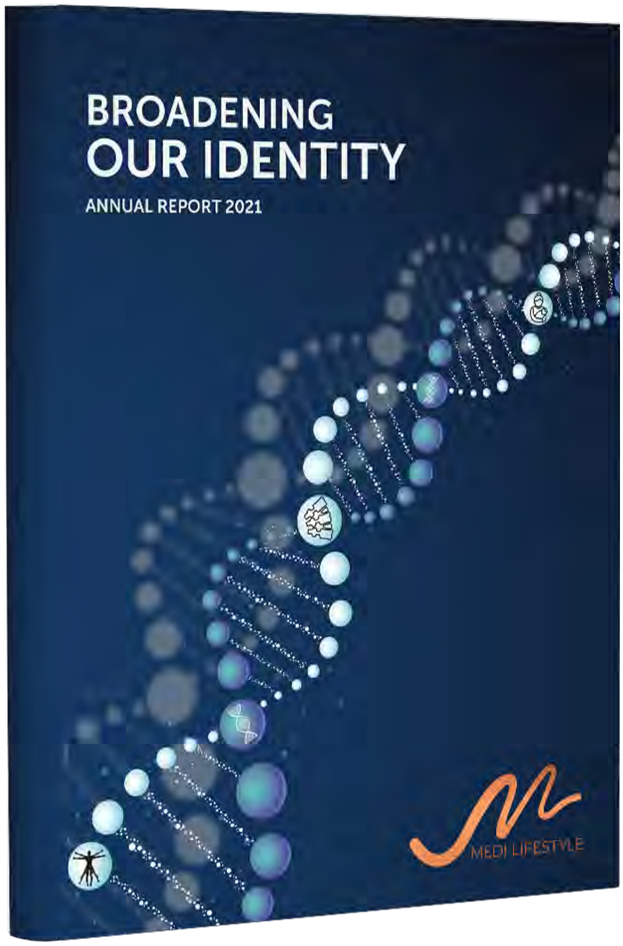
BROADENING OUR IDENTITY

ANNUAL REPORT 2021

MEDI LIFESTYLE

The foray into the healthcare, postpartum care and wellness business sector is part of Medi Lifestyle's strategy to provide shareholders with diversified returns and long-term growth.



The cover features an illustration of a DNA structure along with icons 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.

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Corporate Profile

Listed on the Catalist Board of SGX-ST since 2011, Medi Lifestyle Limited (formerly known as IEV Holdings 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**") and is in the midst of completing renovation works at Mines2 Klang Valley which will also host a postpartum care centre and a chiropractic and physiotherapy 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 SARS-CoV-2 Neutralizing Antibodies 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

Ms. Tan Chai Hong Yvette
Executive Director and
Chief Commercial 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)*
Ms. Ng Yau Kuen Carmen *(Member)*
Tan Sri Ahmad Bin Mohd Don *(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

380 Jalan Besar, #09-05 ARC 380,
Singapore 209000
T: +65 6299 9881

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: Chin Chee Choon
(Appointed since financial year ended
31 December 2021)

INTERNAL AUDITORS

Crowe Governance Sdn Bhd
Level 16, Tower C, Megan Avenue II,12,
Jalan Yap Kwan Seng,
50450 Kuala Lumpur, Malaysia

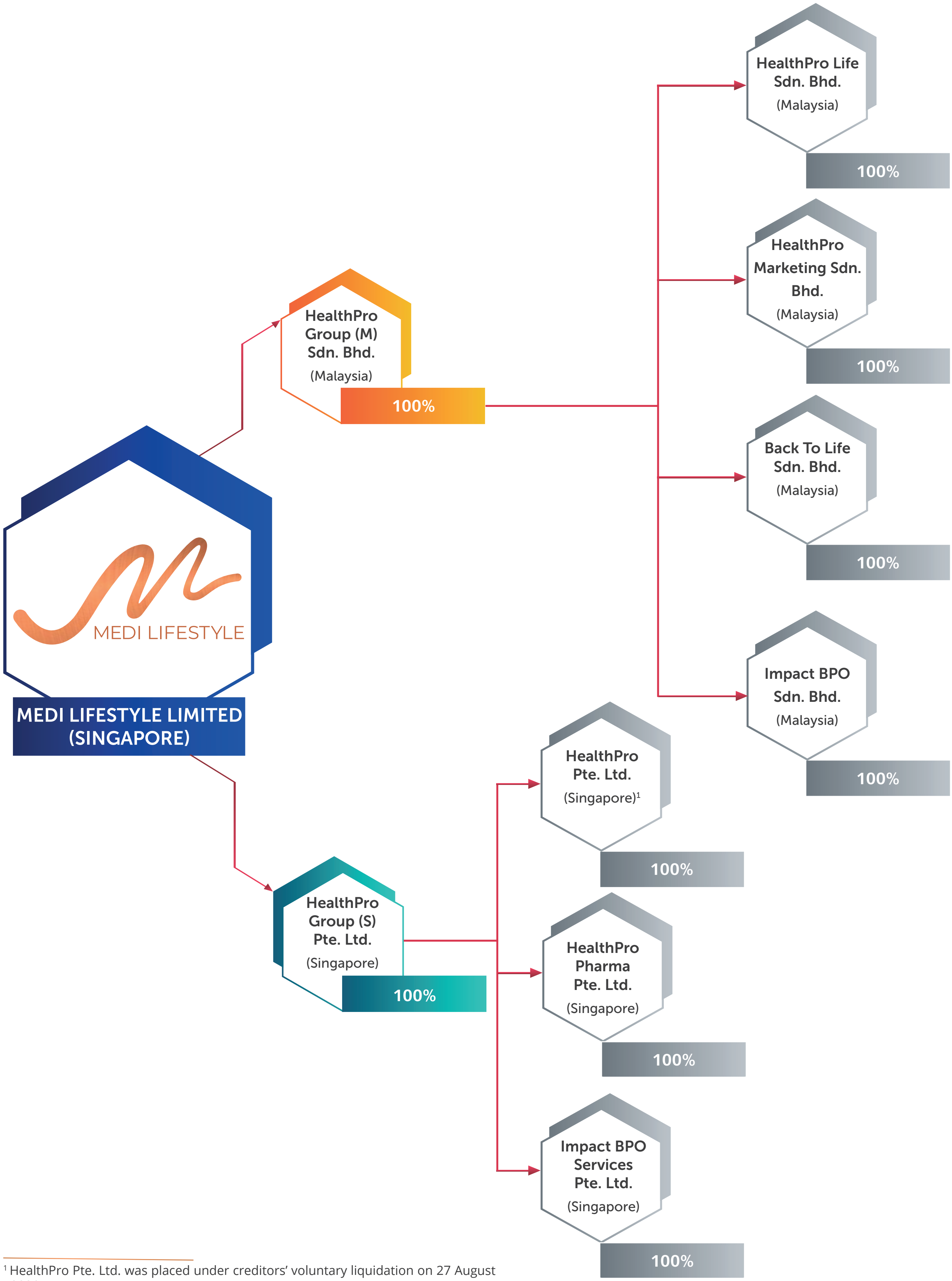
Director-In-Charge: Amos Law
(Appointed on 21 Sept 2012)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay #06-01, HSBC Building,
Singapore 049320

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

Corporate Structure



[1] HealthPro Pte. Ltd. was placed under creditors' voluntary liquidation on 27 August 2021.

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 re-appointed on 24 June 2020. He 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.

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.

TAN CHAI HONG ("YVETTE TAN")
Executive Director and Chief Commercial Officer

Yvette Tan was appointed to the Board on 1 December 2020 as Executive Director and Chief Commercial Officer of the Company and re-appointed on 27 April 2021.

Yvette Tan was appointed as Chief Commercial Officer of HealthPro Pte. Ltd., a wholly-owned subsidiary of the Company since August 2020. She has 10 years experience in human resource and business development. Her main responsibilities include leading the development of the Group's identity and brand, engaging the organisation in managing customer relationships, driving revenue and profit, developing sales plans and partnership programmes for optimal performance and growth, as well as reviewing and evaluating market trends and industry developments.

Yvette Tan holds a Masters of Science in Global Human Resources Management from the University of Roehampton.

Directors' Profile

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.

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.

Directors' Profile

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 24 June 2020.

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. He also serves as a Director on the Board of Malaysian Genomics Resource Centre Berhad (listed on Bursa Malaysia).

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	FY2021 RM'000	FY2020 RM'000
Revenue	1,397	623
Gross profit	492	85
Loss from continuing operations before interest, tax, depreciation and amortisation	(12,649)	(4,352)
(Loss)/Profit from discontinued operations	(10,062)	1,613
Loss attributable to owners of the Company	(23,724)	(2,763)
Loss per share (Malaysian sen)[1]		
– basic	(4.68)	(0.57)
– diluted	(4.68)	(0.57)

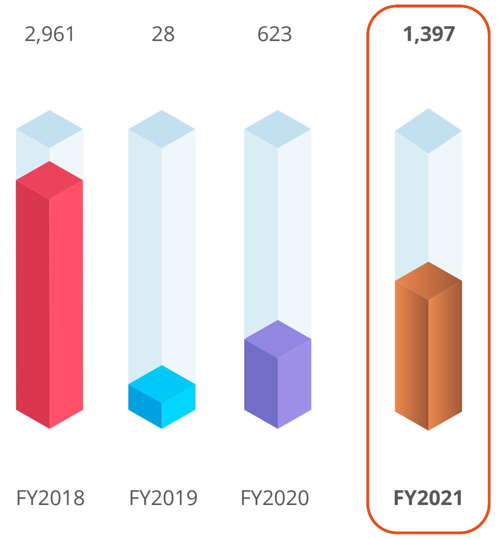
BALANCE SHEET	AS AT 31 DECEMBER 2021 RM'000	AS AT 31 DECEMBER 2020 RM'000
Property, plant and equipment	157	4,814
Right-of-use assets	946	7,397
Goodwill	-	6,133
Other non-current assets	200	27
Current assets excluding cash and bank balances	1,509	2,077
Cash and bank balances	1,218	496
Total assets	4,030	20,944
Non-current liabilities	(1,159)	(2,256)
Current liabilities	(8,800)	(11,080)
Net Asset Value	(5,929)	7,608
Shareholders' equity	(5,929)	7,608
Non-controlling interests	-	-
	(5,929)	7,608
Net Asset Value per share (Malaysian sen)[2]	(1.1)	1.5

Notes:
[1] 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. For comparative purposes the loss per share (basic and on a fully diluted basis) for FY2020 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 486,028,191, subsequent to (i) issuance of 76,000,000 shares at S$0.05 per share for a share subscription exercise on 14 January 2020; and (ii) issuance of 5,208,333 shares at S$0.0384 per share for a share subscription exercise on 19 October 2020.

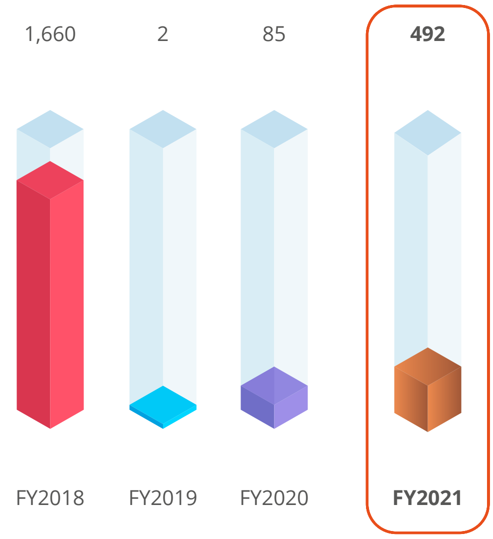
[2] Net asset values per share as at 31 December 2021 and 31 December 2020 have been calculated based on the aggregate number of ordinary shares of 552,768,971 and 492,882,927 as at the respective dates, excluding treasury shares.

Financial Highlights

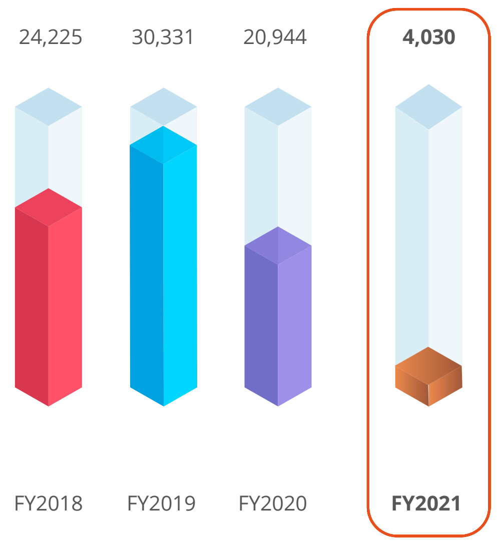
REVENUE
(RM'000)



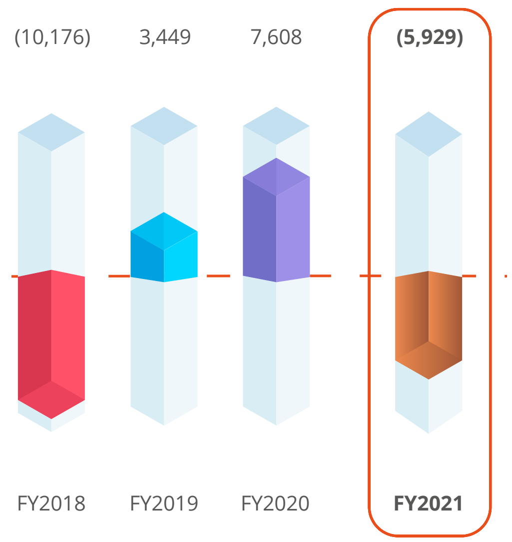
GROSS PROFIT
(RM'000)



TOTAL ASSETS
(RM'000)



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



Message to Shareholders

DEAR SHAREHOLDERS,

The financial year ended 31 December 2021 ("**FY2021**") has been a year of continued resilience and transition for our Group as we made further inroads in our pivot to new businesses, with a focus on the healthcare and wellness area.

