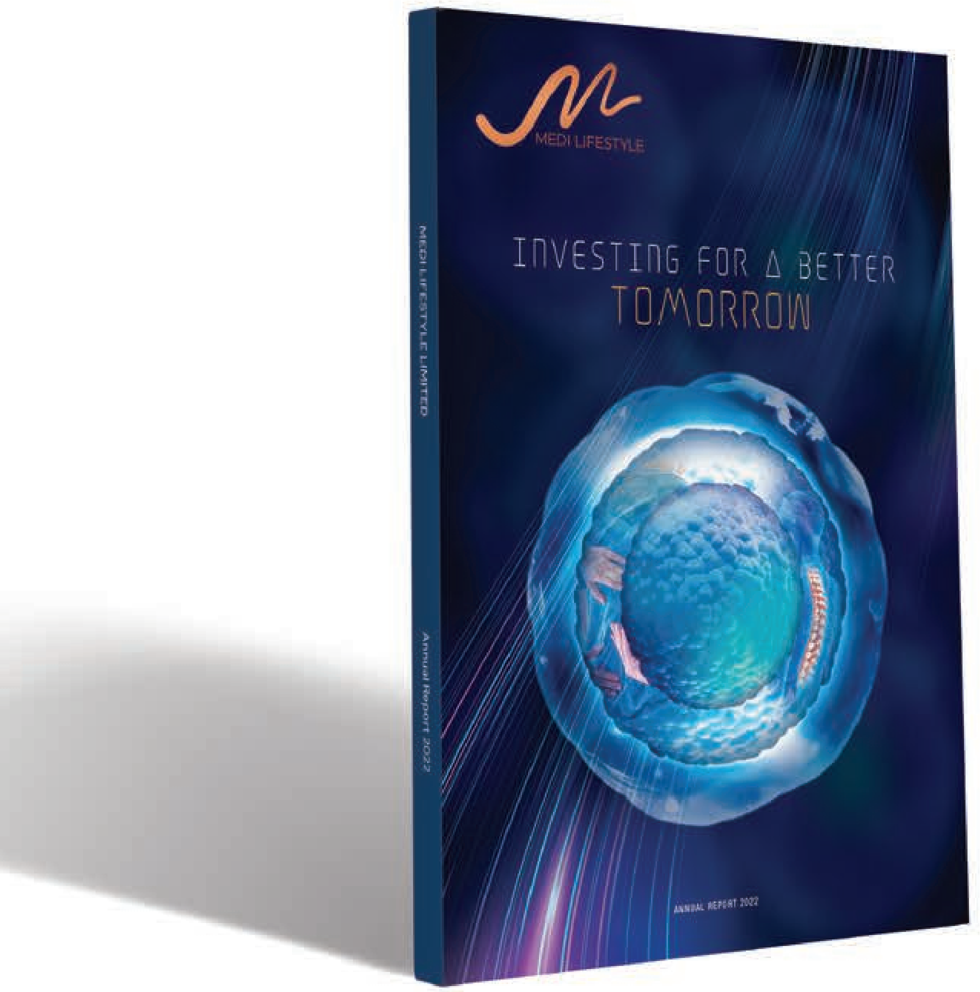
MEDI LIFESTYLE

INVESTING FOR A BETTER TOMORROW



ANNUAL REPORT 2022

We are strengthening our presence in the healthcare business by focusing on preventive healthcare where we enable individuals regardless of age or gender to have a high-quality lifestyle. As we continue growing in the sector, we will identify new opportunities to diversify returns and provide long-term growth to our shareholders.



The cover features an illustration of a stem cell along with photos representing the business segments of the Group. This illustration grounds the Group's identity from the provision of healthcare and wellness services to immunoassay and DNA testing.

Contents

Corporate **Profile**

Listed on the Catalist Board of SGX-ST since 2011, Medi Lifestyle 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 operates a postpartum care centre and a chiropractic and physiotherapy centre at SS2 Petaling Jaya ("**PJ Confinement Centre**").

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

Back to Life

BACK TO LIFE offers 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.

Qodify

QODIFY offers generic profiling service to screen for various potential health risks and health traits related to diseases, with facilities managed by a partner company that pioneered genome sequencing, Bioinformatics analysis and genetic screening services in South East Asia. We focus on developing the latest advances in genetic testing to provide accurate and personalized health care to doctors and patients alike for better health and wellness management.

LanSionbio

Exclusive Distributor:

HealthPro Marketing Sdn Bhd ("**HPM**") and HealthPro Pharma Pte Ltd ("**HPP**") are appointed exclusive distributors by Lansion Biotechnology Co., Ltd for the Malaysia and Singapore markets respectively, to sell and distribute its Brain Trauma Test Kit (Dry Fluorescence Immunoassay) and its LS-4000 Dry Fluorescence Immunoassay Analyser under the brand name 'LansionBio'.

Nadora

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

Corporate Information

BOARD OF DIRECTORS
Dato' Low Koon Poh
Executive Chairman and
Chief Executive 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)
Ms. Ng Yau Kuen Carmen (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)
Ms. Ng Yau Kuen Carmen (Member)

REMUNERATION COMMITTEE
Mr. Kesavan Nair (Chairman)
Mr. Ng Weng Sui, Harry (Member)
Ms. Ng Yau Kuen Carmen (Member)
Tan Sri Ahmad Bin Mohd Don
(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
100.03.015, Level 3 Block J,
72A, Jalan Universiti, Seksyen 13,
46200 Petaling Jaya, Selangor, Malaysia.
T: +6013 257 2787

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

SHARE REGISTRAR & SHARE TRANSFER OFFICE
Boardroom Corporate & Advisory Services
Pte.Ltd.
1 Harbourfront Avenue
Keppel Bay Tower
#14-03/07
Singapore 098632

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 2022)

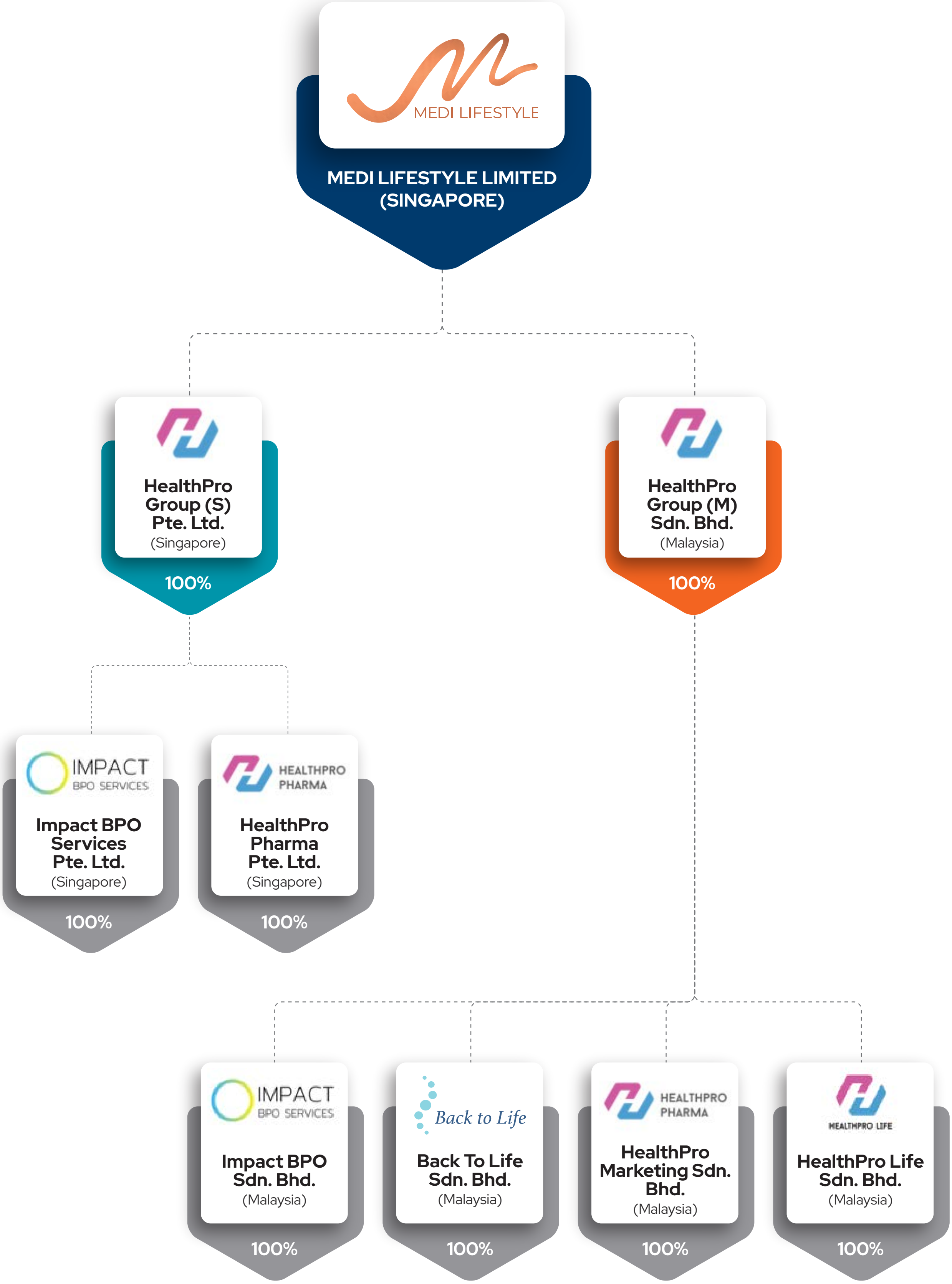
INTERNAL AUDITORS
Crowe Governance Sdn Bhd
Level 16, Tower C, Megan Avenue II,12,
Jalan Yap Kwan Seng,

50450 Kuala Lumpur, Malaysia
Director-In-Charge: Amos Law
(Appointed on 21 Sept 2012)

PRINCIPAL BANKERS
The Hongkong and Shanghai Banking Corporation Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 Level 48
Singapore 018983

RHB Bank Berhad
157 & 159, Jalan SS 2/24, Sg Way Subang,
47300 Petaling Jaya, Selangor, Malaysia.

Corporate **Structure**



Directors' **Profile**

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 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. He was last re-appointed on 27 May 2022.

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.

NG WENG SUI HARRY
Lead Independent Director

Harry Ng was appointed to the Board on 26 July 2011. He was last re-appointed on 27 April 2021.

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. He is currently the Executive Director of HLM (International) Corporate Services Pte. Ltd., a company that provides business consultancy, corporate advisory, accounting and tax services. Prior to this position, he was the chief financial officer with a number of companies listed on SGX-ST. He has more than 30 years of experience in finance, accounting and audit. He sits on the boards of several listed companies in 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.

Directors' **Profile**

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 27 April 2021.

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 OxPay Financial 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 Audit, Nominating, Remuneration and Risk Committees. She was re-appointed on 27 May 2022.

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, Nominating, Remuneration and Risk 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.

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

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

Loo Sow Kuen 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, Loo Sow Kuen oversees the administration and operations of postpartum centres under the Group. She has more than 15 years of experience in the Healthcare industry.

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

Financial Highlights

INCOME STATEMENT	FY2022 RM'000	FY2021 RM'000
Revenue	2,401	1,397
Gross profit	93	492
Loss from continuing operations before interest, tax, depreciation and amortisation	(3,896)	(12,649)
Loss from discontinued operations	–	(10,062)
Loss attributable to owners of the Company	(4,303)	(23,724)
Loss per share (Malaysian sen)[(1)]		
– basic	(0.75)	(4.68)
– diluted	(0.75)	(4.68)

BALANCE SHEET	AS AT 31 DECEMBER 2022 RM'000	AS AT 31 DECEMBER 2021 RM'000
Property, plant and equipment	240	157
Right-of-use assets	345	946
Other non-current assets	200	200
Current assets excluding cash and bank balances	881	1,509
Cash and bank balances	510	1,218
Total assets	2,176	4,030
Non-current liabilities	(2,515)	(1,159)
Current liabilities	(8,372)	(8,800)
Net Asset Value	(8,711)	(5,929)
Shareholders' equity	(8,711)	(5,929)
Net Asset Value per share (Malaysian sen)[(2)]	(1.5)	(1.1)

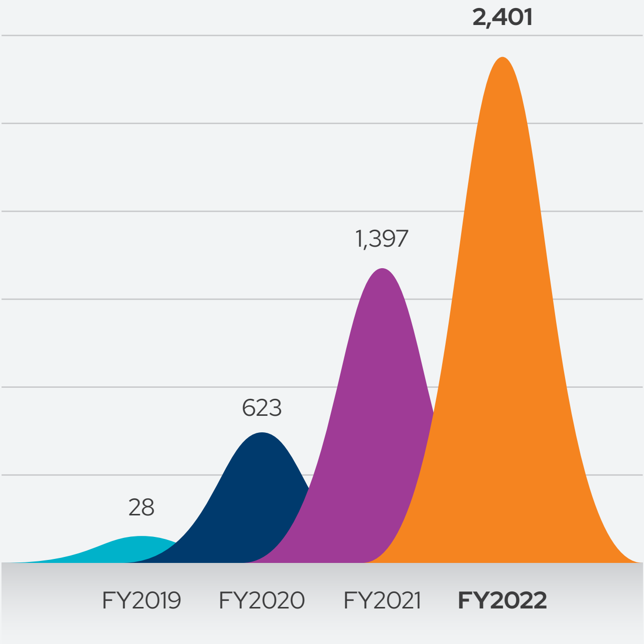
Notes:

(1) The loss per share (basic and on a fully diluted basis) for FY2022 have been computed based on the Group's loss attributable to owners of the Company and the weighted average number of ordinary shares in issue of 572,892,623, subsequent to issuance of 44,247,788 shares at S$0.0113 per share for a share subscription exercise on 19 July 2022. For comparative purposes the loss per share (basic and on a fully diluted basis) for FY2021 have been computed based on the Group's loss attributable to owners of the Company and the weighted average number of ordinary shares in issue of 507,177,081, subsequent to (i) issuance of 19,685,039 shares at S$0.0254 per share for a share subscription exercise on 13 April 2021; and (ii) issuance of 40,201,005 shares at S$0.0398 per share for the conversion of a convertible loan on 31 December 2021.

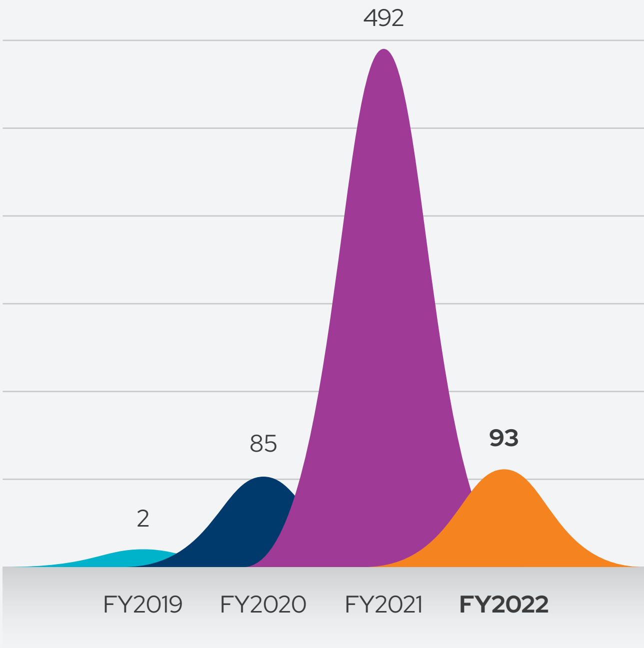
(2) Net asset values per share as at 31 December 2022 and 31 December 2021 have been calculated based on the aggregate number of ordinary shares of 597,016,759 and 552,768,971 as at the respective dates, excluding treasury shares.

Financial **Highlights**

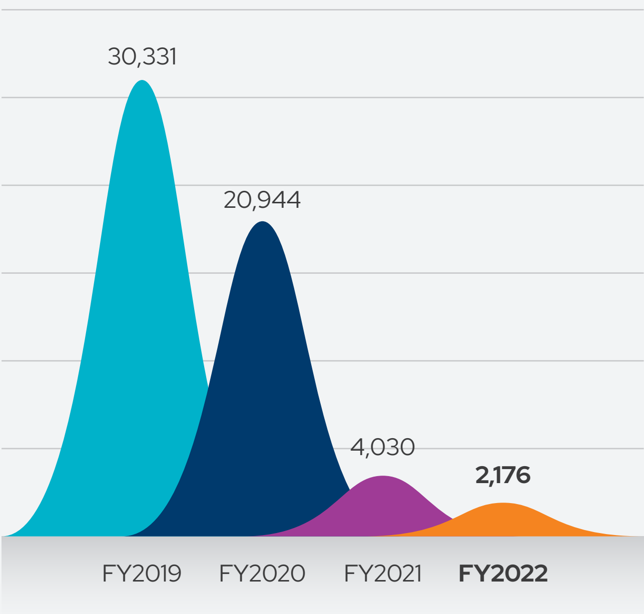
REVENUE
(RM'000)



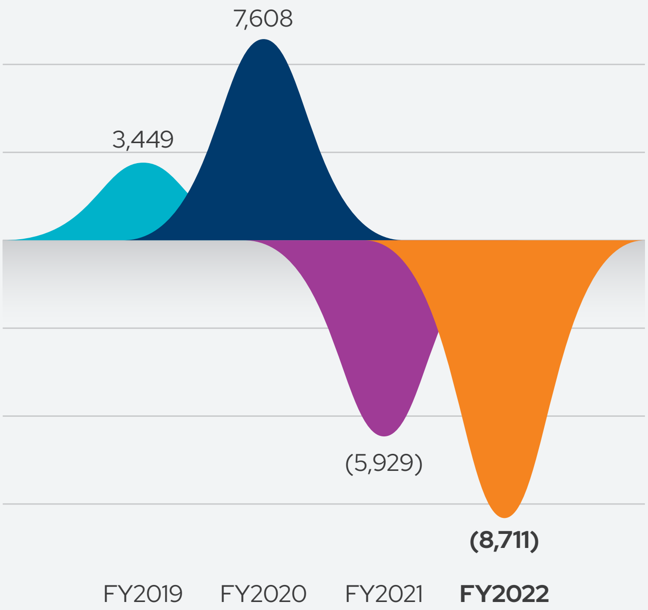
GROSS PROFIT
(RM'000)



TOTAL ASSETS
(RM'000)



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



Message to Shareholders

DEAR SHAREHOLDERS,

For the financial year ended 31 December 2022 ("**FY2022**"), the Group was agile and decisive in achieving strategic progress for its Healthcare business and laying the foundations for long-term growth and delivery of sustainable value.

