



MEDI LIFESTYLE LIMITED

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

PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS AND STRATEGIC RESTRUCTURING

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Medi Lifestyle Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the Company proposes to diversify its business into the business of trading of agricultural commodities and related goods (the “**New Business**”) (the “**Proposed Diversification**”).

2. THE PROPOSED DIVERSIFICATION

2.1. Background

As at the date of this announcement, the Group is engaged in the business of:

(a) Healthcare sector:

- (i) rendering of services in relation to confinement and postnatal care services;
- (ii) rendering of services in relation to chiropractic and physiotherapy services; and
- (iii) sales of goods;

(b) Outsource services sector:

- (i) rendering of services in relation to human resource and payroll services; and
 - (ii) rendering of services in relation to permanent placement services,
- collectively, the “**Existing Business**”.

The Group intends to diversify its Existing Business to include the business of trading of agricultural commodities and related goods with an initial focus on the trading of coffee beans, seaweed and frozen meat.

The Group does not plan to restrict the New Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Business as and when the opportunity arises. The Group will assess and consider factors such as the nature and scale of the project, the amount of investment and other expertise required and risks associated with such an investment, availability and costs of financing, the period of time required to complete the project, the then existing market conditions and timing of any such investment, the revenue which may be generated, and the standing and contribution of its business or joint venture partner, if any, before proceeding with any such investment. In selecting

prospective partners, the Group will consider the specific expertise and competencies necessary for the project(s) in question and the experience, track record and financial standing of the party and/or parties concerned.

The Proposed Diversification into the New Business will be funded primarily through internal funds and/or external funding. As and when necessary and deemed appropriate, the Company may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issue of debt instruments.

2.2. Rationale for the Proposed Diversification

In its continued search for new business opportunities, the Group has considered opportunities in the agricultural commodity and related goods trading industry where it provides a diversified stream of income and revenue. The Group believes that the New Business will provide the following benefits to the Group:

(a) Positive prospects in the agricultural commodity and related goods trading industry

The Group believes that there are positive prospects in the agricultural commodity and related goods trading industry. Agricultural trade is expected to continue to expand for most commodities over the coming decade and will continue to be driven by population growth and technological advancements¹. Specifically, the global demand for coffee², seaweed³ and frozen meat⁴ is expected to continue to grow and trading activities in these commodities are anticipated to mirror such growth accordingly. The Group believes that it can leverage on the contacts and expertise of its Executive Chairman and Chief Executive Officer and tap into the industry.

(b) Additional and recurrent revenue streams

The Group is of the view that the New Business will provide additional and recurrent revenue streams for the Group and will allow the Group to have better prospects of achieving profitability and ensure longer-term growth. The Group will venture into the New Business prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth.

(c) More diversified business and income base, reducing reliance on Existing Business

The Proposed Diversification may provide the Group with a more diversified business and income base for future growth and reduce the Group's reliance on the Existing Business for its revenue streams. This will allow the Group to explore other growth areas and opportunities for new sources of revenue to the Group, facilitating the Group's quest for sustained performance and strengthened performance in the future.

(d) Enhance shareholder value

The Proposed Diversification is part of the corporate strategy of the Group to provide shareholders with diversified returns and long-term growth. It may provide the Group with additional funds, which can be channeled towards the enhancement of shareholder value over the long-term. Additionally, the Board believes that the Proposed Diversification can offer new business opportunities, provide the Group with new revenue streams, as well as earnings and growth opportunities and improve its prospects, so as to enhance shareholder value for the Company.

(e) Flexibility to enter into transaction relating to the New Business in the ordinary course of business

Upon shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the New Business, may be deemed to be in the Group's ordinary course

¹ <https://www.oecd-ilibrary.org/sites/1afeaedd-en/index.html?itemId=/content/component/1afeaedd-en#section-d1e4463>

² <https://www.statista.com/outlook/cmo/hot-drinks/coffee/worldwide>

³ <https://www.worldbank.org/en/topic/environment/publication/global-seaweed-new-and-emerging-markets-report-2023#:~:text=The%20Global%20Seaweed%20New%20and.potential%20beyond%20its%20current%20markets>

⁴ <https://www.transparencymarketresearch.com/frozen-meat-market.html>

of business and therefore not fall under the definition of a “transaction” under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the New Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential opportunities relating to the New Business arise. This will substantially reduce the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

3. SHAREHOLDERS’ APPROVAL

As the Proposed Diversification will involve new business activities which are materially different from the Group’s Existing Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Pursuant to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist, shareholders’ approval is required for the Proposed Diversification. Accordingly, an extraordinary general meeting (the “**EGM**”) will be convened by the Company to seek approval from shareholders for the Proposed Diversification.

Further details on the Proposed Diversification has been released by the Company in a circular dated 15 April 2024, for the purpose of obtaining the approval of shareholders in respect of the Proposed Diversification at the EGM to be convened. The EGM will allow shareholders the opportunity to communicate their views on the Proposed Diversification, and consider, if thought fit, to approve the Proposed Diversification.

4. STRATEGIC RESTRUCTURING OF THE GROUP

The Group has commenced a strategic review of its operations and will in the coming year, restructure its businesses, including but not limited to exiting from underperforming businesses and striking off of dormant entities in order to enhancing operational efficiency and profitability of the Group. The Company will update shareholders in due course.

5. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect in the Proposed Diversification, other than through their respective shareholdings in the Company (if any).

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Diversification will be completed as they are subject to Shareholders’ approval. The Company will make the necessary announcements as and when there are further developments.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Herry Pudjianto
Executive Chairman & Chief Executive Officer
15 April 2024

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

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