Even before Covid-19, the global trend towards health and wellness was gaining ground. Covid-19 has only accelerated the movement towards greater awareness of health and well-being, as people seek to maintain their health while protecting themselves from this global pandemic.

Over the year in review, Group revenue increased by 124.2% to RM1.4 million from RM0.6 million for the financial year ended 31 December 2020 ("**FY2020**"). This was driven mainly by our Outsourced Services and Healthcare businesses.

In fourth quarter of FY2021, we acquired Outsourced Services companies in Malaysia and Singapore, recognising the growth in this area of business as companies seek to manage costs and outsource certain business functions, with this momentum accelerated by the pandemic. These newly-acquired firms are involved mainly in human resource recruitment and payroll. Our intention in the coming years is to develop the Outsourced Services into recruitment specialists in the healthcare and wellness space to complement our businesses.

Together, these Outsourced Services firms contributed RM0.7 million to Group revenue, while our Healthcare services business added RM0.7 million, a 10.8% increase from RM0.6 million in FY2020. This was driven by increased room bookings at our Postpartum centre and expanded chiropractic and physiotherapy services. If not for the prolonged government-mandated Covid-19 restricted movements in Malaysia, full year revenue from Healthcare services would likely been higher.

DEVELOPING THE NEXT CHAPTER

This transition period for the Group has been challenging and eventful but we are encouraged by the positive inroads we are making in our new businesses.

DNA Profiling

In the fourth quarter of FY2021, we launched our DNA profiling business. It is a genetic screening service in Malaysia and Singapore under the brand name "Qodify". Genetic screening involves the analysis of a person's deoxyribonucleic acid ("**DNA**") to screen for various diseases and health traits.

DATO' LOW KOON POH
Executive Chairman and Chief Executive Officer

// We forged ahead to achieve notable milestones and are enroute to becoming a full-fledged healthcare and group. //

Message to Shareholders

The customer's saliva sample is placed in a collection kit and sent to HealthPro Marketing Sdn Bhd's ("**HPM**", our indirectly-owned subsidiary) partner genomics laboratory to screen for genetic markers in a person's DNA. A comprehensive report on the selected traits is then produced. Genetic screening can indicate whether an individual has a predisposition, or is at an increased likelihood, of having an inherited disease or disorder.

The global genetic testing market size exceeded US$14.8 billion in 2020 and is projected to grow 11.6% annually to reach US$31.9 billion by 2027[1]. Direct-to-consumer genetic screening in Malaysia and Singapore is a service that is fast gaining traction with the availability of local genomics laboratories offering cost-efficient genetic screening services and growing affluence and health awareness of the population in these markets.

We plan to expand our geographical footprint in this business once the Malaysia and Singapore markets are established.

Covid-19 Antibody Test Kit

As we enter Year Three of Covid-19, the world is gradually tilting towards treating this disease as endemic and learning to live with it. Part and parcel of this change in mindset is trying to better understand the disease, how infectious it currently is, and protecting oneself from it. Covid-19 antibodies test kits are an important tool in this respect.

Our Group, through our indirect wholly-owned subsidiaries, has signed exclusive distributor agreements (the "**Distributor Agreements**") in August 2021 with China-based biotechnology firm Lansion Biotechnology Co., Ltd, specialising in research and development for in-vitro diagnostic reagents, devices and test kits, to market its SARS-CoV-2 Neutralizing Antibodies Test Kit (Dry Fluorescence Immunoassay) and its LS-4000 Dry Fluorescence Immunoassay Analyser under the brand name 'LansionBio'. These products are currently undergoing the registration process with the Health Ministries of Malaysia and Singapore.

Our Malaysian and Singapore subsidiaries, HealthPro Marketing Sdn Bhd and HealthPro Pharma Pte Ltd respectively, that are in charge of marketing and distribution of these products, have been granted establishment licences from the Medical Device Authority of Malaysia and the Health Sciences Authority of Singapore. Under the Distributor Agreements, we will provide after-sales customer support for LansionBio products in the Malaysia and Singapore markets.

In addition, these two subsidiaries were certified with Good Distribution Practice for Medical Devices qualification in Malaysia and Singapore (known as GDPMD in Malaysia and GDPMDS certifications in Singapore) in December 2021 by the respective government agencies. GDPMD ensures that companies dealing with medical devices have quality management systems in place to maintain the quality of devices throughout the distribution process.

Chiropractic and Physiotherapy

We are also excited by the progress made with our chiropractic and physiotherapy business in the Klang Valley, Malaysia. We have seen encouraging growth in this segment, under the brand name "Back To Life" ("**BTL**"), which is shaping up as another pillar of growth for our Group. Since the resumption of operations in August 2021 after the end of the Covid-19 lockdown, results have been heartening so far, and we plan to tap on this opportunity to progressively expand this business to Malaysia nationwide and to Singapore.

Concurrent with our fund-raising efforts, we aim to open up to eight new outlets in Malaysia, one of which will be an integrated BTL centre within the Mines2 Confinement Centre, and also have plans to develop up to four outlets in Singapore. This builds on the momentum upon the commencement of the operations of its first chiropractic and physiotherapy BTL centre at the PJ Confinement Centre last year.

Malaysia and indeed Singapore have seen a rising trend among the young and old to lead an active and sporty lifestyle. This has contributed to an awareness and subsequent growth in demand for such chiropractic and physiotherapy services. Many new centres have opened in major towns and cities and we see this trend continuing in the years ahead. The Group will focus on deepening our scope and reach in this segment.

Postpartum Business

Our PJ Confinement Centre in Petaling Jaya, Malaysia continues to operate at a very encouraging capacity. We are also making progress on the development of our Mines2 Centre in Klang Valley, Malaysia. We have submitted the local authority application for renovation works and are awaiting approval. Once obtained, we expect to start renovations towards mid-second quarter of 2022, and plan to commence operations in early fourth quarter of 2022. We will also continue to look out for similar business opportunities in Singapore to continue this business segment.

All these new developments augur well for our Group and I believe as we turn the corner in this Covid-19 period, the brightening macro-economic environment will strengthen our new business orientation.

CONCLUSION

Through this period of Covid-19, we have bolstered our Group's resilience and I am heartened to see the progress we are making in our new businesses in the Healthcare space. On behalf of the Board, I would like to commend our management and staff for their counsel, cooperation, and effort over FY2021. A word of appreciation must also be extended to our Board and Advisory Panel of medical experts Dr Michael Moon Awh and Dr Ou Cui Liu for their guidance over the year past. We will maintain our focus and strength as we move forward to the new year.

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.

[1] https://www.gminsights.com/industry-analysis/genetic-testing-market

Operations and Financial Review

REVENUE AND SALES ANALYSIS FROM HEALTHCARE BUSINESS

Revenue for financial year ended 31 December 2021 ("**FY2021**") was RM1.4 million, a 124.2% increase from revenue for the financial year ended 31 December 2020 ("**FY2020**") of RM0.6 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. Healthcare services revenue experienced a 10.8% increase in FY2021 to RM0.7 million from RM0.6 million in FY2020 due mainly to increased room bookings and expanded chiropractic services from the postpartum centre in Petaling Jaya, Malaysia ("**PJ Confinement Centre**"). Revenue for FY2021 was expected to be higher if not for the prolonged government-mandated Covid-19 restricted movements.

REVENUE BY GEOGRAPHICAL LOCATIONS OF OUR CUSTOMERS

FROM CONTINUING OPERATIONS	FY2021 RM'000	FY2021 %	FY2020 RM'000	FY2020 %
Malaysia	785	56.2	623	100.0
Singapore	612	43.8	-	-
Total from continuing operations	1,397	100.0	623	100.0
From discontinued operations				
Malaysia	-	-	3,152	64.3
Vietnam	-	-	1,678	34.2
Thailand	-	-	75	1.5
Total from discontinued operations	-	-	4,905	100.0
Total from continuing & discontinued operations	1,397		5,528	

OPERATING MARGIN

The Group's gross profit of RM0.5 million for FY2021 was lower than planned due to the continued slowdown in business activities under the government-mandated restricted movements to control the Covid-19 outbreak. Similarly affected, gross profit for FY2020 was a marginal RM85 thousand, the first full financial year reporting for the Healthcare Sector. The Group's gross profit improved due mainly to the inaugural financial reporting from Outsourced Services and improved postpartum room bookings and expanded chiropractic services during the year.

OTHER OPERATING INCOME

The Group's other operating income for FY2021 was marginally higher at RM0.23 million compared to RM0.17 million for FY2020. This marginal increase was mainly due to a RM33 thousand one-time gain from the acquisition of Impact SG.

ADMINISTRATIVE EXPENSES

Administrative expenses for FY2021 increased by 47.5% to RM5.8 million from RM4.0 million for FY2020 due mainly to (i) increase in depreciation of right-of-use assets of RM0.8 million in relation to commercial leases on the planned Mines2 Confinement Centre and office spaces in Singapore and Malaysia; (ii) increase in corporate manpower cost of RM1.0 million as such cost was no longer shared by IEV Group Sdn. Bhd. which was disposed of in FY2020; (iii) increase in manpower and overheads of RM0.3 million from the acquisition of Impact SG and Impact MY. Such increases were partially offset by a reduction of corporate expenses of RM0.3 million that was incurred in FY2020 for the disposal of IEV Group Sdn. Bhd. and its subsidiaries. Depreciation of property, plant and equipment for FY2021 increased by 192.3% to RM85 thousand from RM29 thousand in FY2020, due mainly to upgrading works at the PJ Confinement Centre and acquisition of office equipment.

Operations and Financial Review

OTHER OPERATING EXPENSES

Other operating expenses for FY2021 of RM 7.5 million were due mainly to (i) impairment of goodwill of RM6.1 million; (ii) impairment of right-of-use assets of RM1.2 million and (iii) impairment of property, plant and equipment 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. Impairment for FY2020 of RM0.7 million were due mainly to (i) forfeiture of rental and interior design deposits of RM627 thousand for the cancellation of a proposed postpartum centre in Petaling Jaya, Malaysia; and (ii) RM46 thousand write-off of inventory that were no longer in use. Depreciation of right-of-use assets amounting to RM0.8 million was recorded for FY2021 in relation to commercial leases on the planned Mines2 Confinement Centre and office spaces in Singapore and Malaysia.

FINANCE EXPENSES

Finance cost for FY2021 of RM0.9 million were largely in relation to accrued interest on outstanding convertible loans entered into during FY2021 and interest on lease obligations.

LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

For reasons set out above, the Group reported a 212.1% increase in loss before taxation of RM13.7 million for FY2021 from a loss before taxation of RM4.4 million for FY2020.

RESULTS FROM DISCONTINUED OPERATIONS

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.

Comparatively for FY2020, a profit after tax of RM1.6 million from discontinued operations was recorded due mainly to: (i) RM6.3 million gain from the disposal of IEV Group Sdn. Bhd. and its subsidiaries; and (ii) a RM1.3 million share of income of an Asset Integrity Management ("**AIM**") Sector associate for FY2020. These gains were partially offset by the RM6.1 million operating losses of HealthPro Pte. Ltd. that was reclassified under discontinued operations upon the subsidiary being placed into liquidation. The AIM Sector had been reclassified under discontinued operations, upon receiving shareholders' approval in an extraordinary general meeting on 15 October 2020 to dispose of IEV Group Sdn. Bhd. and thus exiting from the AIM Sector ("**Disposal**"). The Disposal was completed on 25 November 2020.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Current Assets

The Group's trade receivables increased to RM0.5 million as at 31 December 2021 from RM Nil as at 31 December 2020 due mainly to the addition of receivables from Outsourced Services upon the acquisition of Impact SG and Impact MY. The Group's current portion of other receivables and prepayments decreased by RM1.0 million to RM1.0 million as at 31 December 2021 from RM2.0 million as at 31 December 2020, due mainly to liquidation write-down of other receivable and prepayments of RM1.5 million related to HealthPro Pte. Ltd.; and partially offset by additional other receivables of RM0.4 million related to the acquisition of Impact SG and Impact MY.