THE YEAR IN REVIEW

2022 was host to events ranging from the much-anticipated global winding down of restrictions for Covid-19 and border re-openings, the unexpected Russia-Ukraine conflict that set off runway inflation to soaring interest rates.

Against this backdrop, the Group successfully made headway in strengthening its Healthcare business while securing an improved top line. For the year under review, the Group's revenue grew by 71.8% on the back of the stable contribution from the Healthcare business, complemented by returns from our Outsourced Services business.

Results aside, our focus continues to be on our Healthcare segment, specifically preventive healthcare. We are concentrating on personal wellbeing of individuals and allowing them to have a high-quality healthy lifestyle for as long as possible. This focus allows us to cater to a wider range of customers regardless of age or gender.

HEALTHCARE

Alongside our corporate actions, the Group continues to strengthen foundations and unlock new avenues of growth for the Healthcare segment.

Chiropractic & Physiotherapy

We continue to achieve significant growth for our 'Back To Life' ("**BTL**") brand of chiropractic and physiotherapy treatment and have launched a second branch at Jaya One, Petaling Jaya. The expansion allows us to reach a wider audience and provide high-quality care and personalised treatment plans alongside experienced professionals to help our clients achieve optimal health and wellness.

Our first centre reported promising month-on-month results making us upbeat on their future performance as chiropractic and physiotherapy services continue to remain sought after in Malaysia and demand expected to continue growing for the foreseeable future. The rising trend of an active and sporty lifestyle amongst young and old alike translates to high demand for such services as people become increasingly aware of the benefits of non-invasive and drug-free treatments for musculoskeletal issues. This is further supported by an uptick of new and standalone centres opening in major population catchment areas to meet market demand.

As we strengthen our focus on this business, we are on the lookout for more locations to expand and anticipate setting up at least two additional centres in 2023. With our continued focus on expansion and providing exceptional care, we aim to become a leader in the chiropractic and physiotherapy industry.

Our focus continues to be on our Healthcare segment, specifically preventive healthcare. We are concentrating on personal wellbeing of individuals and allowing them to have a high-quality healthy lifestyle for as long as possible. This focus allows us to cater to a wider range of customers regardless of age or gender.

DATO' LOW KOON POH
Executive Chairman and Chief Executive Officer

Message to Shareholders

Cell-therapy products
The Group has taken a strategic step forward to expand its business into the preventive healthcare industry which is rapidly growing as the global population ages and chronic diseases become more prevalent. We have entered the industry via a sole-distributorship agreement with Malaysian Genomics Resource Centre Berhad for the marketing, sales and distribution of its cell and cell-free products including Mesenchymal Stem Cell-derived Exosomes to the Singapore markets. The distributorship allows us to trade in cell therapy products which involve the use of living cells, often from the patient's own body, to repair or replace damaged tissues or cells. These products offer significant business potential as the demand for innovative therapies to treat complex diseases is increasing.

To further illustrate the products benefits, we begin with the human umbilical cord-derived mesenchymal stem cells (UC-MSCs) which are a class of cells with significant self-renewal and multi-lineage differentiation properties, and they are recognised for their therapeutic potential for anti-inflammation, cell regeneration and therapeutic effects against chronic diseases.

From that, we have UC-MSC-derived Exosomes which contain valuable lipids, messenger-RNA, micro-RNA, signalling cytokines, and proteins. Exosomes – our product – are powerful elements that can restore cells throughout the human body. They enhance cell-to-cell communication, which is essential for overall cell health to stimulate healing. Exosome therapy is a highly targeted, flexible treatment for conditions like osteoarthritis, musculoskeletal injuries, chronic wound management, and skin regeneration. By using Exosomes as a therapeutic tool, we can deliver important signals to cells that can promote healing and tissue regeneration.

In a nutshell, Exosome have the potential to revolutionize the treatment of various diseases by vitalising the body's natural processes to heal itself.

As of December last year, we received acknowledgement from the Health Sciences Authority (HSA) to market an Exxo Wellness Intensive Serum derived from Exosomes for the Singapore market subject to certain conditions being met. This is a significant achievement for our company, as it enables us to bring this innovative therapy to patients in Singapore who could benefit from this treatment.

We have already started collaboration with selected beauty/aesthetic centres in Singapore and are in talks to work with several other companies in both Singapore and Malaysia for the sales and marketing of these products.

Furthermore, discussions regarding cross-industry collaborations are underway, with the goal of creating innovative products that can benefit the mass market. Cross-industry collaborations can also help to identify new market opportunities or address existing market needs more effectively. By leveraging the strengths and capabilities of different industries, it is possible to create new solutions that have a broader impact and benefit a larger number of people.

DNA Profiling
As for our DNA profiling business, we are now focused on creating awareness and marketing our DNA profiling products under the "Qodify" brand to the Malaysia market. Work is already underway as we have established several sales channels through collaborations with membership platforms to facilitate reaching out to customers.

Product Distribution
We are still at a nascent stage for our Lansionbio Dry Fluorescence Immunoassay Analyser ("**Analyser**") Brain Trauma Test Kits which are still at the application phase with the Malaysian government. These test kits are expected to prove useful for hospital A&E departments and operations theatres for rapid and accurate testing. At an appropriate opportunity and time, the Group intends to expand the market for this Analyser to include tests for diabetes, heart and hormonal conditions.

As a whole, we remain optimistic of the long-term potential and capabilities of our Healthcare segment and will continue to focus on unlocking new avenues of value along with operational improvements.

From a geographical perspective, our businesses prospects in Malaysia appear optimistic as the economy is in full swing post-pandemic albeit with manpower challenges and rising inflation. Furthermore, we anticipate that growing public awareness on personal wellness and wellbeing bodes well for the Group.

In Singapore, the challenges are mirrored, and our perspective is also one of cautious optimism as we seek to leverage on the abovementioned sole-distributorship rights to distribute and market cell-therapy products in the country. We will also continue to look out for viable opportunities in the healthcare and wellness space.

CONCLUSION
It has been an eventful year for the Group and the Board and Management is continuously reviewing the strategic plans for the Group, taking into consideration the macro-economic environment.

Our steady strides toward improving our performance and our standing in the industry were only made possible through the hard work, dedication and faith of our management and staff. I would like to thank them for their efforts and contribution. My appreciation also extends to the Board for steering and supporting the Group through FY2022. I look forward to working closely with all stakeholders to bring the Group to new heights in the year ahead.

DATO' LOW KOON POH
Executive Chairman and CEO

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.

REVENUE AND SALES ANALYSIS

Revenue for financial year ended 31 December 2022 ("**FY2022**") was RM2.4 million, a 71.9% increase from revenue for the financial year ended 31 December 2021 ("**FY2021**") of RM1.4 million. The revenue increase was mainly due to the acquisition of back-office support service companies ("**Outsourced Services**"), Impact BPO Services Pte. Ltd. ("**Impact SG**") in Singapore and Impact BPO Sdn. Bhd. ("**Impact MY**") in Malaysia on 1 October 2021. Revenue from Healthcare Services remained stable at RM0.7 million for both FY2022 and FY2021.

REVENUE BY GEOGRAPHICAL LOCATIONS OF OUR CUSTOMERS

FROM CONTINUING OPERATIONS	FY2022 RM'000	FY2022 %	FY2021 RM'000	FY2021 %
Malaysia	998	41.6	785	56.2
Singapore	1,403	58.4	612	43.8
Total from continuing operations	2,401	100.0	1,397	100.0

OPERATING MARGIN

For FY2022 the Group reported a gross profit and gross profit margin of RM0.1 million and 3.9% respectively as compared to a gross profit and gross profit margin of RM0.5 million and 35.1% respectively in FY2021. This was mainly due to higher cost of sales attributable to a new team recruited to build-up the Outsource Services business.

OTHER OPERATING INCOME

The Group's other operating income for FY2022 of RM2.0 million comprised mainly of (i) RM1.3 million gain from the termination of commercial lease space at the Mines Wellness City, Klang Valley, Malaysia ("**Mines2 Confinement Centre**"); (ii) RM0.6 million fair-value gain on convertible loans and gain from extinguishment of convertible loans; and (iii) RM0.1 million of government subsidies for restrictions on business activities from the Covid-19 outbreak. Other operating income of RM0.2 million recorded for FY2021 was due mainly to foreign exchange gains and government grants for Covid-19 related restrictions on business activities.

ADMINISTRATIVE EXPENSES

Administrative expenses for FY2022 decreased by 7.2% to RM5.4 million from RM5.8 million for FY2021 due mainly to (i) RM0.4 million decrease in depreciation of right-of-use assets associated with lease termination of the Mines2 Confinement Centre and an office space in Singapore; (ii) reduction of RM0.4 million legal and corporate costs for the issuance of convertible loans and the disposal of IEV Group Sdn Bhd that were incurred during FY2021 but not during FY2022; and (iii) reduction of RM0.1 million in marketing and promotion costs. These decreases in administrative expenses were partially offset by (i) an increase in manpower and overheads of RM0.4 million from the acquisition of Impact SG and Impact MY during the fourth quarter of FY2021 and (ii) increase in foreign exchange loss of RM0.1 million. Depreciation of property plant and equipment ("**PPE**") for FY2022 decreased by 37.6% to RM53 thousand from RM85 thousand in FY2021 due to impairment of PPE related to the postpartum business during FY2021.

Operations and **Financial Review**

OTHER OPERATING EXPENSES

Other operating expenses of RM0.2 million for FY2022 are mainly due to (i) RM0.1 million impairment of PPE and right-of-use ("**ROU**") assets; and (ii) RM0.1 million loss on lease modifications arising from a write-off of prepaid professional and application fees in relation to the termination of the Mines2 Confinement Centre. In comparison, other operating expense of RM7.5 million for FY2021 were mainly due to (i) impairment of goodwill of RM6.1 million; (ii) impairment of ROU assets of RM1.2 million and (iii) impairment of PPE of RM0.3 million; for which these impairments were incurred due to delayed expansion plans of postpartum centres in Singapore and Malaysia as a result of the Covid-19 pandemic.

ALLOWANCE FOR EXPECTED CREDIT LOSSES ("ECL") ON TRADE RECEIVABLES

Allowance for ECL on trade receivables for FY2022 of RM0.4 million (FY2021: RM0.1 million) is in relation to Outsource Services in which management steps were taken on client accounts.

FINANCE EXPENSES

Finance cost for FY2022 decreased by 57.3% to RM0.4 million from RM0.9 million for FY2021 due mainly to (i) conversion of convertible loans with aggregate principal of S$1.6 million into ordinary shares in the Company during FY2021; and (ii) repayment of convertible loans with aggregate principal of S$0.3 million during FY2022.

LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

For reasons set out above, the Group reported a 68.2% decrease in loss before taxation of RM4.3 million for FY2022 compared to a loss before taxation of RM13.6 million for FY2021.

RESULTS FROM DISCONTINUED OPERATIONS

There was no loss from discontinued operations during FY2022. Loss before tax from discontinued operations of RM10.1 million for FY2021 were mainly attributable to (i) RM3.5 million loss from the deconsolidation of IEV Energy Investment Pte. Ltd., classified as a subsidiary in the Exploration and Production sector, upon the completion of its strike-off process; (ii) RM2.5 million loss from the liquidation of HealthPro Pte. Ltd., a subsidiary in the Healthcare Sector; (iii) depreciation of right-of-use assets of RM2.7 million for the commercial lease at Hendon Road, Singapore; (iv) manpower costs of RM0.8 million; and (v) professional and consultancy services of RM0.5 million in relation to HR services, engineering and IT infrastructure consulting for the Hendon Road postpartum centre, and liquidation expenses for HealthPro Pte. Ltd.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Current Assets
The Group's trade receivables increased marginally to RM0.6 million as at 31 December 2022 from RM0.5 million as at 31 December 2021 due mainly to the addition of receivables from Outsourced Services of RM0.5 million, and partially offset by an impairment of receivables of RM0.4 million due to management of client accounts and resolution of prior outstanding client account receivables. The Group's current portion of other receivables and prepayments decreased to RM0.2 million as at 31 December 2022 compared to RM1.0 million as at 31 December 2021 due mainly to (i) RM0.4 million reduction of lease deposits used to offset outstanding lease payments in relation to the termination of the commercial lease space for the Mines2 Confinement Centre; (ii) RM0.2 million of other receivables of Impact SG and Impact MY were offset against other payables owing by these entities; and (iii) RM0.2 million of unbilled revenue was transferred to trade receivables. Inventories reduced to RM37 thousand as at 31 December 2022 from RM47 thousand as at 31 December 2021 due mainly to a RM7 thousand write-off of obsolete inventories.

Non-Current Assets
PPE remained consistent at RM0.2 million as at 31 December 2022 from RM0.2 million as at 31 December 2021 due mainly to (i) renovation works and acquisition of computer and office equipment of RM89 thousand for a corporate office in Malaysia and (ii) acquisition of operating equipment of RM101 thousand for chiropractic and physiotherapy services; which were partially offset by (i) depreciation charges of RM53 thousand and (ii) impairment charges of RM53 thousand for FY2022. ROU assets reduced by RM0.6 million to RM0.3 million as at 31 December 2022 from RM0.9 million as at 31 December 2021 due mainly to (i) RM0.4 million depreciation charges for office space leases in Singapore and Malaysia and (ii) a RM0.2 million reduction due to early termination of an office lease in Singapore. Intangible assets of RM0.2 million as at 31 December 2022 and 31 December 2021 relates to the acquisition of an e-Commerce platform to support the marketing and sales of the DNA profiling product "Qodify".

Capital and Reserves
Share capital of the Company and the Group increased by RM1.6 million to RM127.7 million as at 31 December 2022 from RM126.1 million as at 31 December 2021 due to the allotment and issuance of 44,247,788 new ordinary shares in the Company at an issue price of S$0.0113 per ordinary share pursuant to a placement exercise. The Group's currency translation reserve as at 31 December 2022 was a deficit of RM23 thousand compared to a reserve of RM22 thousand as at 31 December 2021 due to the strengthening of the Singapore dollar during the period in review.

Accumulated losses for the Group increased by RM4.3 million to RM140.3 million as at 31 December 2022 from RM136.0 million as at 31 December 2021 due to the loss recorded for FY2022.

Non-Current Liabilities and Current Liabilities
Trade payables decreased to RM11 thousand as at 31 December 2022 from RM31 thousand as at 31 December 2021 due to settlement of payables. Other payables for the Group as at 31 December 2022 increased by RM2.3 million to RM7.2 million from RM4.9 million as at 31 December 2021 due mainly to (i) RM1.9 million of corporate-related payables and accruals including director and staff remuneration; (ii) the addition of RM0.3 million in payables and accruals incurred by Healthcare Services; and (iii) the addition of RM0.1 million in payables and accruals incurred by Outsourcing Services. Current and non-current borrowings comprising mainly convertible loans increased by RM0.7 million to RM3.1 million as at 31 December 2022 from RM2.4 million as at 31 December 2021 due to (i) the issuance of convertible loan notes of RM2.1 million; (ii) interest charges of RM0.3 million; and (iii) RM0.1 million of currency translation reserves. These increases were partially offset by (i) RM1.3 million of principal and interest settlement; and (ii) RM0.6 million fair value gain on convertible loans and gain on extinguishment of convertible loans upon redemption.

Current and non-current lease liabilities as at 31 December 2022 decreased by RM2.1 million to RM0.4 million from RM2.5 million as at 31 December 2021 due mainly to (i) reduction of RM1.0 million from the termination of a commercial space lease for the Mines2 Confinement Centre; (ii) lease payments of RM1.0 million; and (iii) reduction of RM0.2 million from early termination of an office lease in Singapore. These decrease in lease liabilities were partially offset by lease interest of RM77 thousand for FY2022.

The Group has a negative working capital of RM7.0 million as at 31 December 2022, compared to a negative working capital of RM6.1 million as at 31 December 2021. The increase in negative working capital was mainly due mainly to an increase in accrued payables during FY2022. The Group has a net liability of RM8.7 million as at 31 December 2022 compared to a net liability position of RM5.9 million as at 31 December 2021 due mainly to losses of RM4.3 million for FY2022.

Barring any unforeseen circumstances and any adverse impact from a global economic slowdown, the Group should be able to meet its working capital commitments for the next 15 months in view of: (i) potential additional corporate fund-raising including private placements and debt instruments, including proposed issuance of convertible bonds of an aggregate principal of up to S$30,000,000 as announced on 15 March 2023; and (ii) the Group's estimated revenue from Healthcare Services and Outsourced Services for the next 15 months.

