



MEDI LIFESTYLE LIMITED
(Formerly known as IEV HOLDINGS LIMITED)
(Company Registration Number 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF IMPACT BPO SERVICES PTE LTD AND IMPACT BPO SDN BHD

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of Medi Lifestyle Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the following:

- a. the Company's direct wholly owned subsidiary, Healthpro Group (S) Pte Ltd ("**HPGS**") has entered into a Share Sale Agreement on 1 October 2021 with Tan May May ("**TMM**") for the acquisition of the entire issued share capital of Impact BPO Services Pte Ltd ("**IBSPL**"); and
- b. the Company's direct wholly owned subsidiary, Healthpro Group (M) Sdn Bhd ("**HPGM**") has entered into a Share Sale Agreement on 1 October 2021 with Yu Wei Ting ("**YWT**") for the acquisition of the entire issued share capital of Impact BPO Sdn Bhd ("**IBSB**")

(collectively, the "**Proposed Acquisition**"). Hereinafter TMM and YWT are collectively referred to as "**Sellers**"; IBSPL and IBSB are collectively referred to as "**Targets**"; and HPGS and HPGM are collectively referred to as "**Buyers**".

1.2 Upon the completion of the Proposed Acquisition, IBSPL and IBSB will become wholly-owned subsidiaries of HPGS and HPGM respectively. Accordingly, the Company is making this announcement pursuant to Rule 704(16) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of the Catalist (the "**Catalist Rules**").

1.3 The Proposed Acquisition constitutes a "non-disclosable transaction" under Chapter 10 of the Catalist Rules. Please refer to section 6 of this announcement for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules. Notwithstanding being a non-disclosable transaction, details of the Proposed Acquisition is disclosed in this announcement.

2. INFORMATION ON THE TARGETS AND SELLERS

2.1 IBSPL, *formerly known as SG Homeworks Pte. Ltd*, was incorporated in Singapore on 13 September 2019. IBSPL has an issued and paid-up share capital of Singapore Dollar ("**S\$**") 100,000 comprising 100,000 units of ordinary shares of S\$1.00 each. TMM holds 100% of the issued and paid-up capital of IBSPL and is a director of IBSPL. TMM is not related to the Directors, the Company's substantial shareholders and/or their respective associates.

IBSPL is principally engaged in the business of providing recruitment and outsourced human resource services to Singapore and regional businesses. Based on management accounts for nine months

ended 30 September 2021, IBSPL recorded a net loss of S\$434 (approximately RM1,335¹) and net equity of S\$99,566 (approximately RM306,365). There were no management accounts for the financial year ended 31 December 2020 (“**FY2020**”) as IBSPL was dormant.

- 2.2 IBSB, was incorporated in Malaysia on 29 March 2021 and has an issued and paid-up capital of Ringgit Malaysia (“**RM**”) 100 comprising 100 units of ordinary shares of RM1.00 each. YWT holds 100% of the issued and paid-up capital of IBSB and is a director of IBSB. YWT is not related to the Directors, the Company’s substantial shareholders and/or their respective associates.

IBSB is principally engaged in the business of providing outsourced human resource services in Malaysia, with a focus on the healthcare sector. Based on the management accounts for the financial period from incorporation date to 30 September 2021, IBSB recorded a net loss of RM249,439 (approximately to S\$81,066) and net liability of RM249,300 (approximately to S\$81,033).

3. RATIONALE FOR THE PROPOSED ACQUISITION

- 3.1 The Group’s operating activities in the Healthcare and Wellness Business has helped to identify a latent demand and need for qualified and experienced manpower in the healthcare and wellness space in Singapore and Malaysia. Leveraging on the management team’s experience and business networks in the healthcare and wellness industry, the Proposed Acquisition complements the Group’s current offerings by providing experienced healthcare professionals required at its postpartum, chiropractic and physiology centres while at the same time provides an additional revenue stream. Due to the prolonged Covid-19 environment, the Board and management of the Group explored alternative sources of revenue which led to the materialisation of the exclusive distributor agreements with Lansion Biotechnology Co., Ltd that was announced on 16 August 2021, the launch of genetic screening service, Qodify, that was announced on 13 September 2021 and the Proposed Acquisition.

4. CONSIDERATION

- 4.1 The consideration for 100% of issued shares in IBSPL is S\$10,000 (equivalent to RM30,770), which will be fully satisfied by way of cash (“**First Consideration**”).
- 4.2 The consideration for 100% of issued shares in IBSB is RM100 (equivalent to S\$32.50), which will be fully satisfied by way of cash (“**Second Consideration**”).
- 4.3 The First Consideration and Second Consideration will be satisfied via internal resources of the Group. No valuation was conducted in respect of the Targets having considered the scale of the Proposed Acquisition.
- 4.4 The First Consideration and Second Consideration were arrived at after arm’s length negotiations between the parties on a willing-buyer and willing-seller basis considering, *inter-alia*,
- a. net equity position of IBSPL as at 30 September 2021 of S\$99,566 (approximately RM306,365) offset by the net liability position of IBSB as at 30 September 2021 of approximately RM249,339 (approximately S\$81,033). As IBSPL and IBSB have a common management team, the consideration for IBSPL and IBSB were considered holistically; and
 - b. cash flow required from the Group to fund the working capital requirements of the Targets.