Operations and Financial Review

Non-Current Assets

Property plant and equipment ("**PPE**") decreased by RM4.6 million to RM0.2 million as at 31 December 2021 from RM4.8 million as at 31 December 2020 due to (i) the liquidation write-down of RM4.6 million in PPE related to HealthPro Pte. Ltd. and (ii) impairment of RM0.3 million in PPE related to postpartum services; and partially offset by the acquisition of RM0.2 million in PPE related to the chiropractic and physiotherapy business and general office equipment. Right-of-use ("**ROU**") assets reduced by RM6.4 million to RM1.0 million as at 31 December 2021 from RM7.4 million as at 31 December 2020 due mainly to (i) depreciation charges of RM2.7 million related to operations of HealthPro Pte. Ltd.; (ii) liquidation write-down of RM4.7 million of ROU assets related to HealthPro Pte. Ltd.; (iii) impairment charge of RM1.2 million due to delayed expansion plans of postpartum centres; and (iv) depreciation charges of RM0.8 million related to a commercial lease of the Mines2 Confinement Centre and office space in Singapore and Malaysia. These charges were partially offset by the addition of RM2.9 million in ROU assets for the lease of the Mines2 Confinement Centre and office spaces in Singapore and Malaysia. Carrying value of goodwill was reduced to RM Nil as at 31 December 2021 from RM6.1 million as at 31 December 2020 due to a full goodwill impairment provision of RM6.1 million in view of delayed expansion plans and opening of the Group's postpartum care centres in Malaysia and Singapore as a result of Covid-19 pandemic-induced suspension of various business activities. Intangible assets increased to RM0.2 million as at 31 December 2021 from RM Nil as at 31 December 2020 due 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 to RM126.2 million as at 31 December 2021 from RM119.7 million as at 31 December 2020 due to (i) the allotment and issuance of 19,685,039 new ordinary shares in the Company at an issue price of S$0.0254 per ordinary share pursuant to a placement exercise and (ii) the conversion of a S$1.6 million convertible loan into new ordinary shares in the Company comprising 40,201,005 ordinary shares at S$0.0398 per ordinary share.

The Group's currency translation reserve as at 31 December 2021 was at RM22 thousand compared to a deficit of RM3.4 million due to the reclassification of a RM3.45 million translation reserve to a loss from discontinued operations arising from the deconsolidation of IEV Energy Investment Pte. Ltd. upon completing its striking-off process. Capital reserves of the Company and the Group as at 31 December 2021 increased to RM3.9 million from RM3.5 million as at 31 December 2020, due to the effect of recording the RM0.4 million difference between fair value and face value of the liability component of convertible loans.

Accumulated losses for the Group increased by RM23.8 million to RM136.0 million as at 31 December 2021 from RM112.2 million as at 31 December 2020, due to the loss recorded for FY2021.

Operations and Financial Review

Non-Current Liabilities and Current Liabilities

Borrowings of RM2.4 million as at 31 December 2021 represents the fair value of outstanding convertible loan principal and accumulated interest that is planned to be settled during financial year ending 31 December 2022. Trade payables increased to RM31 thousand as at 31 December 2021 from RM9 thousand as at 31 December 2020 due mainly to the acquisition of the Outsourced Services of Impact SG and Impact MY. Other payables and other provisions for the Group as at 31 December 2021 decreased by RM0.8 million to RM4.9 million from RM5.7 million as at 31 December 2020 due mainly to a liquidation write-down of RM3.0 million in relation to HealthPro Pte. Ltd. and partially offset by (i) addition of RM1.3 million of other payables upon the acquisition of Impact SG and Impact MY; (ii) the addition of RM0.5 million in other payables incurred by the Healthcare business; and (iii) the addition of RM0.4 million in other payables and other provisions for corporate expenses. Contract liabilities as at 31 December 2021 increased to RM80 thousand from RM8 thousand as at 31 December 2020 due mainly to payments received in relation to recruitment services for which revenue is yet to be recognised pending completion of performance obligations.

Current and non-current lease liabilities as at 31 December 2021 decreased to RM2.5 million from RM7.6 million as at 31 December 2020 due to (i) lease payments of RM3.4 million; and (ii) write-down of RM5.0 million upon HealthPro Pte. Ltd. being placed in liquidation; and these were partially offset by (i) additional lease liability of RM3.0 million for the lease of the Mines2 Confinement Centre and office space in Singapore and Malaysia; and (ii) interest on leases of RM0.3 million. Income tax payable of RM34 thousand is in relation to a corporate income tax payable position of a subsidiary, Impact SG, for its Outsourced Services business.

The Group has a negative working capital of RM6.1 million as at 31 December 2021, compared to a negative working capital of RM8.5 million as at 31 December 2020. The decrease in negative working capital was due mainly to the write down of current lease liabilities and other payables upon HealthPro Pte. Ltd. being placed in liquidation. The Group has a net liability of RM5.9 million as at 31 December 2021 compared to a net asset position of RM7.6 million as at 31 December 2020 due mainly to losses of RM23.7 million for FY2021.

Barring any unforeseen circumstances and any further serious adverse impact of the Covid-19 pandemic, 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; (ii) the Group's estimated revenue from the Healthcare Sector and Outsourced Services for the next 15 months; and (iii) a letter of undertaking from one of the creditors to not demand repayment of amounts owing to them until resources permit.

CASH FLOW

For FY2021, the Group recorded net cash used in operating activities of RM4.1 million. This was mainly due to: (i) an operating loss before working capital changes of RM5.3 million; (ii) increase in trade and other receivables of RM0.9 million. These were partially offset by an increase in trade and other payables of RM2.2 million. Net cash used in investing activities of RM0.2 million for FY2021 was from the acquisition of property, plant and equipment. Net cash generated from financing activities of RM5.0 million for FY2021 was mainly due to (i) RM7.0 million proceeds from the subscription of convertible loans and (ii) RM1.5 million proceeds from subscriptions of the Company's ordinary shares; and these were partially offset by lease payments of RM3.4 million.

As a result of the above, the cash and bank balances was RM1.2 million as at 31 December 2021, compared to RM0.5 million as at 31 December 2020.

Developments subsequent to the release of the Company's full year unaudited financial statements for FY2021 on 22 February 2022, which would materially affect the Group's operating and financial performance

Nil

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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 2021 ("**FY2021**"), 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 (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) instil 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 new director appointed 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 as prescribed by the SGX-ST.

There were no new directors appointed during FY2021.

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 during the financial year ending 31 December 2022.

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 FY2021, the Audit Committee ("**AC**") and the Board were briefed on recent changes on the accounting standards and 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. 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 FY2021 are shown below:

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

Note:

(1) Attended as an invitee.

(2) Ms Carmen Ng was appointed as a member of AC and NC on 5 August 2021.

(3) Tan Sri Ahmad was appointed as a member of RC on 5 August 2021.

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)
- Yvette Tan (Executive Director and Chief Commercial Officer)
- Ng Weng Sui Harry ("**Harry Ng**") (Lead Independent Director)
- Kesavan Nair (Independent Director)
- Carmen Ng (Independent Director)
- Tan Sri Ahmad (Independent Director)

The Board comprises two (2) Executive Directors 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 by way of a two-tier vote pursuant to Rule 406(3)(d)(iii) of the Catalist Rules. The resolutions will remain in force until the earlier of: (i) their retirement or resignation as Directors of the Company; or (ii) the conclusion of the third AGM of the Company following the passing the said resolutions. The Board had confirmed that Mr Harry Ng and Mr Kesavan Nair remain objective and independent in Board and Board Committee deliberations. They have constructively challenged Management during Board and Board Committee meetings (on which they serve) and their extensive experience enables them to provide wise counsel and guidance to facilitate sound decision-making.

Ms Carmen Ng is a controlling shareholder and Director of Cypress Advisory & Consulting Limited ("**Cypress Advisory**") which has, from 2015 to 2020 provided corporate secretarial, accounting and advisory services to inactive Hong Kong companies of Dato' Low (Executive Chairman and CEO, as well as a substantial shareholder of the Company). Such services had ceased during FY2021. The aggregate annual amount charged for the services provided by Cypress Advisory is less than S$100,000 for the financial years ended 31 December 2015 to 31 December 2020. The Directors and the NC, having considered the amounts paid to Cypress Advisory are not significant and that such provision of services had ceased for FY2021, are of the view that the business relationships does not affect her disposition to act independently.

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 currently does not have a formal Board Diversity Policy. However, 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 Board has 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; and

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.

The NC and the Board review the size and composition of the Board and Board Committees annually, taking into account, *inter alia,* the scope and nature of the group's business and operations and the benefits of all aspects of diversity, 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 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.

With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 31 December 2022.

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 Chief Financial Officer 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 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 Dato' Low and Ms Carmen Ng ("**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 to 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 sections entitled "Directors' Profiles" in the Annual Report:

		Dato' Low Koon Poh	**Ms Ng Yau Kuen Carmen**
Date of Appointment	:	1 June 2019	10 July 2019
Date of last re-appointment	:	24 June 2020	24 June 2020
Age	:	49	46
Country of Principal Residence	:	Malaysia	Hong Kong
The Board's comments on the re-appointment	:	The re-election of Dato' Low Koon Poh ("**Dato' Low**") as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his overall contribution and performance.	The re-election of Ng Yau Kuen Carmen as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her independence, overall contribution and performance.

		Dato' Low Koon Poh	Ms Ng Yau Kuen Carmen
Whether appointment is executive, and if so, the area of responsibility	:	Executive. Dato' Low leads the Board and assume the roles and responsibilities as Chairman of the Company. As Chief Executive Officer of the Company, Dato' Low oversees the Group's strategic directions and corporate business expansion and he is responsible for business development and performance, growth charting and corporate planning of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	:	• Executive Chairman and Chief Executive Officer • Member of Risk Committee	• Independent Director • Member of Audit, Risk, Remuneration and Nominating Committees
Professional Qualifications	:	Please refer to "Directors' Profile" section 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	:	Dato' Low is a substantial shareholder of the Company holding 45,006,600 ordinary shares representing 8.14% of the issued and share capital of the Company.	Ms Carmen Ng is a controlling shareholder and Director of Cypress Advisory & Consulting Limited ("**Cypress Advisory**") which has, from 2015 to 2020 provided corporate secretarial, accounting and advisory services to inactive Hong Kong companies of Dato' Low (Executive Director and substantial shareholder of the Company). Such services had ceased during FY2021, The aggregate annual amount charged for the services provided by Cypress Advisory is less than S$100,000 for the financial years ended 31 December 2015 to 31 December 2020. The Directors and the NC, having considered the amounts paid to Cypress Advisory are not significant and that such provision of services had ceased for FY2021, are of the view that the business relationships does not affect her disposition to act independently. Having considered Carmen Ng's contributions to the Board and the outcome of the recent assessment of individual Directors' performance, the NC has recommended and the Board has approved Carmen Ng's re-election as Director of the Company.
Conflict of interests (including any competing business)	:	No	No

		Dato' Low Koon Poh	Ms Ng Yau Kuen Carmen
Working experience and occupation(s) during the past 10 years	:	Please refer to "Directors' Profile" section 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	:	Yes Medi Lifestyle Limited Direct interest: 45,006,600 ordinary shares representing 8.14% of the Company's issued and paid-up share capital.	No
Past (for the last 5 years)	:	<u>Directorships</u> • Advance Business Process Sdn. Bhd. • Boutique Equity Sdn. Bhd. • Malaysian Business Pages Sdn. Bhd. • NextGlass Technologies Corporation • Mon Space Net, Inc. • ACO Management Services Sdn. Bhd. • KLM Corporate Services (M) Sdn. Bhd. • Round Table Holdings Limited • Marketify Consulting Sdn. Bhd. • Marketify Sdn. Bhd. • Round Table Advisory Pte. Ltd. • Glocorp Technologies Sdn. Bhd. • VG Plus Pte. Ltd. • KLM HR Sdn. Bhd. • Auspac Cornerstone Asset Management Limited • Global Biomarine Limited • Global Biomarine Pty Ltd • IPO Partners Limited • Growe Food Ingredients Sdn. Bhd. • Asia Biomarine Pte. Ltd. • IEV Energy Investment Pte. Limited • Ibizcover Sdn Bhd	<u>Directorships</u> • Chinese Legends Wealth Management Limited • Koala Financial Group Limited • Simplicity Holding Limited • Wa Yu Group Limited (f.k.a. Global Alliance Marketing Limited) • TrueCopy Limited (f.k.a. Global Alliance Commerce Group Limited) <u>Other Principal Commitment</u> Nil

		Dato' Low Koon Poh	**Ms Ng Yau Kuen Carmen**
		• MY Quarters Sdn Bhd (f.k.a. Health Pro Sdn. Bhd.) • Reachout Partners Sdn. Bhd. (f.k.a. Fen Communication Sdn. Bhd.) • B LOF (M) Sdn. Bhd. • IPEC Bureau Sdn. Bhd. • PDP Couriers (Malaysia) Sdn. Bhd. <u>Other Principal Commitment</u> Nil	
Present	:	<u>Directorships</u> Subsidiaries of the Company • HealthPro Marketing Sdn. Bhd. • HealthPro Group (M) Sdn. Bhd. • HealthPro Life Sdn. Bhd. • HealthPro Pte. Ltd. • Back To Life Sdn. Bhd. • Impact BPO Sdn. Bhd. Others • Banyan Aquaponics Sdn. Bhd. • Banyan F&V Sdn. Bhd. • Catalano Seafood Sdn. Bhd. • Era Flow (M) Sdn. Bhd. • Peridang (M) Sdn. Bhd. • Rentas Saga Sdn. Bhd. • Round Table Partners Berhad • Round Table Advisory Berhad • Glocorp Inc. • Gogoland Sdn. Bhd. • Greater Asia Agro Sdn. Bhd. • Greater Asia Project Sdn. Bhd. • Greater Asia Seafood Sdn. Bhd. • Greater Asia Hatchery Sdn. Bhd. • Greater Asia Harvest Sdn. Bhd. • Aquasky Global Sdn. Bhd. • Rakuen Land Sdn. Bhd. • Global Biomarine Sdn. Bhd.	<u>Directorships</u> • Get Nice Financial Group Limited • Flat Glass Group Co., Ltd • Cypress Advisory & Consulting Limited • Prince Foster Professional Services Limited • Corwell Global Limited • Easy Global Ventures Limited • LinkedIn Technology Holding Limited • WeLove WeCare Charity Foundation Limited (f.k.a. Global Outstanding Entrepreneurs Alliance Limited) • Lumine Capital Limited • Gelato Tiger Investment Limited (f.k.a. LinkedIn Global Pay Limited) • Cypress Professional Services Group Limited <u>Other Principal Commitment:</u> Cypress Certified Public Accountants