CASH FLOW

For FY2022, the Group used RM2.1 million in operating activities, mainly due to RM4.7 million in operating loss before working capital changes and lower working capital requirements. Net cash used in investing activities of RM0.2 million for FY2022 was for the acquisition of property, plant and equipment related to office renovations and Healthcare Services. Net cash generated from financing activities of RM1.4 million for FY2022 was mainly due to (i) the net proceeds of RM1.6 million from issuance of ordinary shares; and (ii) net proceeds of RM2.1 million from the issuance of non-redeemable convertible loan notes; which were partially offset by (i) RM1.0 million repayment of convertible loans; (ii) RM1.0 million repayment of lease liabilities; and (iii) RM0.3 million interest paid.

As a result of the above, the cash and cash equivalents was RM0.5 million as at 31 December 2022, compared to RM1.2 million as at 31 December 2021.

Developments subsequent to the release of the Company's full year unaudited financial statements for FY2022 on 27 February 2023, which would materially affect the Group's operating and financial performance

On 15 March 2023, the Group entered into a convertible bonds subscription agreement ("**Subscription Agreement**") with 2 Aces Premier Equity Fund ("**Subscriber**") for the Company to issue and the Subscriber to subscribe for an aggregate of up to S$30,000,000 in principal amount of convertible bonds which are convertible into new ordinary shares ("**Conversion Shares**") in the capital of the Company ("**Proposed Convertible Bond Issuance**"). Pursuant to the Subscription Agreement, the Company also proposes to undertake a share consolidation of every ten (10) existing issued Shares in the capital of the Company into one (1) consolidated Share ("**Consolidated Shares**") in the capital of the Company ("**Proposed Share Consolidation**"). Both the Proposed Convertible Bond Issuance and Proposed Share Consolidation are subject to (i) Shareholders' approval being obtained at a general meeting to be convened; and (ii) receipt of the listing and quotation notice of the SGX-ST for the dealing in, listing and quotation for the Consolidated Shares and Conversion Shares. Further details are available in the Company's announcement dated 15 March 2023.

On 31 March 2023, the Company entered into a short-term loan agreement with 3BX Pte Ltd for a principal amount of S$300,000 with a period of four months and carrying an interest rate of 2.5% per month.

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Report on Corporate Governance

The board of directors (the "**Board**" or "**Directors**") of Medi Lifestyle 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 2022 ("**FY2022**"), 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 and last amended on 11 January 2023 (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 1967 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 2001, 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 newly appointed director 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 conducted by the Singapore Institute of Directors ("**SID**") in order to acquire the relevant knowledge of what is expected of a listed company director, which is a mandatory requirement as prescribed by the SGX-ST.

There were no new directors appointed during FY2022.

Pursuant to Rule 720(6) of the Catalist Rules, all directors will be required to attend a one-time training on sustainability matters as prescribed by the SGX-ST. All Directors of the Company have completed the mandated sustainability training.

To ensure Directors can fulfil their obligations and continuously improve the performance of the Board, all Directors are encouraged to undergo continual professional development, at 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 FY2022, the Audit Committee ("**AC**") and the Board were briefed on recent changes on the Singapore financial reporting standards and SGX regulatory updates. The Chief Executive Officer ("**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**").

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 capital expenditures exceeding certain material limits;

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

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

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

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

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

k) reviewing and approving changes in capital structure;

l) recommendation or declaration of dividends;

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

n) 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 and Board Committee 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 every quarter. Dates of Board, Board Committee meetings and annual general meetings are scheduled in advance in consultation with all 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 Board 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 FY2022 are shown below:

Name	Board	AC	NC	RC	AGM
Number of meetings held	5	4	1	1	1
Directors		**Number of meetings attended**			
Dato' Low	5	4(1)	1(1)	1(1)	1
Harry Ng	5	4	1	1	1
Kesavan Nair	5	4	1	1	1
Carmen Ng	5	4	1	1	1
Tan Sri Ahmad	5	4	1	1	1
Yvette Tan(2)	3	2(1)	1(1)	1(1)	1

Notes:

(1) Attended as an invitee.

(2) Ms Yvette Tan resigned as Executive Director and Chief Commercial Officer on 31 July 2022.

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.

Complete, adequate and timely information

In addition, the Director is also given access to the Board resources, including the Company's constitutional and governing documents, terms of reference of 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.

Board's independent access to Management and Company Secretary

Management is available to provide explanatory information in the form of emails, telephone conferences or briefings to the Directors or formal presentations in attendance at Board meetings, or such information can also be provided by external consultants engaged on specific projects. The Board is provided with the contact details of the key management personnel and the Company Secretary to facilitate direct and 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.

Company Secretary

The Company Secretary and/or her representative are/is present at Board and Board Committee 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, 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)
- Harry Ng (Lead Independent Director)
- Kesavan Nair (Independent Director)
- Carmen Ng (Independent Director)
- Tan Sri Ahmad (Independent Director)

The Board comprises one (1) Executive Director 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, Provision 2.2 of the 2018 Code which requires independent directors to make up a majority of the Board where the Chairman is not independent as well as Provision 2.3 of the 2018 Code which requires that non-executive directors to make up a majority of the Board have been complied with. The Company has also complied Rule 406(3)(c) of the Catalist Rules which requires independent directors to make up at least one-third of the Board.

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 determined upon appointment and 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 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 organisation 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 is directly associated with a substantial shareholder of the Company.

The Board, taking into account the views of the NC, affirmed the independence of the Independent Directors, that are Mr Harry Ng, Mr Kesavan Nair, Tan Sri Ahmad and Ms Carmen Ng.

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. The Company had sought and obtained shareholders' approval for the continued appointment of Mr Harry Ng and Mr Kesavan Nair as Independent Directors at its AGM held on 27 April 2021 via a two-tier vote by (a) all shareholders and (b) all shareholders, excluding the directors and the chief executive officer of the Company and their associates (the "**Two-Tier Vote**"). With the removal of Two-Tier Vote mechanism on 11 January 2023 and implementation of the new Catalist Rule 406(3)(d)(iv), a director will not be independent if he has been a director of the Company for an aggregate period of more than nine (9) years. Such director may continue to be considered independent until the conclusion of the next annual general meeting. This takes effect for an issuer's annual general meeting for the financial year ending on or after 31 December 2023. Accordingly and pursuant to the Transition Practice Note 3 Transitional Arrangements regarding the Tenure Limit for Independent Directors, Mr Harry Ng and Mr Kesavan Nair will be deemed independent until the conclusion of the annual general meeting of the Company for the financial year ending on 31 December 2023. The Board and the NC noted the new requirement and have determined that Mr Harry Ng and Mr Kesavan Nair remain objective and independent in Board and Board Committee deliberations. Their extensive experience enables them to express succinctly and objectively their views on issues, provide wise guidance and invaluable inputs during the Board and Board Committee Meetings (on which they serve), and have over the years constructively challenged the Management on proposals submitted to the Board for approval to facilitate sound decision-making.

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

Board Size and Composition

The Company has adopted a Board Diversity Policy which sets out the consideration criteria such as skills, business experience, industry discipline, gender, age, ethnicity and other qualities that the Board may consider relevant and applicable from time to time. The Company is committed to its Board Diversity Policy and will review this Policy periodically to ensure its effectiveness and alignment with best practice and the requirements of the Code, or as amended from time to time, and any other relevant legislation. 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 have taken the following steps to maintain or enhance its balance and diversity:

1. Annual review by NC to assess if the existing attributes and core competencies of the Directors are complementary to one another and will enhance the efficacy of the Board;

2. Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which the Board is lacking; and

3. Annual review of the size and composition of the Board and Board Committees taking into account, *inter alia*, the scope and nature of the group's business and operations and the benefits of all aspects of diversity based on its Board Diversity Policy, 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 size 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, age, expertise, experience and competencies such as accounting or finance, business or management experience, legal 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.

To ensure that the composition of the Board remains appropriately diverse, the Board has set targets to at all times, maintain majority independent directors and at least one female director on the Board. As part of the Board's progressive renewal process and pursuant to the new Catalist Rule 406(3)(d)(iv), the NC and the Board had discussed and will start the search process for new Independent Directors. A director search will take into account the suitability and potential contribution to the Board of a proposed candidate, and diversity aspects under its Board Diversity Policy. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

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 Executive Directors. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

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.

The Company's Executive Chairman, Dato' Low, also assumes the role of a CEO. Notwithstanding that the Chairman and the CEO is the same person, the Board is of the view that it is 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; and (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 decision 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 is 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 2018 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 CFO 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 four (4) 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
Carmen Ng (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 propose 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 though 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 retiring Directors' overall contributions and performance, independence status (for Independent Director) and an appropriate mix of core competencies and diversity for the Board to fulfil its roles and responsibilities. Article 98 of the Constitution states 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 to retire by rotation at the forthcoming AGM pursuant to Article 98 of the Constitution of the Company are Mr Harry Ng and Tan Sri Ahmad ("**Retiring Directors**"). The Retiring Directors have given their consent to stand for re-election.

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. There was no new Director appointed since the last AGM of the Company.

The NC had recommended to the Board the re-election of the Retiring Directors. The NC had considered criteria such as the diversity, composition, 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 and recommends the shareholders to approve the re-election of the Retiring Directors. The details of the proposed resolutions on re-election of Directors are stipulated in the Notice of AGM.

Each member of the NC and of the Board recused themselves from deliberations in respect of the assessment of his/her re-appointment/re-election.

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 section entitled "Directors' Profiles" in the Annual Report:

	Tan Sri Ahmad Bin Mohd Don	Ng Weng Sui, Harry
Date of Appointment	16 January 2020	26 July 2011
Date of last re-appointment	24 June 2020	27 April 2021
Age	76	67
Country of Principal Residence	Malaysia	Singapore
The Board's comments on the re-appointment (including rationale, selection criteria, board diversity and the search and nomination process)	The re-election of Ahmad Bin Mohd Don as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his independence, qualifications, overall contribution and performance.	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, qualifications, overall contribution and performance.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Director • Member of Risk, Audit, Remuneration and Nominating Committees	• Lead Independent Director • Chairman of Audit and Risk Committees • Member of Remuneration and Nominating Committees
Professional Qualifications	Please refer to "Directors' Profile" section on pages 5 to 7 of this annual report	
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
Conflict of interests (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Please refer to "Directors' Profile" section 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
Shareholding interest in the listed issuer and its subsidiaries	No	300,000 ordinary shares (representing 0.05% of the issued and paid up share capital of the Company) <u>Subsidiaries of Medi Lifestyle Limited</u> Nil

	Tan Sri Ahmad Bin Mohd Don	Ng Weng Sui, Harry
Past (for the last 5 years)	Directorships • Hap Seng Plantations Holdings Berhad • Zurich Life Insurance Malaysia Berhad • Zurich Takaful Malaysia Berhad • MAA Group Berhad • MAA Cards Sdn Bhd • YR Associates Sdn Bhd • Global Biomarine Pty Ltd • United Malacca Berhad • International Natural Resources Pte Ltd • PT Lifere Agro Kapuas • PT Bintang Gemilanf Permai • PT Wana Rindang Lestari • Sunway REIT Management Sdn Bhd (manager of Sunway Real Estate Investment Trust listed on Bursa Malaysia) • Malaysian Genomics Resource Centre Berhad Other Principal Commitment Nil	Directorships Subsidiaries of Company • HealthPro Pte. Ltd. • IEV Energy Investment Pte. Limited • IEV Technologies Pte. Ltd. Other Principal Commitment Nil
Present	Directorships • Alliance Bank Malaysia Berhad (Listed on Bursa Malaysia) • IT Bizflow Sdn Bhd Other Principal Commitment: Nil	Directorships • OxPay financial Limited • 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

	Tan Sri Ahmad Bin Mohd Don	Ng Weng Sui, Harry
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 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
(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
(c) Whether there is any unsatisfied judgment against him?	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
(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

		Tan Sri Ahmad Bin Mohd Don	Ng Weng Sui, Harry
(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
(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
(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
(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
(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
	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

	Tan Sri Ahmad Bin Mohd Don	Ng Weng Sui, Harry
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
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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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

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 all Independent Directors are independent. During FY2022, 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 under Principle 2 above.

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 or 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. Further, the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties to the Company. Each Director shall determine the demands of his competing directorships and obligations and assess the number of directorships he 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 FY2022.

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* (other than the Group)
Dato' Low	Executive Chairman and CEO	Catalano Seafood Ltd	Nil
Harry Ng	Lead Independent Director	• OxPay Financial Limited • 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 • OxPay Financial Limited	Bayfront Law LLC
Carmen Ng	Independent Director	• Flat Glass Group Co., Ltd • Get Nice Financial Group Limited	• Cypress Advisory & Consulting Limited • Cypress Certified Public Accountants
Tan Sri Ahmad	Independent Director	Alliance Bank Malaysia Berhad	Nil

* "**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 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, skills, experience, expertise, knowledge 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's business and affairs by the Directors. The NC is also satisfied that the current size and composition of the Board and Board Committees provide it with adequate ability to meet the existing scope of needs and the nature of business and 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/she 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 four (4) 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
- Tan Sri Ahmad (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 Director 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, termination terms, 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 Director and KMP, 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 Director 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 Director 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/her or someone related to him/her.

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 FY2022.

LEVEL AND MIX OF REMUNERATION

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 of the company taking into account the strategic objectives of the company.

In setting the remuneration packages of the Executive Director, the Company takes into consideration the existing remuneration and employment conditions and makes a comparative study of the packages of Executive Director 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 Director 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 Director and KMPs to provide good stewardship and management of the Company.

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 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 Director 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 Chairman and CEO of the Company. 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.

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

Having reviewed and considered the variable components of the Executive Director 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 Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director 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 2018 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.

Notwithstanding its deviation from Provision 8.1(a) of the 2018 Code, the Company has disclosed the total remuneration of Directors (included salaries, defined contributions and fees) for FY2022 under Note 31 of the Financial Statements. The Company has also disclosed its remuneration policy and criteria for setting remuneration, as well as the relationship between remuneration, performance and value creation (see Principle 6: Procedures for Developing Remuneration Policies). Each Director is required to abstain from deliberating and voting on his/her own remuneration. The Company therefore believes that, taken as a whole, the disclosures provided are meaningful and sufficiently transparent in giving an adequate understanding of the remuneration of its Directors and CEO, which is consistent with the intent of Principle 8 of the 2018 Code.

Directors' Remuneration

Details of the remuneration for each Director and CEO for FY2022 are disclosed below:

Name	Salary	Benefits	Bonus	Directors' Fee	Total
	%	%	%	%	%
Up to S$250,000					
Dato' Low	100	–	–	–	100
Yvette Tan (1)	93	7	–	–	100
Harry Ng	–	–	–	100	100
Kesavan Nair	–	–	–	100	100
Tan Sri Ahmad	–	–	–	100	100
Carmen Ng	–	–	–	100	100

Note:

1. Ms Yvette Tan resigned as Executive Director and Chief Commercial Officer on 31 July 2022.

Taking into consideration the new Catalist Rule 1204(10D), the Company will disclose the exact amounts with breakdown of remuneration paid to each individual director and the CEO, on a named basis, by the Company and its subsidiaries in its annual report in respect of the financial year ending 31 December 2024 onwards.

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) KMPs, who are not directors or CEO of the Company. For FY2022, the Company had two (2) KMPs (who is not a director or CEO of the Company). A breakdown of the level and mix of remuneration of the Group's KMP's (who are not Directors or the CEO) for FY2022 are as follows:

Name	Salary (%)	Benefits (%)	Payment in Lieu of notice (%)	Bonus (%)	Total (%)
Up to S$250,000					
Edward Chen Boon Pok	89	11	–	–	100
Loo Sow Kuen	89	11	–	–	100

The annual aggregate remuneration paid to the top two (2) KMPs (who are not Directors or the CEO) of the Group for FY2022 is S$215,884.

Other than disclosed above, 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 does not have any share scheme or share plan. 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 FY2022, 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 FY2023. 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.

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

•	Harry Ng (Chairman)	Lead Independent Director
•	Dato' Low	Executive Chairman and CEO
•	Kesavan Nair	Independent Director
•	Carmen Ng	Independent Director
•	Tan Sri Ahmad	Independent Director

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 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, who is a Certified Internal Auditor, has more than 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 FY2022, the internal audit reviewed the Outsourced Back-Office Support Services under Impact BPO Services Pte Ltd and Impact BPO Sdn. Bhd. (collectively, the "**Impact Group**"). The scopes of audit covered: (i) general (policies and procedures, contracts, pricing framework and profit margin and PDPA); (ii) human resource services; (iii) payroll services; (iv) permanent placement services; (v) recruitment specialist base salary and commission pay-outs; (vi) billings to collections; and (vii) credit control. The Impact Group was acquired by the Company in October 2021 and this is the first year internal audit review is conducted on the entities. The following material findings were highlighted by the IA and the respective rectifications are set out below:

Item	Details on material internal control findings	Rectifications
1	Credit control: (i) credit assessment was not performed on new clients prior to onboarding and no periodic credit assessment is performed on existing clients; and (ii) outstanding amounts owed by clients exceeded the credit limits and credit terms	Management will establish a formal procedure to conduct credit assessment on (a) potential new clients prior to onboarding and (b) existing clients on a periodic basis. Credit limits and credit terms will be set and approved by authorised personnel based on the results of credit assessments performed. The finance team will ensure adherence to such credit limits and terms.
2	Absence of segregation of duties on issuance of invoices and credit notes to clients	Management will establish a segregation of duties to ensure that there are separate authorised personnel to generate and approve invoices and credit notes.

The Management is committed and has taken steps to remediate these identified material weaknesses and continue to review and evaluate its internal controls over financial reporting and operations. The Management will update the AC and the Board on the implementation status for the rectifications set out above. In addition to the review of the Group's internal controls, the AC will continue to engage the IA to conduct a follow-up review of the material internal control weaknesses.