¹ References to exchange rate of S\$1:RM3.077 in this announcement are extracted from www.mas.gov.sg as at 30 September 2021.

5. PRINCIPAL TERMS OF THE SHARE SALE AGREEMENTS

The salient terms of the Share Sale Agreements, which are wholly identical, are set out below.

- 5.1 All rights, benefits and advantages to the shares in IBSPL and IBSB shall be free of encumbrances and shall accrue to HPGS and HPGM respectively from 1 October 2021, being the date of the Share Sale Agreements.
- 5.2 Within twenty (20) business days of the date of Share Sale Agreements, the Sellers shall deliver original share certificates of the Targets, related share transfer forms and documents to the Buyers to effect the transfer of ownership in the Targets. TMM and YWT shall also resign from the boards of IBSPL and IBSB respectively and HPGS and HPGM will appoint directors in their place.

6. CHAPTER 10 OF THE CATALIST RULES

Based on the Group's latest announced consolidated financial statements for the six months ended 30 June 2021 ("HY2021"), the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition are set out below.

Catalist Rule	Relative Figure
Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as this is not a disposal.
Rule 1006(b) – the net profits attributable to the assets acquired, compared with the Group's net profits	3.07% ⁽¹⁾
Rule 1006(c) – the aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	0.57% ⁽²⁾
Rule 1006(d) – the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as consideration will be in cash.
Rule 1006(e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

- (1) Based on the unaudited financial statements of the Company for HY2021, the net loss of the Group was approximately MYR 8.171 million. Based on the management accounts of the Targets for period ended 30 September 2021, the net loss of the Targets was approximately RM0.251 million.
- (2) The aggregate of the First Consideration and Second Consideration of S\$10,032 and the net liability position of IBSB amounting to S\$81,033 compared against the Company's market capitalisation of S\$16.09 million, which is computed based on 512,567,966 Shares (excluding treasury shares) in issue and the weighted average price of S\$0.031 on 30 September 2021, being the last market day preceding the date of the SPA.

Catalist Rule 1007(1) states, *inter alia*, that if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 may still be applicable to the transaction in accordance with the applicable circumstances. Having considered paragraph 4.3(a) of Practise Note

10A of the Catalyst Rules, as the relative figure computed on the bases set out in Rule 1006(c) does not exceed 5% and the net loss attributable to the Targets amounts to less than 5% of the Group's consolidated net loss of the Group for HY2021, the Proposed Acquisition constitutes a non-disclosable transaction pursuant to Chapter 10 of the Catalyst Rules. Notwithstanding, the Company is making the announcement pursuant to Rule 706A of the Catalyst Rules.

7. FINANCIAL INFORMATION AND FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The *pro forma* financial effects of the Proposed Acquisition on the Group set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Acquisition. These illustrative financial effects have been prepared based on the audited consolidated financial statements of the Company for FY2020 and the unaudited financial statements of the Targets for the period ended 30 September 2021, based on the following bases and assumptions:

- (a) that the Proposed Acquisition had been completed on 1 January 2020 for the purposes of illustrating the financial effects on earnings;
- (b) that the Proposed Acquisition had been completed on 31 December 2020 for the purposes of illustrating the financial effects on net tangible asset ("**NTA**"); and
- (c) the computation does not take into account any expenses that may be incurred in relation to the Proposed Acquisition.

7.1 NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to owners of the Company (RM)	7,607,580	7,633,736
Number of Shares (excluding treasury shares)	512,567,966 ⁽¹⁾	512,567,966
NTA per Share (Malaysia cents)	1.5	1.5

Notes: (1) The number of Shares has been adjusted for an issuance of 19,685,039 Shares pursuant to a share subscription exercise completed on 13 April 2021, increasing the total number of issued Shares (excluding treasury shares) from 492,882,927 Shares as at 31 December 2020 to 512,567,966 Shares.

7.2 Loss per Share ("LPS")

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to owners of the Company (RM)	(2,763,399)	(3,014,173)
Weighted average number of Shares ('000)	505,713,230 ¹	505,713,230
LPS (Malaysia cents)	(0.55)	(0.60)

Notes: (1) The weighted average number of Shares have been adjusted for an issuance of 19,685,039 Shares

pursuant to a share subscription exercise completed on 13 April 2021 increasing the weighted average number of Shares (excluding treasury shares) from 486,028,191 Shares for financial year ended 31 December 2020 to 505,713,230 Shares.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition. The Directors are also not aware of any substantial shareholders that have an interest, direct or indirect, in the Proposed Acquisition.

9. SERVICE CONTRACT

No director will be appointed to the Board of the Company in connection with the Proposed Acquisition.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Share Sale Agreements is available for inspection during normal business hours at the Company's registered office, 80 Robinson Road, #02-00 Singapore 0688898, for a period of three (3) months from the date of this announcement.

12. CAUTION IN TRADING

Shareholders and other investors are reminded to exercise caution while dealing in the shares of the Company. In the event that shareholders and other investors are in doubt when dealing in the shares of the Company, they should consult their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board

Dato' Low Koon Poh
Executive Chairman & Chief Executive Officer
4 October 2021

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

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