		Dato' Low Koon Poh	Ms Ng Yau Kuen Carmen
		• KL Management Services Sdn. Bhd. • MSNI (HK) Limited • KLM Holdings Sdn. Bhd. • Acceleratii Limited • Catalano Seafood Ltd. • Advanced Human Imaging Ltd. • Subsidiaries of Global Carriers Berhad <u>Other Principal Commitment</u> Nil	
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?	:	Dato' Low was appointed as director to the subsidiary companies of Global Carriers Berhad ("**Global Carriers**") in March 2014. He was brought on board by the founders of Global Carriers with the intention of restructuring the company. However, shortly after his appointment, Global Carriers was served a winding-up petition on 18 April 2014 and a liquidation process commenced. Dato' Low was not involved in the liquidation process nor the operations of Global Carriers and Global Carriers was eventually delisted on 19 December 2014.	No

		Dato' Low Koon Poh	Ms Ng Yau Kuen Carmen
		Dato' Low was the sole director of HealthPro Pte. Ltd. ("**HPL**"), a wholly-owned subsidiary of the Company principally engaged in development of a postpartum care centre on Hendon Road, Singapore ("**Hendon Road Centre**"). The Board and Management of the Company had decided not to fund the development expenditure of the Hendon Road Centre which was no longer commercially viable in view of the economic circumstances induced by the prolonged Covid-19 pandemic situation. By reason of its liabilities, HPL was placed under provisional liquidation on 29 July 2021. More details could be found in the Company's announcement dated 29 July 2021 and monthly update announcements titled "Creditors' Voluntary Liquidation of HealthPro Pte. Ltd."	
(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

		Dato' Low Koon Poh	Ms Ng Yau Kuen Carmen
(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

REPORT ON CORPORATE GOVERNANCE

		Dato' Low Koon Poh	Ms Ng Yau Kuen Carmen
(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
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,	:	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(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 FY2021, 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 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. 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 FY2021.

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	Please refer to the list of entities disclosed on page 30-31
Yvette Tan	Executive Director and Chief Commercial Officer	Nil	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 • Malaysian Genomics Resource Centre Berhad	Nil

NA – Not Applicable

* "**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, experience, expertise 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 by the Directors. The NC is also satisfied that the current size and composition of the Board and Board Committees provides it with adequate ability to meet the existing scope of needs and the nature of 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 Directors 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 Directors 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 Directors 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 Directors 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 FY2021.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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 Directors, the Company takes into consideration the existing remuneration and employment conditions and makes a comparative study of the packages of Executive Directors 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 Directors 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 Directors 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 Directors 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 on 1 June 2019 which is effective for a period of three (3) years. 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.

Additionally, the Company had entered into a service agreement with Yvette Tan, Executive Director and Chief Commercial Officer of the Company appointed on 1 December 2020, which is effective for a period of three (3) years. The service agreement is renewable in accordance with the specific terms as set out in the agreement and can be terminated by either party giving the required written in accordance in the service agreement, and both parties have the option to pay salary in lieu of any required period of notice. The RC had reviewed the service agreement with Yvette Tan and recommended to the Board for endorsement.

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 Directors 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 Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors 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 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 Code, the Company has disclosed the total remuneration of Directors (included salaries, defined contributions and fees) for FY2021 under Note 35 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 7: 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 Code.

Directors' Remuneration

Details of the remuneration for each Director and CEO for FY2021 are disclosed below:

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

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) key management personnel, who are not directors or CEO of the Company. For FY2021, 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 FY2021 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 FY2021 is S$211,385.

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 has adopted the IEV Holdings Performance Share Plan ("**IEV Holdings PSP**" or the "**Plan**") which was approved by shareholders at an extraordinary general meeting held on 6 October 2011, subject to maximum period of ten (10) years. The Plan had expired on 5 October 2021. No share award has been granted under the by the Company under the IEV Holdings PSP during the financial year reported on and since the date of commencement of the IEV Holdings PSP. The Company does not have any other share schemes in place. 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 F2021, 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 FY2022. 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 FY2021, the internal audit review (including follow up reviews) focused on procurement to payment, vendor management and operations and follow up reviews on sales, billing, collection and credit control, human resource and payroll for HealthPro Life Sdn. Bhd. High risk item noted from the internal audit reviews had been resolved as at the date of this Report.

Subsequent to the review, the IA will report its findings to the AC and will propose recommendations to enhance the Group's internal controls and to resolve any instances of inadequate internal control processes. The Management is responsible for the implementation of the various recommendations and will report the progress of implementation to the AC.

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 Chief Financial Officer that to the best of their knowledge, the Group's financial records as at 31 December 2021 have been properly maintained and the financial statements for FY2021 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 2021.

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 119 to 125 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 FY2021 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;
- 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 FY2021 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;
- 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 FY2021 to, *inter alia*, answer or clarify any matter on cooperation from management, accounting and auditing of internal controls.

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 FY2021 amounted to approximately S$88,800 and S$5,000 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 FY2021, 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 FY2021.

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 published in the local newspapers and posted onto the SGXNET.

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 in 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 are usually 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 2021, 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 or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to, or at, the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM, will be put in place for the AGM. The notice and proxy form of the AGM and FY2021 Annual Report, will be distributed electronically via SGXNet. Please refer to the announcement titled "Alternative Arrangement for the Annual General Meeting of the Company to be held on 27 May 2022" 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 FY2021 as the Group recorded a loss from its continuing operations in FY2021.

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 headquarters 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 2021 which will be released by 31 May 2022.

For the forthcoming AGM, shareholders may submit their questions relating to the resolutions set out in the notice of the AGM in advance. All substantive and relevant questions related to the resolutions to be tabled for approval at the AGM will be addressed and published via SGXNET and on the Company's website before the deadline for submission of proxy forms. The detailed information on the submission of questions has been specified in the notice of AGM and the Company's announcement on alternative arrangement for holding the AGM.

REPORT ON CORPORATE GOVERNANCE

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 FY2021 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 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$'000)	Amount utilised as at 30 April 2022 (S$'000)	Balance of net proceeds (S$'000)
(i)	Renovation and refurbishment of postpartum and chiropractic centres	1,300	1,090	210
(ii)	Working capital	885	885[1]	–
Total		2,185	1,975	210

Note 1. 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.

SUSTAINABILITY REPORTING

The Company recognises the importance of sustainability and will be implementing the appropriate policies and programs. The Company will publish its sustainability report by 31 May 2022, in accordance with Practice Note 7F of the Catalist Rules.

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 2021.

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 2021 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 on the premise that the initiative to get capital injection into the Group will be successful.

2. Directors

The Directors of the Company in office at the date of this statement are:

Dato' Low Koon Poh
Ng Weng Sui Harry
Kesavan Nair
Ng Yau Kuen Carmen
Tan Sri Ahmad Bin Mohd Don
Tan Chai Hong

3. Arrangements to enable director to acquire shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

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	50,000,000	46,500,000	–	–

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 2022 were the same as at 31 December 2021.

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 Share scheme

The IEV Holdings Performance Share Plan (the "**Share Plan**") was approved and adopted by the Shareholders of the Company at an Extraordinary General Meeting held on 6 October 2011.

The objectives of the Share Plan are as follows:

(a) to foster an ownership culture within the Group which aligns the interests of participants with the interests of shareholders;

(b) to motivate participants to achieve key fi nancial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and

(c) to make total employee remuneration suffi ciently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long term growth and profi tability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company.

The Share Plan is administered by the Remuneration Committee which has the absolute discretion to determine the persons who will be eligible to participate in the Share Plan in accordance with the rules of the Share Plan and Chapter 8 of the Catalist Rules. A participant who is a member of the Remuneration Committee shall not participate in any deliberation or decision in respect of awards granted or to be granted to that participant.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is adopted, provided always that the Share Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Share Plan may be terminated at any time by the Remuneration Committee or, at the discretion of the Remuneration Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Share Plan is so terminated, no further awards shall be granted by the Remuneration Committee hereunder. The expiry or termination of the Share Plan shall not affect awards which have been granted prior to such expiry or termination, whether such awards have been released (whether fully or partially) or not.

The aggregate number of new Shares which may be issued pursuant to awards granted under the Share Plan on any date, when added to (i) the number of new Shares issued and issuable in respect of all awards granted under the Share Plan; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or plans adopted by the Company for the time being in force, shall not exceed 15.0% of the issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date.

Since the commencement of the Share Plan, the Company has not granted any awards under the Share Plan. The Company did not seek for shareholders' approval to extend the Share Plan. Consequently, the Share Plan had expired on 5 October 2021.

7. 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) (appointed on 5 August 2021)

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.

8. 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

10 May 2022

INDEPENDENT AUDITORS' REPORT

To the members of Medi Lifestyle Limited

Report on the Audit of Financial Statements

Disclaimer of Opinion

We were engaged to audit 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 2021, 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 56 to 127.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

<u>Use of the going concern assumption</u>

As at 31 December 2021, the Group was in a capital deficiency position of RM5,929,447 and the Group and Company were in a net current liability position of RM6,072,976 and RM2,706,210, respectively. The Group incurred a net loss of RM13,661,359 resulting from continuing operations and net operating cash outflow of RM4,107,757 for the financial year then ended. These conditions indicate that a material uncertainty which may cast significant doubt on the Group's and the Company's abilities to continue as going concerns.

Notwithstanding the above conditions, the Group and Company have prepared the financial statements on a going concern basis on the premises as disclosed in Note 1 to the financial statements. The outcome of the Group's plans to raise new capital funding and to obtain financial support from its creditor and shareholder to finance its working capital and the capital outlay needed for the planned operations is inherently uncertain and cannot be reasonably determined during the course of our audit. We are also unable to obtain sufficient appropriate audit evidence to evaluate the feasibility and viability of management's plans in generating their estimated revenue from the Group's confinement, chiropractic and physiotherapy centres by the planned timelines. In light of the existence of multiple uncertainties, we are unable to conclude whether the use of the going concern assumption to prepare these financial statements is appropriate.

The carrying value of the assets as recorded on the statements of financial position of the Group and Company as at 31 December 2021 has been determined based on the assumption that the Group and Company continue as going concerns. If the going concern assumption is not appropriate and the financial statements were presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the statements of financial position. If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and 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 could differ significantly from the amounts at which they are currently recorded in the statements of financial position.

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 Companies Act 1967 (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 responsibility is to conduct the audit of the Group's and Company's financial statements in accordance with Singapore Standards on Auditing ("**SSAs**") and to issue an auditor's report. However, because of the matter described in the Basis of Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company 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.

Report on Other Legal and Regulatory Requirements

In view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries corporations 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 Chin Chee Choon.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore

10 May 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 RM	2020 RM (Re-presented) Note 9
Revenue	4	**1,397,443**	622,695
Cost of sales		**(905,861)**	(537,396)
Gross profit		**491,582**	85,299
Other operating income	5	**225,160**	167,069
Administrative expenses		**(5,827,031)**	(3,950,330)
Other operating expenses		**(7,474,396)**	(683,007)
Allowance for expected credit losses on trade receivables	7	**(148,680)**	–
Finance costs	6	**(894,260)**	–
Loss before income tax from continuing operations	7	**(13,627,625)**	(4,380,969)
Income tax	8	**(33,734)**	4,165
Loss for the year from continuing operations		**(13,661,359)**	(4,376,804)
Discontinued operations			
(Loss)/Profit for the year from discontinued operations	9	**(10,062,364)**	1,613,405
Loss for the year		**(23,723,723)**	(2,763,399)
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**3,382,535**	(5,121,857)
Total comprehensive loss for the year		**(20,341,188)**	(7,885,256)
(Loss)/income attributable to:			
Owners of the Company:			
- continuing operations		**(13,661,359)**	(4,376,804)
- discontinued operations		**(10,062,364)**	1,613,405
Non-controlling interests:			
- discontinued operations		**–**	–
		(23,723,723)	(2,763,399)
Total comprehensive loss attributable to:			
Owners of the Company		**(20,341,188)**	(7,885,256)
Non-controlling interests		**–**	–
		(20,341,188)	(7,885,256)
(Loss)/earnings per share			
Basic and Diluted (Malaysian sen)			
- Continuing operations	11	**(2.70)**	(0.90)
- Discontinued operations	11	**(1.98)**	0.33
Total		**(4.68)**	(0.57)