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 (i) the CEO and the CFO that to the best of their knowledge, the Group's financial records as at 31 December 2022 have been properly maintained and the financial statements for FY2022 give a true and fair view of the Company's operations and finances; and (ii) the CEO and KMP that the Company's risk management and internal control systems are adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks. In providing such assurance, the CEO and KMP 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 abovementioned assurances, 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 2022.

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 105 to 112 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 four (4) 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
• Carmen Ng (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 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 FY2022 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;
- Group budget and cash flow projections;
- 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 FY2022 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;
- audit fees paid / payable to the external auditors of the group including non-audit fees and nature of non-audit services;
- interested person transactions falling within scope of Chapter 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/she 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 FY2022 to, *inter alia*, answer or clarify any matter on cooperation from management, accounting and auditing of internal controls.

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 judgments 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 Matter ("**KAM**").

In addition, significant matter that was discussed with Management and the external auditors have been included as KAM in the audit report for FY2022 on page 52 of the Annual Report. In assessing the 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 the KAM were appropriate.

External Auditors and Audit Fees

During the year, the AC conducted a review of the scope and results of the audit by Mazars LLP, adequacy of the resources, experience and competence of the engagement partner and key team members in handling the audit and their cost effectiveness, as well as their independence and objectivity. The AC has also undertaken a review of the volume and nature of the non-audit services provided by Mazars LLP to the Group. The aggregate amount of audit and non-audit fees paid and/or payable to Mazars LLP and its overseas affiliates for FY2022 amounted to approximately S$93,756 and S$16,101 respectively. The non-audit fee is in relation to tax services rendered. The AC is satisfied neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company. Mazars LLP has also provided a confirmation of their independence to the AC. Accordingly, the AC is satisfied that Rules 712 and 715 of the Catalist Rules are complied with and has recommended to the Board, the nomination of the external auditor, Mazars LLP, for re-appointment at the forthcoming AGM.

The external auditors have unrestricted access to the AC.

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 FY2022, 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 ("**Policy**"). This Policy provides well-defined and accessible channels in the Group through which employees and stakeholders may raise concerns, any possible improprieties in matters of unethical behaviour, malpractices, illegal acts, or other matters with respect of failure to comply with regulatory requirements, in confidence and in good faith, without fear of reprisals, discrimination or adverse consequences, at the earliest opportunity, and in an appropriate way, to the Management and/or the AC Chairman, where applicable. For possible improprieties in matters related to financial reporting, internal controls or auditing, the matter may be reported to the AC Chairman. All information received will be treated confidentially and the identity of whistle-blowers will be protected. The details of the Policy (including contact details of channels of reporting) for raising concerns have been communicated to all our employees through staff notice boards and contact details are made available in the Policy.

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. The Company provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistle blowing in good faith. Anonymous reporting will also be attended to and anonymity honoured. The Policy is reviewed by the AC from time to time to ensure that they remain relevant.

The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary.

There were no whistle-blowing reports reported for FY2022.

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 posted onto the SGXNET, the Company's website and/or published in the local newspapers.

Any notice of general meeting consisting of only ordinary resolutions 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 at 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 will be 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. In 2022, the Company held the AGM via electronic means and all Directors were present for the meeting.

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 forthcoming 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 ("**Live Webcast**") or live audio-only stream ("**Audio Only Means**")), submission of questions in advance of the AGM, submission of text-based questions during the Live Webcast and Audio Only Means, addressing of substantial and relevant questions in advance of the AGM, appointment of proxy(ies) to attend and vote on their behalf at the AGM, and live voting during the Live Webcast, will be put in place for the AGM. The notice and proxy form of the AGM and FY2022 Annual Report will be distributed electronically via SGXNET. Please refer to the announcement titled "Alternative Arrangements for the Annual General Meeting of the Company to be held on 28 April 2023" 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 FY2022 as the Group recorded a loss from its continuing operations in FY2022.

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 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, programs 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 2022 which will be released by 30 April 2023.

For the forthcoming AGM, shareholders may submit their questions relating to the resolutions set out in the notice of the AGM in advance of the lodgement of the proxy forms for the AGM; or submit text-based questions during the AGM. All substantive and relevant questions related to the resolutions to be tabled for approval at the AGM received before the cut-off date will be addressed and published via SGXNET and on the Company's website before the deadline for submission of proxy forms. Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the cut-off date will be consolidated and addressed at the AGM. The detailed information on the submission of questions has been specified in the notice of AGM and the Company's announcement on alternative arrangements for holding the AGM.

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 from shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There were no IPTs entered into by the Group which exceeds S$100,000 in value during the financial year under review.

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 FY2022 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:

(i) 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 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$'000)	Re-allocated as at the date of this annual report (S$'000)	Amount utilised as at the date of this annual report (S$'000)	Balance of net proceeds (S$'000)
(i) Renovation and refurbishment of postpartum and chiropractic centres	1,300	(150)[1]	1,150	–
(ii) Working capital	885	–	885[2]	–
(iii) Repayment of Convertible Loans	–	150	150	–
Total	2,185	–	2,185	–

Notes:

1. In view of the termination of the Mines2 Confinement Centre in September 2022, S$150 thousand was reallocated for the repayment of the convertible loans.
2. Working capital utilisation has been for (i) rental for commercial leases S$565 thousand; (ii) payment of professional fees of S$70 thousand; and (iii) manpower and overheads of S$250 thousand.

(ii) the allotment and issuance of 44,247,788 ordinary shares at an issue price of S$0.0113 per share in the capital of the Company through a share subscription exercise (the "**Share Subscription**") that was completed on 19 July 2022. The net proceeds of approximately S$0.485 million (after deducting expenses of approximately S$15,000 incurred by the Company in connection with the Share Subscription) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 1 July 2022) (S$'000)	Amount utilised as at the date of this annual report (S$'000)	Balance of net proceeds (S$'000)
(i) Settlement of outstanding convertible loans	165	165	–
(ii) Renovation and refurbishment of postpartum and chiropractic centres	70	70	–
(ii) Working capital	250	250[1]	–
Total	485	485	–

Note:

1. Working capital utilisation has been for (i) rental for commercial leases S$60 thousand; (ii) payment of professional fees of S$50 thousand; and (iii) manpower and overheads of S$140 thousand.

(iii) the entry into non-redeemable convertible loan note agreements on 14 October 2022, 18 October 2022 and 31 October 2022 ("**Oct 2022 CLNA Announcements**") for interest-bearing non-redeemable convertible loan notes (the "**October 2022 Convertible Loan Notes**") of approximately S$0.607 million (after deducting expenses of approximately S$40,000 incurred by the Company in connection with the Convertible Loan Notes) have been utilised as follows:

Use of Proceeds		Amount allocated (as indicated in Oct 2022 CLNA Announcements) (S$'000)	Amount utilised as at the date of this annual report (S$'000)	Balance of net proceeds (S$'000)
(i)	Expansion of the Healthcare Business, including renovation and refurbishment of chiropractic centres in Singapore and Malaysia	110	30	80
(ii)	Working capital	497	410[1]	87
Total		607	440	167

Note:

1. Working capital utilisation has been for (i) payment of professional fees of S$110 thousand; and (ii) manpower and overheads of S$300 thousand.

(iv) the entry into a non-redeemable convertible loan note agreement on 17 February 2023 ("**Feb 2023 CLNA Announcement**") for interest-bearing non-redeemable convertible loan note (the "**February 2023 Convertible Loan Note**") of approximately S$0.09 million (after deducting expenses of approximately S$10,000 incurred by the Company in connection with the Convertible Loan Note) have been utilised as follows:

Use of Proceeds		Amount allocated (as indicated in Feb 2023 CLNA Announcement) (S$'000)	Amount utilised as at date of this annual report (S$'000)	Balance of net proceeds (S$'000)
(i)	Expansion of the Healthcare Business, including renovation and refurbishment of chiropractic centres in Singapore and Malaysia	20	–	20
(ii)	Working capital	70	–	70
Total		90	–	90

Directors’ Statement

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Medi Lifestyle 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 2022.

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 2022 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 Group and 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:

Executive Director and Chief Executive Officer
Dato’ Low Koon Poh

Independent Non-Executive Directors
Ng Weng Sui Harry
Kesavan Nair
Ng Yau Kuen Carmen
Tan Sri Ahmad Bin Mohd Don

3. Arrangements to enable director to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

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, 1967 (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	46,500,000	28,044,300	–	–

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 2023 were the same as at 31 December 2022.

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. Audit committee

The Audit Committee of the Company ("**AC**") comprises four members, all 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 (Chairman)	(Lead Independent Director)
Kesavan Nair	(Independent Director)
Tan Sri Ahmad Bin Mohd Don	(Independent Director)
Ng Yau Kuen Carmen	(Independent Director)

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 since the date of last directors' statement 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 its 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.

7. 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

Singapore
Date: 12 April 2023

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Medi Lifestyle 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 2022, 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 55 to 113.

In our opinion, the accompanying financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 2022 and of the financial performance, changes in equity and cash flows of the Group and statement of 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 2022, the Group was in a capital deficiency position of RM8.7 million and its current liabilities exceeded it current assets by RM7.0 million. In addition, the Group incurred a net loss of RM4.3 million and net operating cash outflow of RM2.1 million for the financial year then ended. The Company had a net current liability position of RM3.1 million as of 31 December 2022. These conditions indicate that a material uncertainty exist 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 its ability to raise new capital via proposed issuance of convertible bonds as mentioned in the Note 1 to primarily finance (i) the capital expenditure for its new healthcare business; (ii) repayment of its convertible loans and interest payables and (iii) for the Group's working capital purposes. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. 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.

Report on the Audit of Financial Statements (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, 5 were audited by other Mazars offices as component auditors under our instructions and the remaining 3 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 of investment in subsidiaries (refer to Note 3.2 and Note 15 to the financial statements)	
As at 31 December 2022, the carrying amount of the Company's investments in subsidiaries was RM7.1 million (31 December 2021: RM5.4 million) and this constitutes 99% of the total assets recorded on the statement of financial position of the Company. Management has carried out an impairment assessment to determine whether the recoverable amounts of the investments in subsidiaries and loans deemed as investments in subsidiaries are less than the carrying amounts. Management determined the recoverable amounts based on value-in-use calculation on a cash-generating unit ("CGUs") basis or on a subsidiary basis as appropriate in accordance with SFRS(I) 1-36 so as to determine whether the investee company is impaired. The recoverable amounts are determined by estimates of value-in-use of the respective CGUs, using various inputs and assumptions such as discount rate and growth rates. The determination of impairment of investment in subsidiaries involves significant judgement, which may have significant impact on the financial statements.	Our audit procedures included, and were not limited to, the following: ● We assessed for any 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 cash flow 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 cash flow projection in consultation with internal valuation expert; ● Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units subsequent to reasonably possible changes to the key assumptions and adequacy of disclosure in the financial statements; and ● We reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.

Report on the Audit of Financial Statements (Continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a 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 Singapore Financial Reporting Standards (International) ("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:

- 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.

- 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.

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

Report on the Audit of Financial Statements (Continued)

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

- 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.

- 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.

- 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.

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 financial 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 the subsidiary entities 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
12 April 2023

Consolidated Statement of Profit or Loss
And Other Comprehensive Income

For the financial year ended 31 December 2022

	Note	2022 RM	2021 RM
Revenue	4	2,400,959	1,397,443
Cost of sales		(2,308,053)	(905,861)
Gross profit		92,906	491,582
Other operating income	5	1,984,854	225,160
Administrative expenses		(5,405,123)	(5,827,031)
Other operating expenses		(189,398)	(7,474,396)
Allowance for expected credit losses on trade receivables	7	(432,838)	(148,680)
Finance costs	6	(381,591)	(894,260)
Loss before income tax from continuing operations	7	(4,331,190)	(13,627,625)
Income tax	8	28,396	(33,734)
Loss for the year from continuing operations		(4,302,794)	(13,661,359)
Discontinued operations			
Loss for the year from discontinued operations	9	–	(10,062,364)
Loss for the year		(4,302,794)	(23,723,723)
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(45,019)	3,382,535
Total comprehensive loss for the year		(4,347,813)	(20,341,188)
Loss per share			
Basic and Diluted (Malaysian sen)			
- Continuing operations	11	(0.75)	(2.70)
- Discontinued operations	11	–	(1.98)
Total		(0.75)	(4.68)

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 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	12	239,996	156,789	–	–
Right-of-use assets	13	345,187	945,855	–	–
Intangible assets	14	200,000	200,000	–	–
Subsidiaries	15	–	–	7,056,121	5,433,387
Total non-current assets		785,183	1,302,644	7,056,121	5,433,387
Current assets					
Cash and cash equivalents	16	510,064	1,218,203	13,218	417,911
Trade receivables	17	623,711	494,134	–	–
Other receivables and prepayments	18	220,591	968,515	44,670	153,102
Inventories	19	36,588	46,787	–	–
Total current assets		1,390,954	2,727,639	57,888	571,013
Total assets		2,176,137	4,030,283	7,114,009	6,004,400
EQUITY AND LIABILITIES					
Equity					
Share capital	20	127,721,429	126,155,560	127,721,429	126,155,560
Treasury shares	21	(38,268)	(38,268)	(38,268)	(38,268)
Currency translation reserve	22	(22,838)	22,181	254,620	123,251
Capital reserve	23	3,892,952	3,892,952	3,892,952	3,892,952
Accumulated losses		(140,264,666)	(135,961,872)	(130,241,275)	(127,406,318)
Total (capital deficiency)/equity		(8,711,391)	(5,929,447)	1,589,458	2,727,177
Non-current liabilities					
Lease liabilities	24	131,278	1,159,115	–	–
Borrowings	25	2,384,037	–	2,384,037	–
Total non-current liabilities		2,515,315	1,159,115	2,384,037	–
Current liabilities					
Borrowings	25	719,423	2,438,049	719,423	2,438,049
Trade payables	26	10,606	30,938	–	–
Other payables	27	7,243,539	4,859,978	2,421,091	839,174
Contract liabilities	28	99,042	79,597	–	–
Lease liabilities	24	293,314	1,358,258	–	–
Income tax payable		6,289	33,795	–	–
Total current liabilities		8,372,213	8,800,615	3,140,514	3,277,223
Total liabilities		10,887,528	9,959,730	5,524,551	3,277,223
Total equity and liabilities		2,176,137	4,030,283	7,114,009	6,004,400

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 2022

	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation reserve RM	Accumulated losses RM	Equity attributable to owner of the Company RM	Total RM
Group							
Balance at 1 January 2021	119,718,300	(38,268)	3,526,051	(3,360,354)	(112,238,149)	7,607,580	7,607,580
Total comprehensive loss for the year:							
Loss for the year	–	–	–	–	(23,723,723)	(23,723,723)	(23,723,723)
Exchange differences on translating foreign operations	–	–	–	(148,144)	–	(148,144)	(148,144)
Disposal of subsidiaries (Note 9)	–	–	–	3,530,679	–	3,530,679	3,530,679
Total	–	–	–	3,382,535	(23,723,723)	(20,341,188)	(20,341,188)
Transactions with owners:							
Issuance of shares (Note 20)	1,541,937	–	–	–	–	1,541,937	1,541,937
Pursuant to conversion of convertible loans (Note 25)	4,944,918	–	–	–	–	4,944,918	4,944,918
Share issuance costs (Note 20)	(49,595)	–	–	–	–	(49,595)	(49,595)
Equity portion of outstanding convertible loans (Note 25)	–	–	366,901	–	–	366,901	366,901
Total	6,437,260	–	366,901	–	–	6,804,161	6,804,161
Balance at 31 December 2021	126,155,560	(38,268)	3,892,952	22,181	(135,961,872)	(5,929,447)	(5,929,447)
Total comprehensive loss for the year:							
Loss for the year	–	–	–	–	(4,302,794)	(4,302,794)	(4,302,794)
Exchange differences on translating foreign operations	–	–	–	(45,019)	–	(45,019)	(45,019)
Total	–	–	–	(45,019)	(4,302,794)	(4,347,813)	(4,347,813)
Transactions with owners:							
Issuance of shares (Note 20)	1,600,347	–	–	–	–	1,600,347	1,600,347
Share issuance costs (Note 20)	(34,478)	–	–	–	–	(34,478)	(34,478)
Total	1,565,869	–	–	–	–	1,565,869	1,565,869
Balance at 31 December 2022	127,721,429	(38,268)	3,892,952	(22,838)	(140,264,666)	(8,711,391)	(8,711,391)

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 2022

	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation reserve RM	Accumulated losses RM	Total RM
Company						
Balance at 1 January 2021	119,718,300	(38,268)	3,526,051	(69,476)	(106,065,094)	17,071,513
Loss for the year, representing total comprehensive loss for the year	–	–	–	192,727	(21,341,224)	(21,148,497)
Transaction with owners:						
Issuance of shares (Note 20)	1,541,937	–	–	–	–	1,541,937
Pursuant to conversion of convertible loans (Note 25)	4,944,918	–	–	–	–	4,944,918
Shares issuance costs (Note 20)	(49,595)	–	–	–	–	(49,595)
Equity portion of outstanding convertible loans (Note 25)	–	–	366,901	–	–	366,901
Balance at 31 December 2021	126,155,560	(38,268)	3,892,952	123,251	(127,406,318)	2,727,177
Loss for the year, representing total comprehensive loss for the year	–	–	–	131,369	(2,834,957)	(2,703,588)
Transactions with owners:						
Issuance of shares (Note 20)	1,600,347	–	–	–	–	1,600,347
Shares issuance costs (Note 20)	(34,478)	–	–	–	–	(34,478)
Balance at 31 December 2022	127,721,429	(38,268)	3,892,952	254,620	(130,241,275)	1,589,458

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 2022

	Note	2022 RM	2021 RM
Operating activities			
Loss before tax			
Continuing operations		(4,331,190)	(13,627,625)
Discontinued operations (Note 9)		–	(10,062,364)
		(4,331,190)	(23,689,989)
Adjustments for:			
- Depreciation of property, plant and equipment	12	53,479	87,438
- Depreciation of right-of-use assets	13	402,876	3,493,952
- Loss on liquidation of subsidiaries	9	–	2,488,804
- Loss from deconsolidation of subsidiaries	9	–	3,448,874
- Loss on lease modification		81,225	–
- Gain on termination of lease rental		(1,257,646)	–
- Gain arising from extinguishment of loan		(203,631)	–
- Gain in fair value of convertible loan		(347,145)	–
- Property, plant and equipment written off		2,339	9,771
- Allowance for expected credit loss on trade receivables		432,838	148,680
- Impairment of property, plant and equipment		52,626	255,585
- Impairment of goodwill		–	6,132,528
- Impairment of right-of-use assets		45,904	1,220,745
- Interest expense		381,590	1,068,109
Operating cash flows before movements in working capital		(4,686,735)	(5,335,503)
- Inventories		10,074	(19,562)
- Trade and other receivables and prepayments		172,985	(916,729)
- Trade and other payables		2,363,229	2,170,224
- Contract liabilities		19,445	(6,187)
Cash used in operations		(2,121,002)	(4,107,757)
Net cash used in operating activities		(2,121,002)	(4,107,757)
Investing activity			
Purchase of property, plant and equipment		(191,164)	(197,614)
Net cash used in investing activity		(191,164)	(197,614)
Financing activities			
Repayment of lease liabilities		(950,020)	(3,423,467)
Proceeds from issue of convertible loans		2,128,505	6,953,792
Repayment of convertible loans		(986,942)	–
Net proceeds from issuance of ordinary shares		1,565,868	1,492,342
Interest paid		(313,250)	–
Net cash generated from financing activities		1,444,161	5,022,667
Net (decrease)/increase in cash and cash equivalents		(868,005)	717,296
Cash and cash equivalents at beginning of the year		1,218,203	495,636
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		159,866	5,271
Cash and cash equivalents at end of the year	16	510,064	1,218,203

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

Reconciliation of liabilities arising from financing activities

	Convertible loans (Note 25) RM	Lease liabilities (Note 24) RM	Total RM
Balance at 1 January 2021	–	7,607,807	7,607,807
Changes from financing cash flows			
Proceeds	6,953,792	–	6,953,792
Repayment	–	(3,423,467)	(3,423,467)
Interest paid	–	–	–
Non-cash changes			
Fair value adjustment	–	–	–
Conversion to ordinary shares	(4,944,918)	–	(4,944,918)
New lease liabilities	–	2,930,736	2,930,736
Disposal of subsidiaries	–	(4,966,858)	(4,966,858)
Interest expenses	794,312	273,796	1,068,108
Other changes [(i)]	(366,901)	–	(366,901)
Foreign exchange movement	1,764	95,359	97,123
Balance at 31 December 2021	2,438,049	2,517,373	4,955,422
Changes from financing cash flows			
Proceeds	2,128,505	–	2,128,505
Repayment	(986,942)	(950,020)	(1,936,962)
Interest paid	(313,250)	–	(313,250)
Non-cash changes			
Fair value adjustment	(347,145)	–	(347,145)
Gain on termination of lease rental	–	(1,257,646)	(1,257,646)
Loss on lease modification	–	81,225	81,225
Interest expenses	240,365	76,868	317,233
Foreign exchange movement	147,509	(43,208)	104,301
Gain arising from extinguishment of loan	(203,631)	–	(203,631)
Balance at 31 December 2022	3,103,460	424,592	3,528,052

(i) FY2021 representing the value of the equity conversion component (residual amount derived from the fair value of compound instrument less liability component) included in capital reserve (Note 23).

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

1. General

Medi Lifestyle Limited ("the **Company**") (Registration No. 201117734D) is incorporated in Singapore with its principal place of business at Unit 100.3.015, 129 Offices, Block J, Jaya One, 72A Jalan Universiti, Section 13, 46200 Petaling Jaya, Selangor, Malaysia 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 are disclosed in Note 15 to the financial statements.

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 2022 were authorised for issue by the Board of Directors on 12 April 2023.

Going Concern

As at 31 December 2022, the Group was in a capital deficiency position of RM8.7 million and its current liabilities exceeded its current assets by RM7.0 million. In addition, the Group incurred a net loss of RM4.3 million and net operating cash outflow of RM2.1 million for the financial year then ended. The Company had a net current liability position of RM3.1 million as of 31 December 2022. 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 consolidated cash flow forecasts ("Cash Flow Forecast"). In preparing the Cash Flow Forecast, management has taken the following into consideration:

a) New capital to be raised of at least RM9.9 million (approximately S$3.0 million) to finance capital outlays set in (b) below and to repay convertible loans and interest payables, which is subject to conditions, including:

    i) the approval of the shareholders for the proposed issuance of convertible bonds of up to RM99,000,000 (approximately S$30,000,000) and the proposed share consolidation at an extraordinary general meeting;

    ii) SGX-ST approval for the listing and quotation of the consolidation shares and the conversion shares on the Catalist; and

    iii) continuing financial support of the convertible bond holder;

b) The Group plans to spend on capital outlays of up to S$0.4 million, subject to sufficient funds being raised, which are required for 4 new chiropractic and physiotherapy centres, and such a sum is not yet contractually committed. The chiropractic and physiotherapy centres are expected to commence operations over the course of 2023; and

c) a letter of undertaking from a third-party creditor to not demand for the amounts owing to them of approximately RM1.4 million until the Group's resources permit.

The ability of the Group to fulfil its obligation is dependent on its ability to raise new capital via proposed issuance of convertible bonds as mentioned in (a) to primarily finance (i) the capital expenditure for its new healthcare business; (ii) repayment of its convertible loans and interest payables and (iii) for the Group's working capital purposes.

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 liabilities as current assets and liabilities, respectively. Such adjustments have not been made to these financial statements.

Notwithstanding the above, 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. Accordingly, the directors have prepared the financial statements on a going concern basis.

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 1967 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 Malaysian 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) 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
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: *Definition of Accounting* Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024

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.

2.2 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.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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.

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. Summary of significant accounting policies (Continued)

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 (*"**SFRS(I) 3**") 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 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.

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 classfied as held for sale in accordance with SFRS(I) 5 *Assets Held for Sale and Discontinued Operations* and 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).

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

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.

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:

<u>Healthcare sector</u>

<u>Rendering of services – Confinement and postnatal care services</u>

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.

<u>Rendering of services – Chiropractic and physiotherapy services</u>

Revenue from rendering of services that are of short duration is recognised at a point in time when the Group satisfies a performance obligation by transferring control of a promised service to the customer. Revenue from rendering of packaged services is recognised overtime by reference to the usage of packaged sales of the transaction at the balance sheet date determined by services performed to date to the total packaged sales. Free services represent promised services under the main packaged services and a portion of the transaction price from the main service contracts are allocated to these free services. Revenue of free services is recognised at a point in time upon the completion of chiropractic and physiotherapy procedures rendered to the customers. Advances received relate to the Group's obligation to provide goods and services to customers for which the Group has received advances from customers.

2. Summary of significant accounting policies (Continued)

2.4. Revenue recognition (Continued)

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.

Outsource services sector

Rendering of services - Human resource and payroll services

Revenue from other fee-based services, such as provision of payroll services, is recognised when the services are provided to the corporate customer.

Rendering of services - Permanent placement services

Revenue from professional recruitment, which is based on a percentage of the candidate's remuneration on package, is recognised upon successful placement of the candidate for a permanent position with the client.

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 recognised 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.

2.7 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. **Summary of significant accounting policies (Continued)**

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 recognised 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 utilized.

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 realised 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 recognised 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 as a liability 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. A corresponding amount is recognised in equity.

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 recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised 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 Malaysia Ringgit 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 recognised 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.

2. Summary of significant accounting policies (Continued)

2.10 Foreign currency transactions and translation (Continued)

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.

2.11 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
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.

Brand name and internet platform

Costs relating to e-Commerce platform to support the marketing and sales which are acquired are capitalised and amortised on a straight-line basis over their useful lives of 3 years when they are ready to use.

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 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 cash-generating unit ("**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.

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.

2.14 Financial instruments

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.

Financial assets

Initial recognition and measurement

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 *Revenue from Contracts with Customers* ("**SFRS(I) 15**") in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("**FVTOCI**") and fair value through profit or loss ("**FVTPL**") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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 ("**SPPI**") on the principal amount outstanding to determine the classification of the financial assets.

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial assets (Continued)

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. Financial assets at amortised cost include trade and other receivables and cash and cash equivalents.

Subsequent to initial recognition, the financial asset at amortised cost is 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.

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.

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.

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 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.

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 32.

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial assets (Continued)

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.

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 recognised 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 an 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.

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Initial recognition and measurement (Continued)

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.

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 effective 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 effective interest method. Any difference 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 profit or loss when the liability is derecognised and through the amortisation process.

Convertible loan

The Group classifies its convertible loans in the following measurement categories:

- Compound financial instruments; and
- Hybrid financial instruments.

Compound financial instruments

Compound financial instruments comprise convertible loans denominated in Singapore dollar that can be converted to share capital once the preconditions are met, where the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion feature. The equity component is recognised initially at an amount which is the difference between the total proceeds of the compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial measurement, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the loans. The equity component of a compound financial instrument is not remeasured subsequently to initial recognition.

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Compound financial instruments (Continued)

When the conversion occurs, the carrying amounts of both the liability and equity component of the compound financial instrument are transferred to share capital.

A subsequent modification of terms of the liability component of a compound financial instrument shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the liability component of a compound financial instrument extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

Hybrid financial instrument

Non-redeemable convertible loans are hybrid instruments comprising a financial liability component and embedded derivative components. The instrument is designated as a financial instrument that is carried at fair value through profit or loss in its entirety.

On issuance of the non-redeemable convertible loans, the instrument is recognised at its fair value which is based on the issuance proceeds.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

(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.

2.15 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.

2.16 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)

2.17 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 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
Integrated unit	3 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.

2. Summary of significant accounting policies (Continued)

2.17 Leases (Continued)

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,
- 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.

2.18 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.

2. Summary of significant accounting policies (Continued)

2.18 Non-current assets held for sale and discontinued operations

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.

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.

2.19 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.

2.20 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 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 Government grants

Government grants are recognised 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".

2. Summary of significant accounting policies (Continued)

2.22 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

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 Note 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 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 Healthcare sector. 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 Notes 12 and 13 to the financial statements, respectively.

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

3.2 Key sources of estimation uncertainty (Continued)

Impairment of investment in subsidiaries

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

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 15 to the financial statements.

Calculation of loss allowance for trade receivables

The Group uses a provision matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last three years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables.

In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (eg. Singapore and Malaysia) and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2022 is RM581,518 (2021: RM148,680). Details of assumptions are disclosed in Note 32.

Fair value of convertible loans

Classification and measurement of convertible loans as compound financial instruments or hybrid financial instruments is based on the accounting policy as disclosed in Note 2.14. Significant judgement is required to assess whether the Group can settle the convertible loans by issuing a fixed number of shares in exchange for a fixed amount of cash ("fixed for fixed criteria") based on the terms and conditions of the respective convertible loan agreements.

Management has exercised judgement and assessed that part of the loans meet the fixed for fixed criteria and hence these are accounted for as compound financial instruments.

<u>Compound financial instrument</u>

Compound financial instruments are measured at fair value at the initial recognition. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible loans, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option. The carrying amount of the Group's convertible loans are disclosed in Note 25 to the financial statements.

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

3.2 Key sources of estimation uncertainty (Continued)

Fair value of convertible loans (Continued)

Hybrid financial instrument

Non-redeemable convertible loans are hybrid instruments comprising a financial liability component and embedded derivative components. The instrument is designed as financial instrument that is carried at fair value through profit or loss in its entirety. The Group has engaged external valuer to estimate the fair value of the convertible loan which determined by apply the Monte Carlo method. The key inputs to the Monte Carlo method are the market value of share and probability of conversion. Management considered the appropriateness of the valuation technique and assumptions applied by external valuer. Further details on the borrowings are disclosed in Note 25 to the financial statements.

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's and the Company's current tax payable as at 31 December 2022 was RM6,289 (2021: RM33,795) and RM Nil (2021: RM Nil) respectively.

Impairment of intangible asset

The Group determines whether there are any indication intangible assets may be impaired at least on an annual basis. Irrespective of whether there is any indication of impairment, the Group also performed impairment assessment annually for intangible assets not yet available for use by comparing their respective carrying amounts with their corresponding recoverable amounts. Valuation model based on discounted cash flow analysis of the cash-generating unit is used by management to determine the value-in-use for the purposes of the impairment assessment.

Forecasting and discounting future cash flows for the impairment assessment involves an element of judgement and requires management to make certain assumptions and apply estimates. The carrying values of the Group's intangible assets at the end of the reporting period are disclosed in Note 14.

4. Revenue

The disaggregation of the Group's revenue for the year:

	Group	
	2022	2021
	RM	RM
Rendering of confinement centre services	479,092	571,721
Rendering of human resource and payroll services	641,268	455,796
Rendering of permanent placement services	1,053,122	251,851
Rendering of chiropractic & physiotherapy services	115,008	46,496
Sale of related products	112,469	71,579
	2,400,959	1,397,443

4. Revenue (Continued)

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 are mainly from rendering of confinement centre services.

	Group	
	2022	**2021**
	RM	**RM**
Timing of revenue recognition		
Goods and services transferred at a point in time	227,477	118,075
Services transferred overtime	2,173,482	1,279,368
	2,400,959	1,397,443

5. Other operating income

	Continuing operations		Discontinued operations		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Interest income	690	–	–	–	690	–
Gain on disposal of property, plant and equipment	–	–	–	3,458	–	3,458
Gain on termination of lease rental	1,257,646	–	–	–	1,257,646	–
Gain arising from extinguishment of loan	203,631	–	–	–	203,631	–
Gain in fair value of convertible loan	347,145	–	–	–	347,145	–
Reversal of ECL allowance	–	–	–	14,706		14,706
Government grants	122,984	45,325	–	107,289	122,984	152,614
Rental rebate	29,403	–	–	17,749	29,403	17,749
Exchange gain realised	3,119	–	–	–	3,119	–
Exchange gain unrealised	7,967	145,494	–	–	7,967	145,494
Sundry income	12,269	34,341	–	–	12,269	34,341
	1,984,854	225,160	–	143,202	1,973,768	368,362

Gain on termination of lease rental comprised mainly of RM1.0 million gain from the termination of a commercial lease space at Mines Wellness City, Klang Valley, Malaysia ("**Mines2 Confinement Centre**") and RM0.2 million of rental discount for the Mines2 Confinement Centre.

6. Finance costs

	Continuing operations		Discontinued operations		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Interest on lease liabilities (Note 24)	76,868	99,948	–	173,848	76,868	273,796
Interest on borrowings (Note 25)	304,723	794,312	–	–	304,723	794,312
	381,591	894,260	–	173,848	381,591	1,068,108

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	
	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM
Directors' remuneration of the Company	536,395	569,596	–	–	536,395	569,596
Directors' fees of the Company	398,182	384,850	–	–	398,182	384,850
Employee benefits expense (including Directors' remuneration and Directors' fees)	2,535,991	2,193,304	–	599,517	2,535,991	2,792,821
Defined contribution plans	441,975	242,384	–	76,220	441,975	318,604
Employee benefit expense recognised as cost of sales	1,866,769	624,428	–	–	1,866,769	624,428
Depreciation of right-of-use-assets	402,876	766,710	–	2,727,242	402,876	3,493,952
Depreciation of property, plant and equipment	53,479	85,671	–	1,767	53,479	87,438
Rental expenses	–	28,416	–	–	–	28,416
Property, plant and equipment written off	2,339	9,771	–	–	2,339	9,771
Impairment of goodwill	–	6,132,528	–	–	–	6,132,528
Impairment of right-of-use assets	45,904	1,220,745	–	–	45,904	1,220,745
Impairment of property, plant and equipment	52,626	255,585	–	–	52,626	255,585
Allowance for expected credit losses on trade receivables	432,838	148,680	–	–	432,838	148,680
Exchange loss	–	192,105	–	–	–	192,105
Audit fees:						
- Auditors of the Company	299,133	273,751	–	–	299,133	273,751
Non-audit fees:						
- Auditors of the Company	51,372	15,100	–	–	51,372	15,100

8. Income tax

	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM
Current tax expenses (tax credit)	(28,396)	33,734	–	–	(28,396)	33,734
	(28,396)	33,734	–	–	(28,396)	33,734

8. Income tax (Continued)

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	
	2022	**2021**
	RM	**RM**
Loss before tax:		
- Continuing operations	(4,331,190)	(13,627,625)
- Discontinued operations (Note 9)	–	(10,062,364)
	(4,331,190)	(23,689,989)
Tax at the domestic income tax rate of 24% in Malaysia (2021: 24%)	(1,039,485)	(5,744,227)
Expenses not deductible for tax purposes	(43,630)	5,933,765
Income not subject to tax	(462,418)	–
Effect of tax losses not allowed to be carried forward	1,201,222	4,479,215
Effect of different tax rates of subsidiaries operating in other jurisdictions	54,444	(3,495,667)
Deferred tax assets not recognised	289,867	340,771
Adjustments recognised in the current year in relation to the tax of prior years, net	(28,396)	(1,480,123)
	(28,396)	33,734

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has unutilised tax losses of RM4,214,812 (2021: RM3,007,034), and unabsorbed capital allowance of RM231,481 (2021: RM115,702) which will expire in 7 years. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

9. Discontinued operations

FY2021 - Deconsolidation of HealthPro Pte. Ltd. and IEV Energy Investment Pte. Limited

On 29 July 2021, the Company's indirect wholly owned subsidiary, HealthPro Pte. Ltd. (part of the Healthcare sector) has been placed under provisional liquidation. The voluntary liquidation of HealthPro Pte. Ltd. and appointment of a liquidator was approved at an extraordinary general meeting and a meeting of creditors on 27 August 2021, whereupon the subsidiary was reclassified under discontinued operations and its assets and liabilities being held under liquidation were deconsolidated in year 2021. The result of HealthPro Pte. Ltd. was classified as discontinued operations in year 2021 and was dissolved on 22 September 2022.