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 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM (Restated)
ASSETS					
Non-current assets					
Property, plant and equipment	12	**156,789**	4,814,488	**–**	–
Right-of-use assets	13	**945,855**	7,396,884	**–**	–
Goodwill	14	**–**	6,132,528	**–**	–
Intangible assets	15	**200,000**	–	**–**	–
Subsidiaries	16	**–**	–	**5,433,387**	18,314,788
Other receivables and prepayments	21	**–**	27,500	**–**	–
Total non-current assets		**1,302,644**	18,371,400	**5,433,387**	18,314,788
Current assets					
Cash and cash equivalents	19	**1,218,203**	495,636	**417,911**	208,469
Trade receivables	20	**494,134**	–	**–**	–
Other receivables and prepayments	21	**968,515**	2,049,841	**153,102**	130,377
Inventories	22	**46,787**	27,187	**–**	–
Total current assets		**2,727,639**	2,572,664	**571,013**	338,846
Total assets		**4,030,283**	20,944,064	**6,004,400**	18,653,634
EQUITY AND LIABILITIES					
Equity					
Share capital	23	**126,155,560**	119,718,300	**126,155,560**	119,718,300
Treasury shares	24	**(38,268)**	(38,268)	**(38,268)**	(38,268)
Currency translation reserve	25	**22,181**	(3,360,354)	**123,251**	(69,476)
Capital reserve	26	**3,892,952**	3,526,051	**3,892,952**	3,526,051
Accumulated losses		**(135,961,872)**	(112,238,149)	**(127,406,318)**	(106,065,094)
Equity attributable to owners of the Company		**(5,929,447)**	7,607,580	**2,727,177**	17,071,513
Non-controlling interests		**–**	–	**–**	–
Total (capital deficiency)/equity		**(5,929,447)**	7,607,580	**2,727,177**	17,071,513
Non-current liability					
Lease liabilities	27	**1,159,115**	2,256,229	**–**	–
Total non-current liabilities		**1,159,115**	2,256,229	**–**	–
Current liabilities					
Borrowings	28	**2,438,049**	–	**2,438,049**	–
Trade payables	29	**30,938**	9,350	**–**	–
Other payables and other provisions	30	**4,859,978**	5,711,492	**839,174**	1,582,121
Contract liabilities	31	**79,597**	7,835	**–**	–
Lease liabilities	27	**1,358,258**	5,351,578	**–**	–
Income tax payable		**33,795**	–	**–**	–
Total current liabilities		**8,800,615**	11,080,255	**3,277,223**	1,582,121
Total liabilities		**9,959,730**	13,336,484	**3,277,223**	1,582,121
Total equity and liabilities		**4,030,283**	20,944,064	**6,004,400**	18,653,634

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 2021

	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation reserve RM	Accumulated losses RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Group								
Balance at 1 January 2020	107,673,989	(38,268)	3,526,051	1,761,503	(109,474,750)	3,448,525	(29,763)	3,418,762
Total comprehensive loss for the year:								
Loss for the year	–	–	–	–	(2,763,399)	(2,763,399)	–	(2,763,399)
Exchange differences on translating foreign operations	–	–	–	(227,130)	–	(227,130)	–	(227,130)
Disposal of subsidiaries (Note 9)	–	–	–	(4,894,727)	–	(4,894,727)	–	(4,894,727)
Total	–	–	–	(5,121,857)	(2,763,399)	(7,885,256)	–	(7,885,256)
Transactions with owners:								
Issuance of shares (Note 23)	12,101,135	–	–	–	–	12,101,135	–	12,101,135
Share issuance costs (Note 23)	(56,824)	–	–	–	–	(56,824)	–	(56,824)
Effect of disposal of subsidiaries (Note 9)	–	–	–	–	–	–	29,763	29,763
Total	12,044,311	–	–	–	–	12,044,311	29,763	12,074,074
Balance at 31 December 2020	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 23)	1,541,937	–	–	–	–	1,541,937	–	1,541,937
Pursuant to conversion of convertible loans (Note 28)	4,944,918	–	–	–	–	4,944,918	–	4,944,918
Share issuance costs (Note 23)	(49,595)	–	–	–	–	(49,595)	–	(49,595)
Equity portion of outstanding convertible loans (Note 28)	–	–	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)**

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 2021

	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation reserve RM	Accumulated losses RM	Total RM
Company						
Balance at 1 January 2020	107,673,989	(38,268)	3,526,051	(187,724)	(103,774,749)	7,199,299
Loss for the year, representing total comprehensive loss for the year	–	–	–	118,248	(2,290,345)	(2,172,097)
Transaction with owners:						
Issuance of shares (Note 23)	12,101,135	–	–	–	–	12,101,135
Shares issuance costs (Note 23)	(56,824)	–	–	–	–	(56,824)
Balance at 31 December 2020	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)
Transactions with owners:						
Issuance of shares (Note 23)	1,541,937	–	–	–	–	1,541,937
Pursuant to conversion of convertible loans (Note 28)	4,944,918	–	–	–	–	4,944,918
Shares issuance costs (Note 23)	(49,595)	–	–	–	–	(49,595)
Equity portion of outstanding convertible loans (Note 28)	–	–	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**

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 2021

	Note	2021 RM	2020 RM
Operating activities			
(Loss)/Profit before tax			
Continuing operations		**(13,627,625)**	(4,380,969)
Discontinued operations (Note 9)		**(10,062,364)**	1,612,921
		(23,689,989)	(2,768,048)
Adjustments for:			
Share of results of associate	17	**–**	(1,274,803)
Amortisation of intangible assets		**–**	33,725
Depreciation of property, plant and equipment		**87,438**	428,042
Depreciation of right-of-use assets		**3,493,952**	5,632,859
Gain on disposal of subsidiaries	9	**–**	(6,335,577)
Loss on liquidation of subsidiaries	9	**2,488,804**	–
Loss from deconsolidation of subsidiaries	9	**3,448,874**	–
Property, plant and equipment written off		**9,771**	10,100
Write back allowance for inventories, net		**–**	(317,857)
Inventories written off		**–**	479,892
Allowance/(reversal of allowance) for expected credit loss, net		**148,680**	(1,164,455)
Receivables written off		**–**	627,202
Write-back of payables and accrued expenses		**–**	(341,511)
Impairment/(write back of impairment) of property, plant and equipment		**255,585**	(304,731)
Impairment of goodwill		**6,132,528**	–
Impairment of right-of-use assets		**1,220,745**	–
Write back impairment of value-added tax receivables		**–**	(26,123)
Interest income		**–**	(49)
Interest expense		**1,068,109**	815,054
Operating cash flows before movements in working capital		**(5,335,503)**	(4,506,280)
Long term other receivables and prepayments		**–**	(27,500)
Inventories		**(19,562)**	207,521
Trade and other receivables and prepayments		**(916,729)**	(1,122,584)
Trade and other payables and other provisions		**2,170,224**	(5,975,820)
Contract liabilities		**(6,187)**	(25,875)
Amount due from an associate		**–**	1,229,103
Cash used in operations		**(4,107,757)**	(10,221,435)
Interest received		**–**	49
Interest paid		**–**	(240,667)
Income tax paid		**–**	(60,018)
Net cash used in operating activities		**(4,107,757)**	(10,522,071)

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 2021

	Note	2021 RM	2020 RM
Investing activities			
Purchase of property, plant and equipment		**(197,614)**	(308,199)
Disposal of subsidiaries	9	**–**	1,935,376
Net cash (used in)/generated from investing activities		**(197,614)**	1,627,177
Financing activities			
Repayment of lease liabilities		**(3,423,467)**	(3,245,626)
Proceeds from issue of convertible loans		**6,953,792**	–
Fixed deposits pledged		**–**	(4)
Net proceeds from issuance of ordinary shares		**1,492,342**	12,044,311
Net cash generated from financing activities		**5,022,667**	8,798,681
Net increase/(decrease) in cash and cash equivalents		**717,296**	(96,213)
Cash and cash equivalents at beginning of the year		**495,636**	647,973
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		**5,271**	(56,124)
Cash and cash equivalents at end of the year	19	**1,218,203**	495,636

Reconciliation of liabilities arising from financing activities

	Beginning balance RM	Financing cash flows RM	Non-cash movement: New lease liabilities RM	Interest RM	Foreign exchange movement RM	Disposal of subsidiaries RM	Conversion to ordinary shares RM	Other changes [(i)(ii)] RM	Ending balance RM
2021									
Convertible loans (Note 28)	**–**	**6,953,792**	**–**	**794,312**	**1,764**	**–**	**(4,944,918)**	**(366,901)**	**2,438,049**
Lease liabilities (Note 27)	**7,607,807**	**(3,423,467)**	**2,930,736**	**273,796**	**95,359**	**(4,966,858)**	**–**	**–**	**2,517,373**
	7,607,807	**3,530,325**	**2,930,736**	**1,068,108**	**97,123**	**(4,966,858)**	**(4,944,918)**	**(366,901)**	**4,955,422**
2020									
Advances from a related party	408,844	–	–	2,626	(1,553)	(409,917)	–	–	–
Lease liabilities (Note 27)	12,723,151	(3,245,626)	394,025	571,761	45,626	(77,811)	–	(2,803,319)	7,607,807
	13,131,995	(3,245,626)	394,025	574,387	44,073	(487,728)	–	(2,803,319)	7,607,807

(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 26).

(ii) FY2020 include accrual of lease payments.

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 380 Jalan Besar, #09-05 ARC 380, Singapore 209000 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 and associate are disclosed in Notes 16 and 17 to the financial statements respectively.

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 2021 were authorised for issue by the Board of Directors on 10 May 2022.

Going Concern Assumption

As at 31 December 2021, the Group was in a capital deficiency position of RM5,929,447 (2020: net equity position of RM7,607,580) and the Group and Company were in a net current liability position of RM6,072,976 and RM2,706,210, respectively (2020: net current liability of RM8,507,591 and RM1,243,275, respectively). The Group incurred a net loss of RM13,661,359 (2020: RM4,376,804) resulting from continuing operations and net operating cash outflow of RM4,107,757 (2020: RM10,522,071) for the financial year then ended. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's and the Company's abilities to continue as going concerns. 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 prepared a 15-months consolidated cash flow forecast from 1 January 2022 ("**Cash Flow Forecast**"). In preparing the Cash Flow Forecast, the management has taken the following into consideration:

(i) New capital to be raised of up to S$3.0 million which may be in equity, debt or combination thereof, to finance capital outlays set out in (ii) below and to repay convertible loans with principal sum of S$0.65 million and accumulated interest;

(ii) The Group plans to spend on capital outlays of up to S$0.5 million, subject to sufficient funds being raised, which are required for the renovation of a new confinement centre at Mines2 in the Klang Valley region and 2 new chiropractic and physiotherapy centres, and such a sum is not yet contractually committed. The confinement centre is expected to commence operations by fourth quarter 2022 whilst chiropractic and physiotherapy centres are to commence operations over the course of 2022;

(iii) Letters of undertaking has been obtained from creditors, to not demand repayment of the amounts owing to them approximately of RM1.6 million until resources permit; and

(iv) Letter of financial support from a substantial shareholder who has agreed to provide up to S$5.0 million for the Group to meet its liabilities and its normal operating expenses as and when required.

The carrying value of the assets as recorded on the statements of financial position of the Group and Company as at 31 December 2021 has been determined based on the continuation of the Group and Company as a going concern. If the going concern assumption is not appropriate and the financial statements were presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the statements of financial position. If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and 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 could differ significantly from the amounts at which they are currently recorded in the statements of financial position.

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 Malaysia 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) 16	Amendment to SFRS(I) 16: Covid-19- Related Rent Concessions beyond 30 June 2021	1 April 2021
SFRS(I) 3	Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
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	Amendments to SFRS(I) 1-12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2021	1 January 2022

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. Summary of significant accounting policies (Continued)

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.

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.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

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.

2.3 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 *Financial Instruments* ("**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.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

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 classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are 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).

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. Summary of significant accounting policies (Continued)

2.4. Revenue recognition

The Group recognises revenue from the following sources:

Continuing operations

Healthcare sector

Rendering of services – Confinement and postnatal care services

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.

Rendering of services – Chiropractic and physiotherapy services

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.

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

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.

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

Discontinued operations

Asset Integrity Management sector

- Rendering of services

  The Group provides services for offshore and onshore engineering and petroleum projects. Revenue from offshore engineering and petroleum projects undertaken is therefore recognised based on the stage of completion of the contract, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers* ("**SFRS(I) 15**").

2. Summary of significant accounting policies (Continued)

2.4. Revenue recognition (Continued)

The Group recognises revenue from the following sources: (Continued)

Discontinued operations (Continued)

Asset Integrity Management sector (Continued)

- Rendering of services (Continued)

  The Group becomes entitled to invoice customers for the work performed based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost–to–cost method then the Group recognises a contract liability for the difference. There is no significant financing component considered in engineering contracts with customers as the period between the recognition of revenue under the cost–to–cost method and the milestone payment is always less than one year.

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.

2.9 Dividends

Equity dividends are recognised 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.

2. Summary of significant accounting policies (Continued)

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.

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. Summary of significant accounting policies (Continued)

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 Goodwill

Goodwill on acquisition

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as 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's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the 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.

Goodwill is not amortised but is reviewed for impairment at least annually. 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 its carrying amount, 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.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.14 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-generaling 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. Summary of significant accounting policies (Continued)

2.15 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.

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.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. 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 in Note 2.4.

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 on the principal amount outstanding to determine the classification of the financial assets.

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.

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

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.

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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 36.

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.

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments (Continued)

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 a 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.

Convertible loan

Convertible loans are treated as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

The liability component of loans is recognised initially at the fair value of a similar non-convertible liability. The carrying amount of the equity component is then determined by deducting the fair value of the liability component from the fair value of the compound financial instrument as a whole.

Any directly attributable transaction costs are allocated to the liability and equity portion in proportion to their initial carrying amounts.

Subsequent to the initial measurement, the liability component of the loans is measured at amortised cost using the effective interest method until its extinguishment upon conversion, redemption or at the maturity date. The equity component remains as equity, net of income tax effects, but may be transferred within equity.

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.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

<u>Financial liabilities and equity instruments</u> (Continued)

<u>Initial recognition and measurement</u> (Continued)

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.

<u>Other financial liabilities</u>

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.