On 28 December 2021, IEV Energy Investment Pte. Limited, a wholly-owned subsidiary of the Company (Exploration and Production sector), submitted an application to the Accounting and Corporate Regulatory Authority ("**ACRA**") Singapore to strike its name off the Register of the Companies pursuant to Section 344A of the Companies Act 1967 of Singapore; and received approval from the ACRA and completed the strike off on 31 December 2021.

9. Discontinued operations (Continued)

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

	Group 2021 RM
(Loss) from Healthcare sector	(4,150,674)
(Loss) from liquidation of subsidiary in Healthcare sector	(2,488,804)
(Loss) from deconsolidation of subsidiary in Exploration and Production sector	(3,448,874)
Profit from Exploration and Production sector*	25,988
	(10,062,364)

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

The consolidated loss for the period from 1 January 2021 to 31 December 2021 from the discontinued operations is set out below.

	Note	Group 2021 RM
Revenue	4	–
Cost of sales		–
Gross profit		–
Other operating income	5	143,202
Administrative expenses		(4,093,987)
Other operating expenses		(53)
Finance costs	6	(173,848)
Loss before income tax	7	(4,124,686)
Income tax	8	–
Loss after income tax		(4,124,686)
Post-tax loss on liquidation of discontinued operation		(2,488,804)
Post-tax loss on deconsolidation of discontinued operation		(3,448,874)
Loss for the period, representing total comprehensive income for the period		(10,062,364)
Non-controlling interests		–
Total comprehensive loss attributable to owners of the Company		(10,062,364)

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

	Group 2021 RM
Operating activities	2,843,438
Investing activities	(2,915)
Financing activities	(2,914,265)
Net cash (outflows)/inflows	(73,742)

9. Discontinued operations (Continued)

2021

Liquidation of HealthPro Pte. Ltd.

On 27 August 2021, HealthPro Pte. Ltd. ("**HPL**"), an indirectly wholly-owned subsidiary of the Company has been placed under Creditors' Voluntary Liquidation and appointed the liquidator of HPL (the "**Liquidator**") for the purposes of winding up the affairs of HPL.

Details of the liquidation are as follows:

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

	HealthPro Pte. Ltd. 27 August 2021 RM
Non-current assets	
Property, plant and equipment	4,592,976
Right-of-use assets	4,766,212
Total non-current assets	9,359,188
Current assets	
Other receivables and prepayment	1,527,263
Cash and bank balances	3,039
Total current assets	1,530,302
Current liabilities	
Other payables	(3,564,336)
Amount due to holding company	(13,247,690)
Lease liabilities	(4,966,858)
Total current liabilities	(21,778,884)
Net (liabilities) derecognised	(10,889,394)
Consideration received	–
Net liabilities derecognised	10,889,394
Recognition of write off on liquidation of subsidiary	(13,270,392)
Non-controlling interest derecognised	–
Cumulative exchange differences in respect of the net liabilities of the subsidiaries reclassified from equity on loss of control of subsidiaries	(107,806)
(Loss) on liquidation	(2,488,804)

Deconsolidation of IEV Energy Investment Pte. Limited

On 28 December 2021, IEV Energy Investment Pte. Limited ("**IEV Energy**"), a wholly-owned subsidiary of the Company, submitted an application to the Accounting and Corporate Regulatory Authority ("**ACRA**") Singapore to strike its name off the Register of the Companies pursuant to Section 344A of the Companies Act 1967 of Singapore and received approval from ACRA and completed the strike off on 31 December 2021.

9. Discontinued operations (Continued)

2021 (Continued)

Deconsolidation of IEV Energy Investment Pte. Limited (Continued)

Details of the deconsolidation are as follows:

	IEV Energy 31 December 2021 RM
Loss on deconsolidation	
Consideration received	–
Net assets derecognised	–
Write off on remeasurement of deconsolidation	(26,001)
Non-controlling interest derecognised	–
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(3,422,873)
(Loss) on deconsolidation	(3,448,874)

In year 2021, 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.

10. Dividends

No dividends were declared and paid to shareholders in 2022 and 2021.

11. Loss per share

Loss per share is calculated by dividing the Group's net loss 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	
	2022	**2021**
Weighted average number of ordinary shares for purposes of basic earnings per share (1)&(2)	572,892,623	507,177,081
Attributable to the owners of the Company:		
(Loss) for the year from continuing operations (RM)	(4,302,794)	(13,661,359)
(Loss) for the year from discontinued operations (RM)	–	(10,062,364)
Total (loss) for the year (RM)	(4,302,794)	(23,723,723)
Basic and Diluted loss per share (Malaysian sen)		
- Continuing operations	(0.75)	(2.70)
- Discontinued operations	–	(1.98)
Total	(0.75)	(4.68)

(1) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 December 2022 to take into effect the new issuance of share capital of 44,247,788 on 19 July 2022 (Note 20).

(2) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 December 2021 to take into effect the new issuance of share capital of 19,685,039 on 13 April 2021 (Note 20) and conversion of shares from convertible loans of 40,201,005 on 31 December 2021 (Note 20 and 25).

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	Furniture, fittings and office renovation RM	Construction -in-progress RM	Total RM
Cost:						
At 1 January 2021	–	662,707	115,313	202,116	4,530,130	5,510,266
Additions	71,575	21,383	29,213	36,929	66,027	225,127
Written off	–	–	(5,916)	(11,083)	–	(16,999)
Liquidation of a subsidiary (Note 9)	–	–	–	–	(4,592,979)	(4,592,979)
Currency translation difference	–	–	–	–	62,849	62,849
At 31 December 2021	71,575	684,090	138,610	227,962	66,027	1,188,264
Additions	101,391	–	15,006	74,767	–	191,164
Written off	–	(3,510)	–	–	(29,800)	(33,310)
Currency translation difference	–	246	577	–	–	823
At 31 December 2022	172,966	680,826	154,193	302,729	36,227	1,346,941
Accumulated depreciation:						
At 1 January 2021	–	662,707	23,304	9,767	–	695,778
Depreciation for the year	6,637	1,477	36,521	42,803	–	87,438
Written off	–	–	(2,015)	(5,213)	–	(7,228)
Currency translation difference	–	–	(98)	–	–	(98)
At 31 December 2021	6,637	664,184	57,712	47,357	–	775,890
Depreciation for the year	17,486	6,974	11,812	17,207	–	53,479
Written off	–	(1,170)	–	–	–	(1,170)
Currency translation difference	–	75	260	–	–	335
At 31 December 2022	24,123	670,063	69,784	64,564	–	828,534

The cash outflow on acquisition of property, plant and equipment amounted to RM191,164 (2021: RM197,614). The net carrying amounts of property, plant and equipment of RM239,996 (2021: RM156,789).

In 2022, the Group decided to terminate the commercial space lease for Mines2 Confinement Centre. Accordingly, the Group wrote off the construction-in-progress of RM29,800 and reversed the impairment provided in the prior year.

12. Property, plant and equipment (Continued)

Group	Production equipment RM	Plant and machinery RM	Computer and office equipment RM	Furniture, fittings and office renovation RM	Construction -in-progress RM	Total RM
Impairment:						
At 1 January 2021	–	–	–	–	–	–
Impairment during the year	–	–	68,555	157,230	29,800	255,585
At 31 December 2021	–	–	68,555	157,230	29,800	255,585
Written-off during the year	–	–	–	–	(29,800)	(29,800)
Impairment during the year	–	–	5,257	29,255	18,114	52,626
At 31 December 2022	–	–	73,812	186,485	18,114	278,411
Carrying amount:						
At 31 December 2022	148,843	10,763	10,597	51,680	18,113	239,996
At 31 December 2021	64,938	19,906	12,343	23,375	36,227	156,789

In 2022, the integrated units office space is shared by 2 segments, being confinement business and chiropractic and physiotherapy business. The Group carried out a review for the portion allocated to confinement business which led to the recognition of an impairment loss of RM52,626 on the property, plant and equipment. The recoverable amount based on value-in-use calculation is estimated to be negligible.

In 2021, the Group has carried out impairment assessment for property, plant and equipment by estimating the recoverable amounts of the respective has been defined in Note 2.13 CGU of the Group. The CGU includes goodwill, property, plant and equipment and right-of-use assets. The review led to the recognition of an impairment loss of RM255,585 on the property, plant and equipment relating to healthcare CGU including the RM29,800 under construction-in-progress of the Group's second commercial space lease for confinement centre, Mines2 Confinement Centre.

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 16% 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 11% to 208%. Perpetual growth rate of 1% are determined based on management's estimate of the long-term industry growth rates.

13. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Office unit RM	Confinement centre RM	Integrated units RM	Total RM
Group				
Cost:				
At 1 January 2021	–	13,216,029	–	13,216,029
Additions	384,560	1,751,503	794,673	2,930,736
Disposal of subsidiaries (Note 9)	–	(13,165,109)	–	(13,165,109)
Currency translation difference	2,456	(50,920)	546	(47,918)
At 31 December 2021	387,016	1,751,503	795,219	2,933,738
Termination of lease	(387,016)	(1,751,503)	–	(2,138,519)
Currency translation difference	–	–	38,382	38,382
At 31 December 2022	–	–	833,601	833,601
Accumulated depreciation:				
At 1 January 2021	–	5,819,145	–	5,819,145
Depreciation for the year	77,232	3,258,000	158,720	3,493,952
Disposal of subsidiaries (Note 9)	–	(8,540,856)	–	(8,540,856)
Currency translation difference	172	(5,531)	256	(5,103)
At 31 December 2021	77,404	530,758	158,976	767,138
Depreciation for the year	133,180	–	269,696	402,876
Termination of lease	(210,584)	(530,758)	–	(741,342)
Currency translation difference	–	–	13,838	13,838
At 31 December 2022	–	–	442,510	442,510
Impairment:				
At 1 January 2021	–	–	–	–
Impairment during the year	–	1,220,745	–	1,220,745
At 31 December 2021	–	1,220,745	–	1,220,745
Impairment during the year	–	–	45,904	45,904
Termination of lease	–	(1,220,745)	–	(1,220,745)
At 31 December 2022	–	–	45,904	45,904
Carrying amount:				
At 31 December 2022	–	–	345,187	345,187
At 31 December 2021	309,612	–	636,243	945,855

In 2021, the Group has carried out impairment assessment for right-of-use assets by estimating the recoverable amounts of the respective CGU of the Group. The CGU includes goodwill, property, plant and equipment and right-of-use assets. The review led to the recognition of an impairment loss of RM1,220,745 on the right-of-use assets relating to healthcare CGU.

In 2022, the integrated units office space is shared by 2 segments, being confinement business and chiropractic and physiotherapy businesses. The Group carried out a review for the portion allocated to confinement business which led to the recognition of an impairment loss of RM45,904 on the right-of-use assets. The recoverable amount based on value-in-use calculation is estimated to be negligible.

14. Intangible assets

	Brand name & internet platform RM
Group	
Cost:	
As at 31 December 2021 and 31 December 2022	200,000
Amortisation:	
As at 31 December 2021 and 31 December 2022	–
Carrying amount:	
At 31 December 2022	200,000
At 31 December 2021	200,000

In prior financial year, the Group has launched a genetic screening service for Malaysia and Singapore markets under the brand name, Qodify where the intangible asset represents the purchase of brand name and internet platform from Malaysia Genomics Resources Berhad, a listed company in Malaysia. The aforementioned intangible assets are not ready for use. Hence, no amortisation of intangible assets was recorded for the current financial year.

15. Subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted equity shares, at cost	411	411
Quasi loans to subsidiaries	28,291,473	24,269,079
Allowance for impairment	(20,628,008)	(18,987,949)
Currency translation difference	(607,755)	151,846
	7,056,121	5,433,387

Quasi loans to subsidiaries were non-trade in nature, unsecured and interest-free. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future. These amounts were in substance part of the entity's net investment in the subsidiaries. As of 31 December 2022, the Company recorded quasi loans to subsidiaries of RM28,291,473 (2021: RM24,269,079) consequent to an extension of loans to the subsidiaries.

Quasi loans to subsidiaries included deemed investments in subsidiaries RM7,020,196 (2021: RM5,405,724) arising due to loans provided to the subsidiaries at below-market rate.

In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 December 2022, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime ECL.

15. Subsidiaries (Continued)

Movement in the allowance for impairment:

	Company	
	2022	2021
	RM	RM
Balance at beginning of the year	(18,987,949)	(86,316,754)
Allowance for impairment	(1,590,578)	(18,958,018)
Write off [(1)]	–	87,514,288
Currency translation difference	(49,481)	(1,227,465)
Balance at end of the year	(20,628,008)	(18,987,949)

The Company provided a letter of undertaking not to recall the amounts due from these subsidiaries until their respective cash flows permit, and to continue to provide financial support to enable these subsidiaries to meet their liabilities as and when they fall due, for at least twelve months from the issuance date of the financial statements for the year ended 31 December 2022.

(1) On 28 December 2021, the Company's wholly-owned subsidiary, IEV Energy Investment Pte. Limited has struck its name off the Register of the Companies pursuant to Section 344A of the Companies Act 1967 of Singapore and received approval from the Accounting and Corporate Regulatory Authority of Singapore. It resulted in the reduction of cost of investment and quasi loans of S$2,129,894 and S$26,186,622, respectively during the year 2021.

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Name of subsidiaries / Place of Incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		2022	2021
		%	%
HealthPro Group (S) Pte. Ltd. [(1)]	Investment holding company in Singapore.	100	100
HealthPro Group (M) Sdn. Bhd. [(2)]	Investment holding company in Malaysia.	100	100
<u>**Held by HealthPro Group (S) Pte. Ltd.**</u>			
HealthPro Pte. Ltd. [(3)]	Rendering confinement and postnatal care services and sale of related products.	–	100
HealthPro Pharma Pte. Ltd. [(1)]	Wholesale distribution of pharmaceutical and medical products	100	100
Impact BPO Services Pte. Ltd. [(1)]	Business of providing recruitment and outsourced human resources	100	100

15. Subsidiaries (Continued)

Name of subsidiaries / Place of Incorporation and operation	Principal activity	Proportion of ownership interest and voting power held 2022	2021
		%	%
<u>Held by HealthPro Group (M) Sdn. Bhd.</u>			
HealthPro Life Sdn. Bhd. (2)	Rendering confinement and postnatal care services and sale of related products.	100	100
Back to Life Sdn. Bhd. (2)	Provision of chiropractic, physical therapy and alternative medicine services.	100	100
HealthPro Marketing Sdn. Bhd. (2)	Digital marketing and e-commerce business	100	100
Impact BPO Sdn. Bhd. (2)	Consultancy services, digital marketing, business process outsourcing and human resource services	100	100

(1) Audited by Mazars LLP, Singapore.

(2) Audited by member firms of Mazars.

(3) The subsidiary dissolved on 22 September 2022 (Note 9)

16. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash at banks	507,964	1,216,281	13,218	417,911
Cash on hand	2,100	1,922	–	–
	510,064	1,218,203	13,218	417,911

The Group's and Company's cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Singapore dollar	105,510	920,776	13,218	417,911
Malaysia Ringgit	404,554	297,427	–	–
	510,064	1,218,203	13,218	417,911

17. Trade receivables

	Group	
	2022	2021
	RM	RM
Third parties	1,205,229	642,814
Less: loss allowance	(581,518)	(148,680)
	623,711	494,134

The movement in the loss allowance in respect of trade and other receivables during the year was as follows:

	Group	
	2022	2021
	RM	RM
Beginning of financial year	148,680	–
Impairment losses recognised	432,838	148,680
End of financial year	581,518	148,680

Trade receivables are non-interest bearing and the Group generally extend credit period of 30 days (2021: 30 days) from date of invoice. They are recognised at the transaction price which represent their fair value on initial recognition.

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 32.

The Group's trade receivables are denominated in the following currencies:

	Group	
	2022	2021
	RM	RM
Singapore dollar	512,281	340,441
Australia dollar	–	56,653
Malaysia Ringgit	111,430	97,040
	623,711	494,134

18. Other receivables and prepayments

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Deposits	123,979	619,613	–	–
Prepayments	93,372	77,980	44,670	21,573
Other receivables	–	196,924	–	–
Amount owing by subsidiaries	–	–	–	131,529
Accrued revenue	2,473	72,013	–	–
Others	767	1,985	–	–
	220,591	968,515	44,670	153,102

In 2021, the cost recoverable from clients amounting to RM196,924 under other receivables are related to payroll disbursements incurred on behalf of clients arising from the outsource services segment, that are subsequently charged back to clients.

18. Other receivables and prepayments (Continued)

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

The Group and the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. The Group and the Company assessed that the other receivables and deposits paid are made to parties with good credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group and the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

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.