<u>Derecognition of financial liabilities</u>

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

<u>Offsetting of financial instruments</u>

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.

2.16 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. Summary of significant accounting policies (Continued)

2.17 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.

2.18 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 as an operating expense 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)

2.18 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.

The Group as a lessor

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.

Operating Leases

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.

2.19 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)

2.19 Non-current assets held for sale and discontinued operations (Continued)

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.

2.20 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.

2.21 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 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 Government grants

Government grants are recognised at their fair value 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)

2.23 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 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 review of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Management has assessed that an impairment on the goodwill of RM6,132,528 (2020: RM Nil) is required at the end of the reporting period.

The carrying amount of goodwill as at 31 December 2021 is RM Nil (2020: RM6,132,528) and details of the impairment loss are disclosed in Note 14 to the financial statements.

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

3.2 Key sources of estimation uncertainty (Continued)

Impairment review 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 Note 12 and 13 to the financial statements, respectively.

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 16 to the financial statements.

Calculation of loss allowance for trade and other receivables

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Group’s and the Company’s trade and other receivables are disclosed in Notes 20 and 21 to the financial statements respectively.

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

3.2 Key sources of estimation uncertainty (Continued)

Fair value of convertible loans

Convertible loans 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 as at 31 December 2021 was RM2,438,049 (2020: RM Nil) and details of the convertible loans are disclosed in Note 28 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 2021 was RM33,795 (2020: RM Nil) and RM Nil (2020: RM Nil) respectively.

4. Revenue

The disaggregation of the Group's revenue for the year, for both continuing and discontinued operations, are as follows:

	Group	
	2021	**2020**
	RM	**RM**
Continuing operations		
Rendering of confinement centre services	**571,721**	573,649
Rendering of human resource and payroll services	**455,796**	–
Rendering of permanent placement services	**251,851**	–
Rendering of chiropractic & physiotherapy services	**46,496**	–
Sale of related products	**71,579**	49,046
	1,397,443	622,695
Discontinued operations (AIM Sector)		
Rendering of services	**–**	4,905,103
	1,397,443	5,527,798

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	
	2021	**2020**
	RM	**RM**
Timing of revenue recognition		
Continuing operations		
Goods and services transferred at a point in time	**118,075**	49,046
Services transferred overtime	**1,279,368**	573,649
	1,397,443	622,695
Discontinued operations (AIM Sector)		
Goods and services transferred at a point in time	**–**	–
Services transferred overtime	**–**	4,905,103
	–	4,905,103
	1,397,443	5,527,798

5. Other operating income

	Continuing operations		Discontinued operations		Total	
	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM
		(Re-presented) Note 9		(Re-presented) Note 9		(Re-presented) Note 9
Interest income	**–**	–	**–**	49	**–**	49
Gain on disposal of property, plant and equipment	**–**	–	**3,458**	–	**3,458**	–
Rental income from sub-lease of factory and office space	**–**	–	**–**	125,950	**–**	125,950
Write-back impairment of property, plant and equipment	**–**	–	**–**	304,731	**–**	304,731
Write-back impairment of inventories	**–**	–	**–**	317,857	**–**	317,857
Write back allowance for doubtful VAT receivables	**–**	–	**–**	26,123	**–**	26,123
Write-back of payables and accrued expenses	**–**	–	**–**	341,511	**–**	341,511
Reversal of ECL allowance	**–**	–	**14,706**	1,166,491	**14,706**	1,166,491
Government grants	**45,325**	42,000	**107,289**	72,762	**152,614**	114,762
Rental rebate	**–**	–	**17,749**	224,579	**17,749**	224,579
Exchange gain realised	**–**	124,888	**–**	105,354	**–**	230,242
Exchange gain unrealised	**145,494**	–	**–**	40,499	**145,494**	40,499
Sundry income	**34,341**	181	**–**	50,997	**34,341**	51,178
	225,160	167,069	**143,202**	2,776,903	**368,362**	2,943,972

6. Finance costs

	Continuing operations		Discontinued operations		Total	
	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM
		(Re-presented) Note 9		(Re-presented) Note 9		(Re-presented) Note 9
Interest on bank overdrafts	**–**	–	**–**	135,947	**–**	135,947
Interest on lease liabilities (Note 27)	**99,948**	–	**173,848**	571,761	**273,796**	571,761
Interest on advances from associate company	**–**	–	**–**	76,433	**–**	76,433
Interest on advances received	**–**	–	**–**	30,913	**–**	30,913
Interest on convertible loans (Note 28)	**794,312**	–	**–**	–	**794,312**	–
	894,260	–	**173,848**	815,054	**1,068,108**	815,054

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	
	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM
		(Re-presented) Note 9		(Re-presented) Note 9		(Re-presented) Note 9
Directors' remuneration of the Company	**569,596**	316,407	**–**	992,722	**569,596**	1,309,129
Directors' fees of the Company	**384,850**	558,163	**–**	–	**384,850**	558,163
Employee benefits expense (including Directors' remuneration and Directors' fees)	**2,193,304**	1,626,568	**599,517**	3,089,816	**2,792,821**	4,716,384
Defined contribution plans	**242,384**	114,215	**76,220**	272,056	**318,604**	386,271
Employee benefit expense recognised as cost of sales	**624,428**	293,460	**–**	88,729	**624,428**	382,189
Depreciation of right-of-use-assets	**766,710**	–	**2,727,242**	5,632,859	**3,493,952**	5,632,859
Depreciation of property, plant and equipment	**85,671**	29,313	**1,767**	398,729	**87,438**	428,042
Rental expenses	**28,416**	120,000	**–**	279,459	**28,416**	399,459
Inventories written off	**–**	45,705	**–**	434,187	**–**	479,892
Property, plant and equipment written off	**9,771**	10,100	**–**	–	**9,771**	10,100
Impairment of goodwill	**6,132,528**	–	**–**	–	**6,132,528**	–
Impairment of right-of-use assets	**1,220,745**	–	**–**	–	**1,220,745**	–
Impairment of property, plant and equipment	**255,585**	–	**–**	–	**255,585**	–
Allowance for expected credit losses on trade receivables	**148,680**	–	**–**	–	**148,680**	–
Receivables written off	**–**	627,202	**–**	–	**–**	627,202
Exchange loss	**192,105**	161,541	**–**	–	**192,105**	161,541
Audit fees:						
- Auditors of the Company	**273,751**	201,042	**–**	26,907	**273,751**	227,949
- Other auditors	**–**	12,000	**–**	127,266	**–**	139,266
Non-audit fees:						
- Auditors of the Company	**15,100**	–	**–**	–	**15,100**	–
- Other auditors	**–**	16,707	**–**	42,190	**–**	58,897

8. Income tax

	Continuing operations		Discontinued operations		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Current tax expenses (tax credit)	**33,734**	–	**–**	–	**33,734**	–
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	(4,165)	**–**	(484)	**–**	(4,649)
Deferred tax (Note 19)	**–**	–	**–**	–	**–**	–
	33,734	(4,165)	**–**	(484)	**33,734**	(4,649)

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	
	2021	2020
	RM	RM
(Loss)/Profit before tax:		
- Continuing operations	**(13,627,625)**	(10,474,486)
- Discontinued operations (Note 9)	**(10,062,364)**	7,706,438
	(23,689,989)	(2,768,048)
Tax at the domestic income tax rate of 24% in Malaysia (2020: 24%)	**(5,744,227)**	(664,331)
Effect of expenses that are not deductible in determining taxable profit	**5,933,765**	776,767
Effect of income that is exempt from taxation	**–**	(1,577,511)
Effect of tax losses not allowed to be carried forward	**4,479,215**	–
Tax effect of share of result of associate	**–**	305,953
Effect on offshore exemption for Hong Kong entity (Note A)	**–**	(56,426)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(3,495,667)**	734,475
Deferred tax assets not recognised	**340,771**	481,073
Adjustments recognised in the current year in relation to the tax of prior years, net	**(1,480,123)**	(4,649)
	33,734	(4,649)

Note A

A subsidiary, IEV International Limited, a company incorporated in Hong Kong, enjoyed a full tax exemption since year 2005 under Section 14 of the Hong Kong Inland Revenue Ordinance (the "**Ordinance**") and the Departmental Interpretation Practice Note 22 on the basis that the mode of business operations are wholly and exclusively outside Hong Kong. This tax exemption status is applicable to onward years unless the mode of business operations changes to be in Hong Kong and that the provisions of the current Hong Kong Tax Practice and provisions of the Ordinance are complied with.

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 2020 respectively.

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.

FY2020 – Disposal of IEV Group Sdn. Bhd. and together with its subsidiaries and associated company

In 2020, the Group undertook a strategic review of investment and divestment opportunities with a view to improve its financial position and streamline its activities and business.

On 14 September 2020, the Company entered into a conditional share sale and purchase agreement ("**SPA**") with Disruptech Holdings Sdn Bhd ("**Disruptech**"), Antara Consolidated Sdn. Bhd. ("**Antara**") and Muwori Pty Ltd ("**Muwori**") to dispose its wholly-owned subsidiary, IEV Group Sdn. Bhd. and together with its subsidiaries and associated company (the "**IEV Group of companies**" and part of the Asset Integrity Management sector). The result of IEV Group of companies was classified as discontinued operations in year 2020.

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

	Group	
	2021	**2020**
	RM	**RM**
		(Re-presented) Note 9
Profit from Asset Integrity Management sector	**–**	7,570,660
(Loss) from Healthcare sector	**(4,150,674)**	(6,093,517)
(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**	136,262
	(10,062,364)	1,613,405

*Profit from Exploration and Production sector arising from IEV Energy Investment Pte Ltd, an investment holding company of the Exploration and Production sector. The Company become dormant upon the discontinuation of the Exploration and Production sector and classified as discontinued operations.

9. Discontinued operations (Continued)

The consolidated loss for the period from 1 January 2021 to 31 December 2021 from the discontinued operations is set out below. The comparative figures in the consolidated statement of comprehensive income have been re-presented to show HealthPro Pte. Ltd. and IEV Group Sdn. Bhd. as discontinued operations.

	Note	Group 2021 RM	Group 2020 RM (Re-presented) Note 9
Revenue	4	–	4,905,103
Cost of sales		–	(1,237,235)
Gross profit		–	3,667,868
Other operating income	5	**143,202**	2,776,903
Selling and distribution costs		–	(442,258)
Administrative expenses		**(4,093,987)**	(10,718,250)
Other operating expenses		**(53)**	(466,668)
Share of results of associate		–	1,274,803
Finance costs	6	**(173,848)**	(815,054)
Loss before income tax	7	**(4,124,686)**	(4,772,656)
Income tax	8	–	484
Loss after income tax		**(4,124,686)**	(4,772,172)
Post-tax gain on disposal of discontinued operation		–	6,335,577
Post-tax loss on liquidation of discontinued operation		**(2,488,804)**	–
Post-tax loss on deconsolidation of discontinued operation		**(3,448,874)**	–
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period		**(10,062,364)**	1,613,405
Non-controlling interests		–	–
Total comprehensive (loss)/income attributable to owners of the Company		**(10,062,364)**	1,613,405

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

	Group 2021 RM	Group 2020 RM (Re-presented) Note 9
Operating activities	**2,843,438**	4,260,387
Investing activities	**(2,915)**	(61,986)
Financing activities	**(2,914,265)**	(3,247,179)
Net cash (outflows)/inflows	**(73,742)**	951,222

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)**

9. Discontinued operations (Continued)

2021 (Continued)

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 the ACRA and completed the strike off on 31 December 2021.

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)

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.

9. Discontinued operations (Continued)

2020

Disposal of IEV Group of companies

Upon the disposal of IEV Group of companies, the Group has exited from the Asset Integrity Management sector. The disposal was completed on 25 November 2020 with a consideration of S$200,000 (equivalent to RM609,219).

Details of the disposal are as follows:

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

	IEV Group of Companies 25 November 2020 RM
Non-current asset	
Property, plant and equipment	68,601
Right-of-use assets	89,071
Associate	1,274,803
Total non-current assets	1,432,475
Current assets	
Inventories	607,500
Trade and other receivables	1,639,258
Tax recoverable	90,945
Cash and bank balances	378,478
Total current assets	2,716,181
Current liabilities	
Trade and other payables	(2,418,590)
Borrowings	(1,639,125)
Advances from related party	(409,917)
Lease liability	(77,811)
Amount due to holding company	(464,607)
Total current liabilities	(5,010,050)
Net liabilities derecognised	(861,394)
Consideration received	609,219
Gain on disposal	
Consideration received	609,219
Net liabilities derecognised	861,394
Non-controlling interest derecognised	(29,763)
Cumulative exchange differences in respect of the net liabilities of the subsidiaries reclassified from equity on loss of control of subsidiaries	4,894,727
Gain on disposal	6,335,577

9. Discontinued operations (Continued)

The gain on disposal of the subsidiaries is recorded as part of the profit for the year from discontinued operation in the statement of profit or loss and other comprehensive income.

	Group 2020 RM
Net cash inflow arising on disposal	
Cash consideration	609,219
Cash and cash equivalents disposed of	
- Cash and cash equivalents	(312,968)
- Bank overdraft	1,639,125
	1,935,376

10. Dividends

No dividends were declared and paid to shareholders in 2021 and 2020.

11. (Loss)/earnings per share

(Loss)/earnings per share is calculated by dividing the Group's net (loss)/income 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 2021	Group 2020
Weighted average number of ordinary shares for purposes of basic earnings per share (1)&(2)	**507,177,081**	486,028,191
Attributable to the owners of the Company:		
Loss for the year from continuing operations (RM)	**(13,661,359)**	(4,376,804)
(Loss)/Profit for the year from discontinued operations (RM)	**(10,062,364)**	1,613,405
Total (loss) for the year (RM)	**(23,723,723)**	(2,763,399)
Basic and Diluted (loss)/earnings per share (Malaysian sen)		
- Continuing operations	**(2.70)**	(0.90)
- Discontinued operations	**(1.98)**	0.33
Total	**(4.68)**	(0.57)

(1) 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 23) and conversion of shares from convertible loans of 40,201,005 on 31 December 2021 (Note 23 and 28).

(2) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 December 2020 to take into effect the new issuance of share capital of 76,000,000 and 5,208,333 on 14 January 2020 and 19 October 2020 respectively (Note 23).

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

	Production equipment RM	Plant and machinery RM	Computer and office equipment RM	Motor vehicles RM	Furniture, fittings and office renovation RM	Construction -in-progress RM	Total RM
Group							
Cost:							
At 1 January 2020	1,196,789	3,137,326	769,682	30,001	767,833	–	5,901,631
Additions	23,350	–	99,876	–	184,973	4,530,130*	4,838,329
Written off	–	–	(35,605)	–	(9,276)	–	(44,881)
Reclassification/transfer	–	–	4,184	–	(24,616)	–	(20,432)
Disposal of a subsidiary (Note 9)	(1,220,139)	(2,465,761)	(719,191)	(30,001)	(716,795)	–	(5,151,887)
Currency translation difference	–	(8,858)	(3,633)	–	(3)	–	(12,494)
At 31 December 2020	**–**	**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)**
Reclassification/transfer	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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**
Accumulated depreciation:							
At 1 January 2020	1,095,204	2,692,175	651,108	30,001	400,072	–	4,868,560
Depreciation for the year	63,795	208,722	40,888	–	114,637	–	428,042
Written off	–	–	(32,898)	–	(1,883)	–	(34,781)
Reclassification/transfer	–	–	4,073	–	(6,185)	–	(2,112)
Disposal of a subsidiary (Note 9)	(1,158,999)	(2,223,814)	(645,571)	(30,001)	(496,873)	–	(4,555,258)
Currency translation difference	–	(14,376)	5,704	–	(1)	–	(8,673)
At 31 December 2020	**–**	**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)**
Reclassification/transfer	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Liquidation of a subsidiary (Note 9)	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Currency translation difference	**–**	**–**	**(98)**	**–**	**–**	**–**	**(98)**
At 31 December 2021	**6,637**	**664,184**	**57,712**	**–**	**47,357**	**–**	**775,890**

*Construction-in-progress pertains to capitalisation of prepayment (Note 21) for the renovation of the confinement centre in Singapore which has met the recognition criteria during the year 2020.

12. Property, plant and equipment (Continued)

	Production equipment RM	Plant and machinery RM	Computer and office equipment RM	Motor vehicles RM	Furniture, fittings and office renovation RM	Construction -in-progress RM	Total RM
Group							
Impairment:							
At 1 January 2020	101,585	335,832	75,444	–	317,024	–	829,885
Write back during the year	(63,383)	(119,660)	(24,586)	–	(97,102)	–	(304,731)
Liquidation of a subsidiary (Note 9)	(38,202)	(219,046)	(50,858)	–	(219,922)	–	(528,028)
Currency translation difference	–	2,874	–	–	–	–	2,874
At 31 December 2020	–	–	–	–	–	–	–
Write back during the year	–	–	–	–	–	–	–
Impairment during the year	–	–	**68,555**	–	**157,230**	**29,800**	**255,585**
Disposal of a subsidiary (Note 9)	–	–	–	–	–	–	–
Currency translation difference	–	–	–	–	–	–	–
At 31 December 2021	–	–	**68,555**	–	**157,230**	**29,800**	**255,585**
Carrying amount:							
At 31 December 2021	**64,938**	**19,906**	**12,343**	–	**23,375**	**36,227**	**156,789**
At 31 December 2020	–	–	**92,009**	–	**192,349**	**4,530,130**	**4,814,488**

In 2021, the Group has carried out impairment assessment for property, plant and equipment by estimating the recoverable amounts of the respective cash-generating units ("**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. Please refer to Note 14 for more details. The total impairment of RM255,585 has been included in the line item "Other operating expenses" in the Consolidated Statement of Profit or Loss and other Comprehensive Income.

In 2020, impairment of RM304,731 has been written back to its recoverable amount as the AIM sector have awarded new projects during the year and indicates that the economic performance of the asset is better than expected.

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 2020	601,234	12,771,084	–	13,372,318
Additions	–	394,025	–	394,025
Disposal of subsidiaries (Note 9)	(601,234)	–	–	(601,234)
Currency translation difference	–	50,920	–	50,920
At 31 December 2020	**–**	**13,216,029**	**–**	**13,216,029**
Additions	**384,560**	**1,751,503**	**794,673**	**2,930,736**
Liquidation 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**
Accumulated depreciation:				
At 1 January 2020	**267,215**	**425,703**	**–**	**692,918**
Depreciation for the year	**244,948**	**5,387,911**	**–**	**5,632,859**
Disposal of subsidiaries (Note 9)	**(512,163)**	**–**	**–**	**(512,163)**
Currency translation difference	**–**	**5,531**	**–**	**5,531**
At 31 December 2020	**–**	**5,819,145**	**–**	**5,819,145**
Depreciation for the year	**77,232**	**3,258,000**	**158,720**	**3,493,952**
Liquidation 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**
Impairment:				
At 1 January 2020	**–**	**–**	**–**	**–**
Impairment during the year	**–**	**–**	**–**	**–**
At 31 December 2020	**–**	**–**	**–**	**–**
Impairment during the year	**–**	**1,220,745**	**–**	**1,220,745**
At 31 December 2021	**–**	**1,220,745**	**–**	**1,220,745**
Carrying amount:				
At 31 December 2021	**309,612**	**–**	**636,243**	**945,855**
At 31 December 2020	**–**	**7,396,884**	**–**	**7,396,884**

In 2021, the Group has carried out impairment assessment for right-of-use assets by estimating the recoverable amounts of the respective cash-generating units ("**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. Please refer to Note 14 for more details. The total impairment of RM1,220,745 has been included in the line item "Other operating expenses" in the Consolidated Statement of Profit or Loss and other Comprehensive Income.

14. Goodwill

	RM
Group	
Cost:	
At 1 January 2020	**7,434,454**
Arising on acquisition of a subsidiary	**–**
At 31 December 2021	**7,434,454**
Accumulated impairment:	
At 1 January 2020	**1,301,926**
Impairment during the year	**6,132,528**
At 31 December 2021	**7,434,454**
Carrying amount:	
At 31 December 2021	**–**
At 31 December 2020	6,132,528

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating unit ("**CGU**") that is expected to benefit from that business combination. The goodwill is allocated to the Healthcare sector.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

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% (2020: 15%) 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% (2020: 4% to 134%). Perpetual growth rate of 1% (2020:1%) are determined based on management's estimate of the long-term industry growth rates.

As at 31 December 2021, based on the value-in-use calculations prepared by management, there is an impairment of RM7,434,454 to goodwill, and the impairment is mainly due to the delayed expansion plans and opening of postpartum centres in Malaysia and discontinuation of planned postpartum centre in Singapore due to the continuing Covid-19 pandemic. The impairment of RM6,132,528 has been included in the line item "Other operating expenses" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

15. Intangible assets

	Brand name & internet platform RM	Licenses RM
Group		
Cost:		
At 1 January 2020	–	490,397
Written off	–	(488,641)
Currency translation difference	–	(1,756)
At 31 December 2020	–	–
Additions	**200,000**	**–**
At 31 December 2021	**200,000**	**–**
Amortisation:		
At 1 January 2020	–	457,703
Amortisation for the year	–	33,725
Written off	–	(488,641)
Currency translation difference	–	(2,787)
At 31 December 2020	–	–
Amortisation for the year	**–**	**–**
Written off	**–**	**–**
Currency translation difference	**–**	**–**
At 31 December 2021	**–**	**–**
Carrying amount:		
At 31 December 2021	**200,000**	**–**
At 31 December 2020	–	–

As at 31 December 2021, 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.

The licenses, with useful lives of 5 years, pertain to exclusive distribution rights relevant to Oxifree Metal Protection product range that were no longer in use. The intangible assets included above have finite useful lives over which the assets are amortised.

	2021 RM	2020 RM
Group		
Amortisation expense is charged to:		
Administrative expenses	**–**	33,725

16. Subsidiaries

	Company	
	2021	**2020**
	RM	**RM**
		(Restated) Note 39
Unquoted equity shares, at cost [(1), (2)]	**411**	6,777,589
Quasi loans to subsidiaries [(1), (2)]	**24,269,079**	99,890,637
Allowance for impairment	**(18,987,949)**	(86,316,754)
Currency translation difference	**151,846**	(2,036,684)
	5,433,387	18,314,788

(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.

(2) On 27 August 2021, HealthPro Pte Ltd, an indirectly wholly-owned subsidiary of the Company has been placed under Creditors' Voluntary Liquidation and liquidated the equity shares and quasi loans with S$100 and S$2,308,098 respectively.

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.

Movement in the allowance for impairment:

	Company	
	2021	2020
	RM	RM
Balance at beginning of the year	**(86,316,754)**	(127,161,424)
Allowance for impairment	**(18,958,018)**	–
Write off [(See Note (1) above)]	**87,514,288**	41,340,552
Currency translation difference	**(1,227,465)**	(495,882)
Balance at end of the year	**(18,987,949)**	(86,316,754)

As of 31 December 2021, the Company recorded quasi loans to subsidiaries of RM24,269,079 (2020: RM99,890,637) consequent to an extension of loans to the subsidiaries. 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 2021. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis and consequent to their assessment, concluded that these receivables were of low credit risk other than the credit impaired amount of RM18,987,949 (2020: RM86,316,754).

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 2021.

16. Subsidiaries (Continued)

Incorporation of wholly-owned subsidiaries

The Group has carried out an internal reorganisation exercise on 9 March 2021. The proposed corporate structure is re-organised by country, with HealthPro Group (M) Sdn. Bhd. and HealthPro Group (S) Pte. Ltd. designated as the holding companies for Malaysia and Singapore, respectively.

On 8 February 2021, the Company incorporated in Singapore its wholly-owned subsidiary, HealthPro Group (S) Pte. Ltd., with an initial issued and paid-up share capital of S$100.

On 8 March 2021, the Company incorporated in Malaysia its wholly-owned subsidiary, HealthPro Group (M) Sdn Bhd., with an initial issued and paid-up share capital of RM100.

Details of the Company's subsidiaries at 31 December 2021 are as follows:

Name of subsidiaries/Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		2021	**2020**
		%	**%**
IEV Energy Investment Pte. Limited (5)	Dormant.	**–**	100
HealthPro Group (S) Pte. Ltd. (1), (3)	Investment holding company in Singapore.	**100**	–
HealthPro Group (M) Sdn. Bhd. (2), (3)	Investment holding company in Malaysia.	**100**	–
Held by HealthPro Group (S) Pte. Ltd.			
HealthPro Pte. Ltd. (6)	Rendering confinement and postnatal care services and sale of related products.	**100**	100
HealthPro Pharma Pte. Ltd. (1), (3)	Wholesale distribution of medical and pharmaceutical products	**100**	–
Impact BPO Services Pte. Ltd. (1), (4)	Business of providing recruitment and outsourced human resources	**100**	–
Held by HealthPro Group (M) Sdn. Bhd.			
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), (3)	Digital marketing and e-commerce business	**100**	–
Impact BPO Sdn. Bhd. (2), (4)	Consultancy services, digital marketing, business process outsourcing and human resource services	**100**	–

(1) Audited by Mazars LLP, Singapore.

(2) Audited by member firms of Mazars.

(3) The subsidiaries were newly incorporated in FY2021.

(4) The subsidiaries were acquired in FY2021.

(5) The subsidiary was deregistered in December 2021. (Note 9)

(6) The subsidiary commenced member's voluntary liquidation in August 2021. (Note 9)

16. Subsidiaries (Continued)

Acquisition of Impact BPO Services Pte. Ltd.

On 1 October 2021, HealthPro Group (S) Pte. Ltd. entered into a share sale agreement ("**SSA**") to acquire the entire issued share capital of Impact BPO Services Pte. Ltd. ("**IBSPL**") at a purchase consideration of S$10,000. In accordance with the SSA, the consideration was to be satisfied by cash payment.

IBSPL was incorporated in Singapore. It is principally engaged in the business of providing recruitment and outsourced human resources. The Group seeks to pursue the acquisition of IBSPL as its first foray into the outsource business sector.

Assets acquired and liabilities assumed at the date of acquisition

	1 October 2021 RM
Non-current asset	
Right of use assets	**385,188**
Current assets	
Trade and other receivables	**791,768**
Cash and bank balances	**189,823**
Current liabilities	
Trade and other payables	**(663,983)**
Accrual	**(200,009)**
Contract liabilities	**(52,427)**
Lease liabilities	**(386,436)**
Net asset assumed	**63,924**

Bargain purchases arising from acquisition

	1 October 2021 RM
Consideration transferred	**30,760**
Less: Fair value of identifiable net assets assumed	**(63,924)**
Currency translation difference	**(58)**
Bargain purchases	**(33,222)**

As of 31 December 2021, the consideration of S$10,000 is repayable within a year from the date of acquisition.