The Group's and Company's other receivables and prepayments are denominated in the following currencies:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Singapore dollar	109,410	297,079	44,670	27,197
Malaysia Ringgit	111,181	671,436	–	125,905
	220,591	968,515	44,670	153,102

19. Inventories

	Group	
	2022	**2021**
	RM	**RM**
Finished Goods	14,824	21,097
Consumables	21,764	25,690
	36,588	46,787

The cost of inventories recognised as an expense in "Cost of Sales" includes RM95,516 (2021: RM98,930) in respect of write-downs of inventory to net realisable value.

20. Share capital

	Group and Company			
	2022	**2021**	**2022**	**2021**
	Number of ordinary shares		**RM**	**RM**
Issued and paid up:				
At beginning of the year	552,968,971	493,082,927	126,155,560	119,718,300
Issued for cash	44,247,788	19,685,039	1,600,347	1,541,937
Issuance of ordinary shares by conversion of convertible loan notes	–	40,201,005	–	4,944,918
Less: Shares issuance costs	–	–	(34,478)	(49,595)
At end of the year	597,216,759	552,968,971	127,721,429	126,155,560

20. Share capital (Continued)

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 April 2021, the Company allotted and issued an aggregate of 19,685,039 ordinary shares at an issue price of S$0.0254 per ordinary share pursuant to a share subscription exercise.

On 29 January 2021, the Company had entered into 1-year unsecured convertible loan agreements with 5 lenders, for an aggregate principal amount of S$2.25 million. The maturity date is 12 months from the date of disbursement of the loan. The convertible loan bears an interest rate of 10.0% per annum. At the option of the lenders, these loans are convertible into 56,532,663 ordinary shares in the Company at the conversion price of S$0.0398 per ordinary share on 3 specified dates (i.e. 30 June 2021, 30 September 2021 and/or 31 December 2021). As at 31 December 2021, the Company received a Conversion Notice from I Concept Global Growth Fund ("I Concept") to convert a loan principal sum of S$1.6 million into new ordinary shares in the Company. Accordingly, the Company has on 31 December 2021 allotted and issued 40,201,005 new ordinary shares of the Company at S$0.0398 per ordinary share in favour of I Concept.

Arising from the above two allotment of shares on 13 April 2021 and 31 December 2021 respectively, the Company increased its issued and fully paid-up ordinary capital from RM119,718,300 to RM126,155,561 as at 31 December 2021.

On 19 July 2022, pursuant to the subscription agreement, the subscriber has agreed to subscribe for an aggregate of 44,247,788 new ordinary shares in the capital of the Company at an issue price of S$0.0113.

Arising from the above allotment of shares on 19 July 2022, the Company increased its issued and fully paid-up ordinary capital from RM126,155,560 to RM127,721,429 as at 31 December 2022.

21. Treasury shares

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares		RM	RM
At beginning and at end of the year	200,000	200,000	38,268	38,268

22. 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.

23. Capital reserve

	Group and Company	
	2022	**2021**
	RM	**RM**
Movement in the capital reserve		
Balance at the beginning of the year	3,892,952	3,526,051
Equity portion of outstanding conversion shares	–	366,901
Balance at end of the year	3,892,952	3,892,952
Capital reserve consist of:-		
Acquisition of a subsidiary	3,526,051	3,526,051
Equity portion of outstanding conversion shares	366,901	366,901

RM3,526,051 arose 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 in financial year 2019. RM366,901 represents the residual amount of convertible loans after deducting the fair value of the liability component.

24. The Group as a lessee

The Group has commercial lease contracts for office space, confinement centre and integrated units which is used as a chiropractic and physiotherapy centre and office space. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The leases generally have lease terms between one to three years. The Group is restricted from assigning and subleasing the leased assets to third parties.

(a) Lease liabilities

Set out below are the carrying amounts of lease liabilities:

	Group	
	2022	**2021**
	RM	**RM**
Current	293,314	1,358,258
Non-current	131,278	1,159,115
	424,592	2,517,373

The maturity analysis of lease liabilities is disclosed in Note 32 liquidity risk.

(b) Amounts recognised in consolidated income statement

The following are the amounts recognised in profit or loss:

	Group	
	2022	**2021**
	RM	**RM**
Depreciation expenses of right-of-use assets	402,876	3,493,952
Interest expenses on lease liabilities	76,868	273,796
Expense relating to leases of short-term leases	–	28,416
Total amount recognised in profit or loss	479,744	3,796,164

(c) Amounts recognised in consolidated income statement

The Group had total cash outflows for leases of RM950,020 during the financial year ended 31 December 2022 (2021: RM3,423,467)

25. Borrowings

	Group and Company 2022 RM	2021 RM
Compound instrument	719,423	2,438,049
Loan	602,677	-
Hybrid financial instruments	1,781,360	-
	3,103,460	2,438,049
Represented by:	719,423	2,438,049
Current liabilities	2,384,037	-
Non-current liabilities	3,103,460	2,438,049

(a) Compound instrument

	Group and Company 2022 RM	2021 RM
Beginning balance of the year	2,438,049	–
Proceeds from issue of convertible loans	–	6,953,792
Amount classified as equity	–	(366,901)
Accreted interest	137,140	794,312
Conversion of convertible loan to ordinary shares	–	(4,944,918)
Principal paid	(986,942)	–
Interest paid	(199,236)	–
Extension of loan	(669,588)	–
Currency translation difference	–	1,764
Carrying amount of interest-bearing liabilities as at 31 December	719,423	2,438,049

On 29 January 2021, the Company had entered into 1-year unsecured convertible loan agreements with 5 lenders, for an aggregate principal amount of S$2.25 million. The maturity date is 12 months from the date of disbursement of the loan. The convertible loan bears an interest rate of 10.0% per annum. At the option of the lenders, these loans are convertible into 56,532,663 ordinary shares in the Company at the conversion price of S$0.0398 per ordinary share on 3 specified dates (i.e. 30 June 2021, 30 September 2021 and/or 31 December 2021).

As at 31 December 2021, S$2.25 million of the convertible loan has been received by the Group and the Company received a Conversion Notice from I Concept Global Growth Fund (“I Concept”) to convert a loan principal sum of S$1.6 million (approximately RM4.9 million) into new ordinary shares in the Company. Accordingly, the Company has on 31 December 2021 allotted and issued 40,201,005 new ordinary shares of the Company at S$0.0398 per ordinary share in favour of I Concept.

25. Borrowings (Continued)

(b) Loan

	Group and Company 2022 RM	2021 RM
Amortised cost as at beginning of the year	–	–
Loan extension	669,588	–
Interest paid	(114,014)	–
Accreted interest	103,227	–
Gain arising from loan extinguishment	(203,631)	–
Currency translation difference	147,507	–
Carrying amount of interest-bearing liabilities as at 31 December	602,677	–

On 7 November 2022, the company had extended the maturity dates with 2 lenders of the respective convertible loan agreements dated on 29 January 2021 with an aggregate principal amount of S$200,000. The maturity dates were extended from 4 February 2022 to 31 October 2025. The key terms of the extension agreement included: (1) conversion of the loan principal sum into new ordinary shares will no longer be valid and applicable (2) the interest of 10% per annum shall continue to accrue on the loan principal sum until the extended maturity date and (3) all other terms and conditions of the agreement shall remain valid and in force. The extension of the loan maturity date from 4 February 2022 to 31 October 2025 coupled with the removal of the conversion option resulted in a substantial change in the discounted present value of the cash flows under the new terms compared to discounted present value of the remaining cash flows of the original liability. As a result, the original financial liability arising from this agreement was extinguished and a new financial liability was recognised during the financial year ended 31 December 2022. A modification gain of RM203,631 (2021: Nil) arising from change in estimated maturity was recognised in profit or loss accordingly.

(c) Hybrid financial instruments

	Group and Company 2022 RM	2021 RM
Proceeds from issue of convertible loans	2,128,505	–
Fair value adjustment through profit or loss (Note 5)	(347,145)	–
Financial liability at fair value through profit or loss at the end of the financial year	1,781,360	–

On 14 October 2022, 18 October 2022 and 31 October 2022, the Company had entered into a nonredeemable convertible loan agreement with Tejvinder Singh, Great Pyramid Sdn Bhd, Ng Boon Leong, Ting Choong Sing, Fong Nyuk Moi and Saw Siew Lan (the "**holder**") for an aggregate principal amount of RM2,128,505. In accordance to the agreements, the option to convert into ordinary shares is at the issuer's discretion. The maturity period is 2 years from the date of issue of the notes. The convertible loan bears an interest rate of 15.0% per annum, which is payable in every 6 months. The conversion price shall be the higher of i) weighted average price at the date of the agreement or ii) weighted average price at the conversion date less 10% discount. The instrument is designated as a financial instrument that is carried at fair value through profit or loss in its entirety. The Group has engaged external valuer to estimate the fair value of the convertible loan which determined by applying the Monte Carlo method. The key inputs to the Monte Carlo method are the market value of share and probability of conversion. Management considered the appropriateness of the valuation technique and assumptions applied by external valuer. The fair value measurement is categorised in Level 2 of the fair value hierarchy. Accordingly, a fair value gain of RM347,145 (2021: Nil) has been recognised during the financial year ended 31 December 2022.

26. Trade payables

	Group	
	2022	2021
	RM	RM
Trade payables - third parties	10,606	30,938
	10,606	30,938

The credit period granted by suppliers is 30 to 60 days (2021: 30 to 60 days). No interest is charged on the outstanding balance.

The Group's trade payables are denominated in the following currencies:

	Group	
	2022	2021
	RM	RM
Singapore dollar	–	20,947
Malaysian Ringgit	10,606	9,991
	10,606	30,938

27. Other payables

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Amount owing to directors	1,858,165	1,278,567	345,430	–
Amount owing to subsidiaries	–	–	3,168	–
Service tax payable	5,095	3,143	–	–
Accruals	2,111,087	1,128,957	973,006	546,524
Other payables	3,231,383	2,426,115	1,099,487	292,650
Others	37,809	23,196	–	–
	7,243,539	4,859,978	2,421,091	839,174

The amount owing to Directors of the Company related to reimbursable disbursements incurred for business use and are repayable on demand.

Accruals include the rental expenses of PJ confinement centre at SS2 Petaling Jaya, Malaysia for 3 consecutive financial years amounting to RM360,000, director remuneration amounting to RM766,186 and accrual staff expenses amounting to RM579,874. The remaining balance mainly pertains to accrued operating expenses such as professional fees and corporate support services related expenses.

The other payables include the amount owing to a third party pertains to payment made on behalf of the Group by The Rain Maker Mgmt Sdn. Bhd., includes RM1.4 million for payment made on behalf for operating expenses.

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

27. Other payables (Continued)

The Group's and Company's other payables and provisions are denominated in the following currencies:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Singapore dollar	4,363,887	2,202,524	2,421,091	839,174
United States dollar	–	43,550	–	–
Malaysian Ringgit	2,879,652	2,613,904	–	–
	7,243,539	4,859,978	2,421,091	839,174

28. Contract liabilities

As at 31 December 2022, the contract liabilities of RM99,042 (2021: RM79,597) 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.

29. Contingent liabilities

At the end of the financial year, the Company had given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

30. 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 2021, the Group has a new outsource services segment following its acquisition of Impact BPO Services Pte. Ltd. and Impact BPO Sdn. Bhd.

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.

30. Segment information (Continued)

Continuing Operations	Healthcare		Outsourced Services		Corporate		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
Revenue								
External sales	682,113	689,796	1,718,846	707,647	–	–	2,400,959	1,397,443
Results								
Segment results	251,707	(11,108,040)	(1,062,010)	50,914	(3,139,296)	(1,676,239)	(3,949,599)	(12,733,365)
Finance costs	(41,661)	(95,159)	(5,861)	(4,789)	(334,069)	(794,312)	(381,591)	(894,260)
Loss before tax	210,046	(11,203,199)	(1,067,871)	46,125	(3,473,365)	(2,470,551)	(4,331,190)	(13,627,625)
Income tax							28,396	(33,734)
Loss for the year							(4,302,794)	(13,661,359)
Loss attributable to:								
Owners of the Company							(4,302,794)	(13,661,359)
Loss for the year							(4,302,794)	(13,661,359)

Discontinued Operations	Exploration and Production		Healthcare		Consolidated	
	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM
Group						
Revenue						
Total sales	–	–	–	–	–	–
Inter-segment sales	–	–	–	–	–	–
External sales	–	–	–	–	–	–
Results						
Segment results	–	(3,422,886)	–	(6,465,630)	–	(9,888,516)
Finance costs	–	–	–	(173,848)	–	(173,848)
Share of results of associate	–	–	–	–		–
Loss before tax	–	–	–	(6,639,478)	–	(10,062,364)
Income tax						–
Loss for the year					–	(10,062,364)
Loss attributable to:						
Owners of the Company					–	(10,062,364)
Loss for the year					–	(10,062,364)

30. Segment information (Continued)

	Healthcare		Outsourced Services		Corporate		Discontinued operations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Assets										
Segment assets	547,781	1,913,252	701,424	1,691,147	926,932	425,884	–	–	2,176,137	4,030,283
Sub-total	547,781	1,913,252	701,424	1,691,147	926,932	425,884	–	–	2,176,137	4,030,283
Consolidated total assets									2,176,137	4,030,283
Liabilities										
Segment liabilities	2,485,691	5,029,931	1,519,577	1,646,623	6,870,876	3,246,237	–	–	10,876,144	9,922,791
Unallocated liabilities [(a)]									11,384	36,939
Consolidated total liabilities									10,887,528	9,959,730

(a) Unallocated liabilities comprise withholding tax, value-added tax payables, deferred tax liabilities and income tax payable.

30. Segment information (Continued)

Group	Continuing operations						Discontinued operations					
	Healthcare**		Corporate		Outsourced Services		Exploration and Production		Healthcare		Consolidated	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Other information												
Property, plant and equipment written off	2,339	9,771		–		–	–	–	–	–	2,339	9,771
Depreciation of property, plant and equipment	34,944	84,696	17,319	–	1,216	975	–	–	–	1,767	53,479	87,438
Depreciation of right-of-use assets	–	689,478	269,696	–	133,180	77,232	–	–	–	2,727,242	402,876	3,493,952
Impairment / (Write back of impairment) of property, plant and equipment	–	255,585	52,625	–	–	–	–	–	–	–	52,625	255,585
Impairment of right-of-use assets	–	1,220,745	45,904	–	–	–	–	–	–	–	45,904	1,220,745
Expected credit loss allowance	–	–	–	–	432,838	148,680	–	–	–	–	432,838	148,680
Loss on deconsolidation of subsidiary	–	–	–	–	–	–	–	3,448,874	–	–	–	3,448,874
Loss on liquidation of subsidiary	–	–	–	–	–	–	–	–	–	2,488,804	–	2,488,804
Loss on termination of lease rental	77,620	–	–	–	3,605	–	–	–	–	–	81,225	–
Gain arising from extinguishment of loan	–	–	(203,631)	–	–	–	–	–	–	–	(203,631)	–
Gain in fair value of convertible loan	–	–	(347,145)	–	–	–	–	–	–	–	(347,145)	–
Gain on termination of lease rental	(1,257,646)	–	–	–	–	–	–	–	–	–	(1,257,646)	–

** *Healthcare under continuing operation mainly for Malaysia's geographical market.*

30. 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	
	2022 RM	2021 RM	31 December 2022 RM	31 December 2021 RM
Group				
Continuing operations				
Malaysia	997,724	785,625	480,636	503,155
Singapore	1,403,235	611,818	304,547	799,489
	2,400,959	1,397,443	785,183	1,302,644

31. 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:

(a) Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	Group	
	2022 RM	2021 RM
Directors' remuneration:		
- salaries and related costs	516,869	550,724
- defined contributions	19,526	18,872
- Directors' fees	398,181	384,850
	934,576	954,446
Key management personnel:		
- salaries and related costs	613,200	582,008
- defined contributions	73,584	69,848
	686,784	651,856
	1,621,360	1,606,302

The remuneration of Directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

32. 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.

To assess and manage its credit risk, the Group categorises 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, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

32. Financial instruments and financial risks (Continued)

Credit risk (Continued)

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.

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.

32. Financial instruments and financial risks (Continued)

Credit risk (Continued)

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.

There are no write off of trade receivables as at 31 December 2022.

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.

Trade receivables (Note 17)

The Group uses a practical expedient to recognise the ECL for trade receivables, 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 Group uses a provision matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last three years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore, People's Republic of China ("**PRC**") and Malaysia) and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2022 is RM581,518 (2021: RM148,680) (Note 32).

32. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables (Note 17) (Continued)

	Note (i)	Trade receivable Category 4	Total
	RM	RM	RM
31 December 2022			
Gross carrying amount	962,755	242,474	1,205,229
Loss allowance	(339,044)	(242,474)	(581,518)
Net carrying amount	623,711	–	623,711
31 December 2021			
Gross carrying amount	494,134	148,680	642,814
Loss allowance	–	(148,680)	(148,680)
Net carrying amount	494,134	–	494,134

Note (i) For trade receivables, the Group uses practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

	Current	Past due 0 to 180 days	Past due more than 180 days	Total
	RM	RM	RM	RM
31 December 2022				
Trade receivables (gross)	198,028	153,730	610,997	962,755
Loss allowance	–	–	(339,044)	(339,044)
31 December 2021				
Trade receivables (gross)	194,497	299,637	–	494,134
Loss allowance	–	–	–	–

32. Financial instruments and financial risks (Continued)

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, Malaysian Ringgit ("**RM**"), Australia dollar ("**AUD**") 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	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Monetary assets				
RM	336,272	7,495	453,735	114,149
AUD	–	56,653	–	–
Monetary liabilities				
RM	41,619	38,496	38,036	28,606
USD	29,363	43,549	29,363	43,549

Foreign currency sensitivity analysis

The Group is mainly exposed to SGD, RM, AUD and USD.

32. **Financial instruments and financial risks (Continued)**

Market risk (Continued)

Foreign currency risk (Continued)

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	
	2022	**2021**
	RM	**RM**
Group		
RM	11,197	(1,178)
USD	(1,116)	(1,655)
AUD	–	2,153

	(Increase)/Decrease in Profit or Loss	
	2022	**2021**
	RM	**RM**
Company		
USD	(1,116)	(1,655)
RM	15,797	3,251

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

Interests on the Group's borrowings (Note 25) are on fixed rates that prevail until the maturity of the instruments. No other financial instrument of the Group is subject to interest rate risks.

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.

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.

32. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

The repayment terms of borrowings and lease liabilities are disclosed in Notes 25 and 24 to these financial statements respectively.

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.

	Effective interest rate %	1 year or less RM	1 to 5 years RM	Total RM
Group				
2022				
Financial assets:				
Trade receivables	–	623,711	–	623,711
Other receivables (exclude prepayment)	–	127,219	–	127,219
Cash and cash equivalents	–	510,064	–	510,064
		1,260,994	–	1,260,994
Financial liabilities:				
Lease liabilities	5.5	308,328	128,470	436,798
Borrowings	19 - 24	719,423	2,450,399	3,169,822
Trade payables		10,606	–	10,606
Other payables		7,172,082	–	7,172,082
		8,210,439	2,578,869	10,789,308
Total net undiscounted financial liabilities		(6,949,445)	(2,578,869)	(9,528,314)

	Effective interest rate %	1 year or less RM	1 to 5 years RM	Total RM
Group				
2021				
Financial assets:				
Trade receivables	–	494,134	–	494,134
Other receivables (exclude prepayment)	–	890,535	–	890,535
Cash and cash equivalents	–	1,218,203	–	1,218,203
		2,602,872	–	2,602,872
Financial liabilities:				
Lease liabilities	5.5	1,444,405	1,191,320	2,635,725
Borrowings	19	2,503,211	–	2,503,211
Trade payables	–	30,938	–	30,938
Other payables	–	4,856,835	–	4,856,835
		8,835,389	1,191,320	10,026,709
Total net undiscounted financial liabilities		(6,232,517)	(1,191,320)	(7,423,837)

32. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

	Effective interest rate %	1 year or less RM	1 to 5 years RM	Total RM
Company				
2022				
Financial assets:				
Other receivables (exclude prepayment)		–	–	–
Cash and cash equivalents		13,218	–	13,218
		13,218	–	13,218
Financial liabilities:				
Borrowings	10 - 15	719,423	2,384,037	3,103,460
Other payables		2,421,091	–	2,421,091
		3,140,514	2,384,037	5,524,551
Total net undiscounted financial liabilities		(3,127,296)	(2,384,037)	(5,511,333)

	Effective interest rate %	1 year or less RM	1 to 5 years RM	Total RM
Company				
2021				
Financial assets:				
Other receivables (exclude prepayment)	–	131,529	–	131,529
Cash and cash equivalents	–	417,911	–	417,911
		549,440	–	549,440
Financial liabilities:				
Borrowings	19	2,503,211	–	2,503,211
Other payables	–	839,174	–	839,174
		3,342,385		3,342,385
Total net undiscounted financial liabilities		(2,792,945)	–	(2,792,945)

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets at amortised cost	1,260,994	2,602,872	13,218	549,440
Financial liabilities at amortised cost	7,281,729	4,945,782	2,421,091	839,174
Borrowings	1,322,100	2,438,049	1,322,100	2,438,049
Lease liabilities	424,592	2,517,373	–	–
Financial liabilities at fair value through profit or loss				
Borrowings	1,781,360	–	1,781,360	–

33. 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 20, 21, 22 and 23.

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 2021.

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	
	2022	**2021**
	RM	**RM**
Total debts	10,887,528	9,959,730
Less: Cash and cash equivalents	(510,064)	(1,218,203)
Net debt	10,377,464	8,741,527
Total equity	(8,711,391)	(5,929,447)
Total capital	1,666,073	2,812,080
Gearing ratio	6.23	3.11

The Group and the Company are not subjected to any externally imposed capital requirements during the financial year ended 31 December 2022 and 2021.

34. Subsequent event after reporting date

(i) On 17 February 2023, the Company announced entered into a non-redeemable convertible loan note agreement with Ng Boon Leong pursuant to which the lender agreed to subscribe to an interest-bearing non-redeemable convertible loan note for a principal amount of S$100,000 issued by the Company.

(ii) On 15 March 2023, the Company entered into a convertible bond with 2 Aces Premier Equity Fund, a company incorporated in the Cayman Islands (the "**Subscriber**"). Pursuant to the terms of the Subscription Agreement, the Company has agreed to issue, and the Subscriber has agreed to subscribe for, an aggregate of up to S$30,000,000 in principal amount of convertible bonds ("Bond"), which are convertible into new ordinary shares ("**Shares**") in the capital of the Company.

(iii) On 31 March 2023, the Company entered into a short-term loan agreement with 3BX Pte Ltd for a principal amount of S$300,000 with a period of four months and carrying an interest rate of 2.5% per month.

Statistics of Shareholdings

As at 15 March 2023

Number of Issued and Paid-up Share Capital	:	S$50,197,074.56
Number of Issued and Paid-up Shares	:	597,216,759
Class of Shares	:	Ordinary Shares fully paid
Number of Issued and Paid-up Shares excluding Treasury Shares and Subsidiary Holdings	:	597,016,759
Number and Percentage of Treasury Shares	:	200,000 (0.033%)
Number and Percentage of Subsidiary Holdings Held	:	Nil
Voting Rights	:	One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	7	0.66	283	0.00
100 - 1,000	35	3.28	18,527	0.00
1,001 - 10,000	202	18.93	1,629,400	0.27
10,001 - 1,000,000	775	72.63	120,318,072	20.16
1,000,001 AND ABOVE	48	4.50	475,050,477	79.57
TOTAL	**1,067**	**100.00**	**597,016,759**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WILLY CHAN FOO WENG	67,720,521	11.34
2	CITIBANK NOMINEES SINGAPORE PTE LTD	51,072,200	8.55
3	DBS NOMINEES (PRIVATE) LIMITED	48,976,355	8.20
4	OCBC SECURITIES PRIVATE LIMITED	33,661,419	5.64
5	PHILLIP SECURITIES PTE LTD	29,957,250	5.02
6	LOW KOON POH	28,044,300	4.70
7	RAFFLES NOMINEES (PTE.) LIMITED	27,590,189	4.62
8	LIW CHAI YUK	26,866,284	4.50
9	CHRISTOPHER NGHIA DO	19,988,158	3.35
10	UOB KAY HIAN PRIVATE LIMITED	16,939,500	2.84
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	15,822,742	2.65
12	PERMBROOK PTY LIMITED	7,524,000	1.26
13	YEO SIONG CHAN	7,519,300	1.26
14	MAYBANK SECURITIES PTE. LTD.	7,303,500	1.22
15	CROGAR PTY LIMITED	7,230,000	1.21
16	MUWORI PTY LIMITED	7,230,000	1.21
17	KHIEM TRONG DO	4,691,000	0.79
18	TAN HWEE KHENG	4,200,000	0.70
19	TAN LYE SENG	4,194,200	0.70
20	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,044,000	0.68
	TOTAL	**420,574,918**	**70.44**

Substantial Shareholders

As recorded in the Register of Substantial Shareholders as at 15 March 2023

No	Name	Direct Interest		Deemed Interest	
		No. of Shares	**%**	**No. of Shares**	**%**
1	TAN SRI DATO' HARI N. GOVINDASAMY	–	–	50,856,500(1)	8.52
2.	VIMALA J. GOVINDASAMY	–	–	50,856,500(1)	8.52
3.	LIW CHAI YUK	44,777,103(2)	7.50	–	–
4.	I CONCEPT GLOBAL GROWTH FUND	40,201,005(3)(4)	6.73	–	–
5.	WILLY CHAN FOO WENG	67,720,521	11.34	–	–
6.	PONG SIN TEE EUGENE	–	–	40,201,005(4)	6.73

Notes:

(1) The deemed interest in 50,856,500 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) 17,910,819 shares are held through OCBC Securities Private Limited.

(3) The shares are held through DBS Nominees (Private) Limited.

(4) I Concept Global Growth Fund ("**I-Concept**") is made up of two non-participating voting shares of par value US$1.00 in the capital of I-Concept ("**Management Shares**") and 4,999,800 participating non-voting shares of par value US$0.01 in the capital of I Concept ("**Participating Shares**"). The two Management Shares are held by Pong Sin Tee Eugene. Accordingly, Pong Sin Tee Eugene is deemed to be interested in the shares held by I-Concept.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 15 March 2023, approximately 61.16% 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 **Friday, 28 April 2023 at 10.00 a.m.** (Singapore time) to transact the following business:

Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2022 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 Tan Sri Ahmad Bin Mohd Don who is retiring by rotation pursuant to Article 98 of the Constitution of the Company. *[See explanatory Note 1]* **(Resolution 3)**

4. To approve the payment of Directors' fees amounting to S$124,800/- for the financial year ending 31 December 2023, to be paid quarterly in arrears (2022: S$124,800/-). **(Resolution 4)**

5. To re-appoint Messrs Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modifications:

6. **Authority to Allot and Issue Shares**

THAT pursuant to Section 161 of the Companies Act 1967 (the "**Companies 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 Companies 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 Annual General Meeting ("**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 6)

7. 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
13 April 2023

Explanatory Notes:

(1) **Resolutions 2 and 3**

Ordinary Resolution 2 – Mr Harry Ng will, upon re-election as a Director, continue to serve as Lead Independent Director, Chairman of Audit Committee and member of the Nominating and Remuneration Committees. The Board of Directors ("**Board**") considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Ordinary Resolution 3 – Tan Sri Ahmad will, upon re-election as a Director, continue to serve as Independent Director and member of the Audit, Nominating and Remuneration Committees. The Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

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 2022.

(2) **Resolution 6**

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.

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.

2. **Members will not be able to attend the AGM in person.** Alternative arrangements relating to, among others, attendance at the AGM via electronic means (including arrangements by which the AGM proceedings may be electronically accessed via live audio-visual webcast ("**Live Webcast**") and live audio-only stream ("**Audio Only Means**"), submission of questions in advance of the AGM, submission of text-based questions during the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM, appointment of proxy(ies) to attend and vote on their behalf at the AGM, and live voting at the AGM, are set out in the accompanying Company's announcement dated 13 April 2023 ("**AGM Alternative Arrangements Announcement**"). The AGM Alternative Arrangements Announcement may be accessed at the Company's website at the URL https://investor.medi-lifestyle.com/agm.html and SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. 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 attend the AGM must pre-register at the URL https://investor.medi-lifestyle.com/agm.html no later than **10.00 a.m. on 26 April 2023** ("**Registration Cut-Off Time**") for verification purposes. Following verification, authenticated members and CPF/SRS investors will receive an email by 12.00 p.m. on 27 April 2023 on their authentication status and link to access the Live Webcast and Audio Only Means of the AGM proceedings. Members and CPF/SRS investors who do not receive any email by 12.00 p.m. on 27 April 2023, but have registered by the Registration Cut-Off Time, should contact the Company's investor relations via email at agm2023@medi-lifestyle.com during office hours on 27 April 2023 for assistance.

4. Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) ("**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. If they wish to participate in the "live" broadcast of the AGM, they should instead approach their relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register.

5. Members, including CPF/SRS investors, and (where applicable) duly appointed proxy(ies) attending the AGM may ask questions related to the resolutions to be tabled for approval during the AGM, by submitting text-based questions during the Live Webcast and Audio Only Means by clicking on the "Ask Question" feature, followed by selecting a resolution to enter the text-based question.

   Members including CPF/SRS investors may submit questions relating to the business of the AGM in advance of the AGM in the following manner no later than **5.00 p.m. on 20 April 2023**:

   (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 agm2023@medi-lifestyle.com.

The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's website and on SGX website by 23 April 2023. Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the cut-off date will be consolidated and addressed at the AGM.

6. Members who wish to exercise their voting rights at the AGM may vote in real time at the AGM by themselves or by their duly appointed proxies (other than the Chairman of the AGM) via Live Voting feature, or appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. A member who wishes to appoint a proxy(ies) to attend and vote at the AGM must submit an instrument of appointing a proxy(ies). 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.

7. The proxy needs not be a member of the Company.

8. The instrument appointing a proxy or proxies 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 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; 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, no later than **10.00 a.m. on 26 April 2023**, being not less than forty-eight (48) hours before the time appointed for holding the AGM and in default the instrument appointing a proxy or proxies shall not be treated as valid.

   A member who wishes to submit an instrument appointing a proxy or proxies must first download, 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.

9. CPF/SRS investors may vote in real time at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any questions regarding their appointment as proxies. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **5.00 p.m. on 19 April 2023**, being seven (7) working days before the AGM. For the avoidance of doubt, CPF/SRS investors will not be able to appoint third-party proxy(ies) (other than the Chairman of the AGM or the CPF/SRS investors themselves) to vote at the AGM on their behalf.

10. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer or in such a manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

11. Where an instrument appointing a proxy or proxies 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 appointing a proxy or proxies, failing which the instrument may be treated as invalid.

12. 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.

13. All documents (including the Annual Report, this Notice of AGM and the proxy form) or information relating to the business of the AGM ("**Documents**") are circulated 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. Printed copies of these Documents will not be despatched to members. Members and Investors are reminded to check the Company's website or SGX website regularly for updates on the AGM (if any).

Personal data privacy:

By (a) submitting a proxy form appointing the proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any questions prior to, or at, 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. processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the proxy(ies) and/or representative(s) 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 Audio Only Means and providing viewers with any technical assistance, where necessary;

III. addressing selected substantive questions from members received in advance of, or live at, the AGM;

IV. preparing 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.

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*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 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 form of proxy will not be sent to members.
2. **Members will not be able to attend the AGM in person.** Alternative arrangements relating to, among others, attendance at the AGM via electronic means (including arrangements by which the AGM proceedings may be electronically accessed via live audio-visual webcast ("**Live Webcast**") or live audio-only stream ("**Audio Only Means**")), submission of questions in advance of the AGM, submission of text-based questions during the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM, appointment of proxy(ies) to attend and vote on their behalf at the AGM, and live voting during the AGM, are set out in the accompanying Company's announcement dated 13 April 2023 ("**AGM Alternative Arrangements Announcement**"). The AGM Alternative Arrangements Announcement may be accessed on the Company's website at the URL https://investor.medi-lifestyle.com/agm.html and SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. 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 or SRS Operators to submit their voting instructions at least seven (7) working days before the AGM.
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).

*I/We,________________________________ (Name) ________________ (*NRIC/Passport/Co Registration No.)

of ____ (Address)
being a *member/members of **Medi Lifestyle Limited** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address^			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address^			

^ *Members will have to pre-register at the URL https://investor.medi-lifestyle.com/agm.html no later than 10.00 a.m. on 26 April 2023 to nominate or register their respective proxy or proxies in order to allow the appointed proxy or proxies to access the Live Webcast or Audio Only Means.*

or if no proxy is named, the Chairman of the AGM as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means on **Friday, 28 April 2023 at 10.00 a.m.** (Singapore time) and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions as to voting is given, the appointed proxy/proxies (other than the Chairman of the AGM) may vote or abstain from voting at his/her/their discretion, as *he/she/they will on any other matters arising at the AGM and/or at any adjournment thereof.

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 2022 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 Tan Sri Ahmad Bin Mohd Don as a Director of the Company			
4.	To approve the payment of Directors' fees for the financial year ending 31 December 2023, to be paid quarterly in arrears			
5.	To re-appoint Mazars LLP as the Company's auditors for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration			
Special Business				
6.	To approve the authority to allot and issue shares			

Notes:

* *Delete where inapplicable.*

\# *Voting will be conducted by poll. If you wish your proxy(ies) 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 your proxy(ies) to abstain from voting on a resolution, please indicate with "X" in the "Abstain" box in respect of that resolution.* ***Where the Chairman of the AGM is appointed as proxy and 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 ________________ 2023.

Total Number of Shares held (Note 1)

____
Signature(s) / Common Seal of members(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO PROXY FORM:

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. A member will not be able to attend the AGM in person. A member who wish to exercise their voting rights at the AGM may vote in real time at the AGM by themselves or by their duly appointed proxies (other than the Chairman of the AGM) via Live Voting feature, or appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. A member who wish to appoint a proxy(ies) to attend and vote at the AGM must submit an instrument appointing a proxy or proxies. 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.

3. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy or proxies. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of its/his appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where more than two (2) proxies are appointed, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.

5. A proxy needs not be a member of the Company.

6. The instrument appointing a proxy or proxies 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 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; 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 **10 a.m. on 26 April 2023**, being not less than forty-eight (48) hours before the time appointed for holding the AGM.

   A member who wishes to submit an instrument appointing a proxy or proxies must first download, complete and sign this 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.

7. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer or in such a manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

8. Where an instrument appointing a proxy or proxies 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 appointing a proxy or proxies, failing which the instrument may be treated as invalid.

9. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument appointing a proxy or proxies, to the AGM.

10. For CPF/SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors may vote in real time at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any questions regarding their appointment as proxies. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **5.00 p.m. on 19 April 2023**, being seven (7) working days before the AGM. For the avoidance of doubt, CPF/SRS investors will not be able to appoint third-party proxy(ies) (other than the Chairman of the AGM or the CPF/SRS investors themselves) to attend, speak and vote at the AGM on their behalf.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy or proxies 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 13 April 2023.

MEDI LIFESTYLE

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