There was a provisional non-recurring negative goodwill amounting to RM33,222 which arose from the acquisition of IBSPL on 1 October 2021. The negative goodwill in excess of the fair values of those assets is taken to the Group's profit or loss for the financial year ended 31 December 2021.

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

16. Subsidiaries (Continued)

Acquisition of Impact BPO Services Pte. Ltd. (Continued)

Effects of the acquisition of the subsidiary on cash flows

	2021
	RM
Total consideration for 100% equity interest acquired	**30,814**
Consideration payable in cash (As above)	**(30,814)**
	–
Add: Cash and cash equivalent balances acquired	**189,823**
Net cash inflow on acquisition during the financial year ended 31 December 2021	**189,823**

Impact of acquisition on the results of the Group

From the date of acquisition, Impact BPO Services Pte. Ltd. has contributed RM611,817 and (RM130,397) to the revenue and loss, net of tax of the Group respectively.

Acquisition of Impact BPO Sdn. Bhd.

On 1 October 2021, HealthPro Group (M) Sdn. Bhd. entered into a share sale agreement ("**SSA**") to acquire the entire issued share capital of Impact BPO Sdn. Bhd. ("**IBSB**") at a purchase consideration of RM100. In accordance with the SSA, the consideration was to be satisfied by cash payment.

IBSB was incorporated in Malaysia. It is principally engaged in the business of providing recruitment and outsourced human resources, event management and IT support services. The Group seeks to pursue the acquisition of IBSB as its first foray into the outsource business sector.

Assets acquired and liabilities assumed at the date of acquisition

	1 October 2021
	RM
Non-current asset	
Plant and equipment	**3,649**
Current assets	
Trade and other receivables	**306,803**
Cash and bank balances	**38,368**
Current liabilities	
Trade and other payables	**(339,405)**
Accrual	**(11,485)**
Amount due to director	**(3,000)**
Net (liabilities) assumed	**(5,070)**

16. Subsidiaries (Continued)

Acquisition of Impact BPO Sdn. Bhd. (Continued)

Goodwill arising from acquisition

The goodwill of RM5,170 arising from the acquisition is attributable to the subsidiary's outsource service in Malaysia and the expected synergies from combining the operations of the Group. The Group did not recognise the goodwill as the amount is insignificant and negligible which have been recognised in the Group's profit or loss for the financial year ended 31 December 2021.

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

Effects of the acquisition of the subsidiary on cash flows

	2021
	RM
Total consideration for 100% equity interest acquired	**100**
Consideration payable in cash (As above)	**(100)**
	–
Add: Cash and cash equivalent balances acquired	**38,368**
Net cash inflow on acquisition during the financial year ended 31 December 2021	**38,368**

Impact of acquisition on the results of the Group

From the date of acquisition, Impact BPO Sdn Bhd has contributed RM95,830 and (RM111,717) to the revenue and loss, net of tax of the Group respectively.

17. Associate

In November 2020, IEV (Malaysia) Sdn. Bhd. ("**IEV Malaysia**") an associate of IEV Group Sdn. Bhd. and one of the entities under "IEV Group of companies", was disposed of and disclosed in Note 9.

	25 November 2020
	RM
Current assets	17,224,809
Non-current assets	20,199
Current liabilities	(14,180,933)
Revenue	31,700,989
Profit/(loss) for the year, representing total comprehensive income/(loss) for the year	3,459,250
Share of profit/(loss) for the year:	1,695,033
Accumulated share of loss not recognised:	(420,230)
Limited to:	1,274,803

17. Associate (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in IEV Malaysia recognised in these consolidated financial statements:

	2020 RM
Net assets/(liabilities) assets of the associate	3,064,076
Less: Capital reserve of RM462,437 arising from debt waiver from a subsidiary (restricted to remaining net asset of RM153,863)	(462,437)
	2,601,639
Limited to carrying amount in investment in an associate company	–
	2,601,639
Proportion of the Group's ownership interest in IEV Malaysia	49%
Carrying amount of the Group's interest in IEV Malaysia prior to disposal (Note 9)	1,274,803

18. Deferred tax assets

The following are the major deferred tax assets recognised by the Group and movements thereon in prior reporting periods:

	Provision for post-employment obligations RM	Others RM	Total RM
Group			
At 1 January 2021	–	–	–
(Charge)/credit to profit or loss for the year (Note 8)	–	–	–
At 31 December 2021	**–**	**–**	**–**

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has unutilised tax losses of RM3,007,034 (2020: RM7,756,668), and unabsorbed capital allowance of RM115,702 (2020: RM113,369) which will expire in 7 years. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

19. Cash and cash equivalents

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash at banks	**1,216,281**	494,825	**417,911**	208,469
Cash on hand	**1,922**	811	**–**	–
	1,218,203	495,636	**417,911**	208,469

19. Cash and cash equivalents (Continued)

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Singapore dollar	**920,776**	271,614	**417,911**	202,997
United State dollar	**–**	10,597	**–**	5,472
Malaysia Ringgit	**297,427**	213,425	**–**	–
	1,218,203	495,636	**417,911**	208,469

20. Trade receivables

	Group	
	2021	**2020**
	RM	**RM**
Third parties	**643,004**	–
Less: loss allowance	**(148,680)**	–
Currency translation difference	**(190)**	
	494,134	–

The movement in the loss allowance in respect of investment in subsidiaries during the year was as follows:

	Group	
	2021	**2020**
	RM	**RM**
Beginning of financial year	**–**	–
Impairment losses recognised	**148,680**	–
End of financial year	**148,680**	–

Trade receivables are non-interest bearing and the Group generally extend credit period of 30 (2020: 14 to 90) 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 36.

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

	Group	
	2021	**2020**
	RM	**RM**
Singapore dollar	**340,441**	–
Australia dollar	**56,653**	–
Malaysia Ringgit	**97,040**	–
	494,134	–

21. Other receivables and prepayments

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
				(Restated)
Deposits	**619,613**	1,433,438	**–**	–
Prepayments	**77,980**	59,116	**21,573**	50,114
Other receivables	**196,924**	–	**–**	–
Amount owing by subsidiaries	**–**	–	**131,529**	80,263
Accrued revenue	**72,013**	–	**–**	–
Value-added tax receivables	**–**	581,521	**–**	–
Others	**1,985**	3,266	**–**	–
	968,515	2,077,341	**153,102**	130,377
Less: Loss allowance	**–**	–	**–**	–
	968,515	2,077,341	**153,102**	130,377
Less: Amount receivable within 12 months (shown under current assets)	**(968,515)**	(2,049,841)	**(153,102)**	(130,377)
Amount receivable after 12 months	**–**	27,500	**–**	–

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.

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

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("**ECL**").

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.

21. Other receivables and prepayments (Continued)

The following table shows the movement in 12-month ECL that has been recognised for other receivables.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Balance as at beginning	**–**	516,518	**–**	18,911
Allowance for impairment	**–**	–	**–**	–
Amount written off	**–**	(25,743)	**–**	(18,804)
Write back of allowance (Note 5)	**–**	(26,123)	**–**	(168)
Currency translation difference	**–**	(7,083)	**–**	61
	–	457,569	**–**	–
Amount written off due to disposal of subsidiary	**–**	(457,569)	**–**	–
Balance at end of the year	**–**	–	**–**	–

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
				(Restated)
Singapore dollar	**297,079**	1,616,621	**27,197**	54,956
Malaysia Ringgit	**671,436**	460,720	**125,905**	75,421
	968,515	2,077,341	**153,102**	130,377

22. Inventories

	Group	
	2021	**2020**
	RM	**RM**
Finished Goods	**21,097**	3,008
Consumables	**25,690**	24,179
	46,787	27,187
Less: Allowance for inventories	**–**	–
	46,787	27,187
Comprising:		
At net realisable value	**–**	–
At cost	**46,787**	27,187
Balance at end of the year	**46,787**	27,187

The cost of inventories recognised as an expense in "Cost of Sales" includes RM98,930 (2020: RM456,654) in respect of write-downs of inventory to net realisable value.

22. Inventories (Continued)

	Group	
	2021	**2020**
	RM	**RM**
Movement in the allowance for inventories		
Balance at the beginning of the year	**–**	1,623,533
Allowance provided for during the year	**–**	–
Write back allowances during the year	**–**	(317,857)
Write off	**–**	–
Currency translation difference	**–**	5,538
	–	1,311,214
Classified as part of a disposal of subsidiary (Note 9)	**–**	(1,311,214)
Balance at end of the year	**–**	–

As at 31 December 2020, the amount written back includes the reversal of allowance for slow moving inventories of RM317,857 which were utilised in the year.

23. Share capital

	Group and Company			
	2021	**2020**	**2021**	**2020**
	Number of ordinary shares		**RM**	**RM**
Issued and paid up:				
At beginning of the year	**493,082,927**	411,874,594	**119,718,300**	107,673,989
Issued for cash	**19,685,039**	5,208,333	**1,541,937**	611,318
Issued as consideration	**–**	76,000,000	**–**	11,489,817
Issuance of ordinary shares by conversion of convertible loan notes	**40,201,005**	–	**4,944,918**	–
Less: Shares issuance costs	**–**	–	**(49,595)**	(56,824)
At end of the year	**552,968,971**	493,082,927	**126,155,560**	119,718,300

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 14 January 2020, the Company allotted and issued an aggregate of 76,000,000 ordinary shares to 3 new shareholders pursuant to the completion of a share subscription exercise. The new ordinary shares were issued at an issue price of S$0.050 per ordinary share for an aggregate cash consideration of S$3,800,000, approximately RM11,489,817. These proceeds are for the renovation and refurbishment of the Group's existing postpartum centres in Singapore and Malaysia post the acquisition of Lady Paradise (M) Sdn. Bhd. in December 2019 and the Group's working capital and marketing expenses.

On 19 October 2020, the Company allotted and issued an aggregate of 5,208,333 ordinary shares to a new shareholder pursuant to the completion of a share subscription exercise. The new ordinary shares were issued at an issue price of S$0.0384 per ordinary share for an aggregate cash consideration of S$200,000.

Arising from the above two allotment of shares on 14 January 2020 and 19 October 2020 respectively, the Company increased its issued and fully paid-up ordinary capital from RM107,673,989 to RM119,718,300 as at 31 December 2020.

23. Share capital (Continued)

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.

24. Treasury shares

	Group and Company			
	2021	**2020**	**2021**	**2020**
	Number of ordinary shares		**RM**	**RM**
At beginning and at end of the year	**200,000**	200,000	**38,268**	38,268

25. 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.

26. Capital reserve

	Group and Company	
	2021	**2020**
	RM	**RM**
Movement in the capital reserve		
Balance at the beginning of the year	**3,526,051**	3,526,051
Equity portion of outstanding conversion shares	**366,901**	–
Balance at end of the year	**3,892,952**	3,526,051
Capital reserve consist of:-		
Acquisition of a subsidiaries	**3,526,051**	3,526,051
Equity portion of outstanding conversion shares	**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.

27. The Group as a lessee

The Group has commercial lease contracts for office space, confinement centre and integrated unit 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 and the movements during the period:

	Group	
	2021	**2020**
	RM	**RM**
Current	**1,358,258**	5,351,578
Non-current	**1,159,115**	2,256,229
	2,517,373	7,607,807

The maturity analysis of lease liabilities is disclosed in Note 36.

(b) Amounts recognised in consolidated income statement

The following are the amounts recognised in profit or loss:

	Group	
	2021	**2020**
	RM	**RM**
Depreciation expenses of right-of-use assets	**3,493,952**	5,632,859
Interest expenses on lease liabilities	**273,796**	571,761
Expense relating to leases of short-term leases	**28,416**	–
Total amount recognised in profit or loss	**3,796,164**	6,204,620

(c) Amounts recognised in consolidated income statement

The Group had total cash outflows for leases of RM3,423,467 during the financial year ended 31 December 2021 (2020: RM3,245,626)

28. Borrowings

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 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28. Borrowings (Continued)

	Group and Company	
	2021	**2020**
	RM	**RM**
Proceeds from issue of convertible loans	**6,953,792**	–
Amount classified as equity	**(366,901)**	–
Accreted interest	**794,312**	–
Conversion of convertible loan to ordinary shares	**(4,944,918)**	–
Currency translation difference	**1,764**	–
Carrying amount of interest-bearing liabilities as at 31 December	**2,438,049**	–

The fair value of the liability component is calculated using a market interest rate of 19.0% per annum for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in capital reserve (Note 26).

29. Trade payables

	Group	
	2021	**2020**
	RM	**RM**
Trade payables - third parties	**30,938**	9,350
	30,938	9,350

The credit period granted by suppliers is 30 to 60 days (2020: 30 to 60 days). No interest is charged on the outstanding balance.

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

	Group	
	2021	**2020**
	RM	**RM**
Singapore dollar	**20,947**	–
Malaysia Ringgit	**9,991**	9,350
	30,938	9,350

30. Other payables and other provisions

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Amount owing to directors	**1,278,567**	13,541	**–**	–
Amount owing to subsidiaries	**–**	–	**–**	483,918
Service tax payable	**3,143**	2,730	**–**	–
Accruals	**1,128,957**	904,868	**546,524**	598,552
Other payables	**2,426,115**	4,195,026	**292,650**	–
Others	**23,196**	595,327	**–**	499,651
	4,859,978	5,711,492	**839,174**	1,582,121

The amount owing to Directors of the Company are 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 2 consecutive financial years amounting to RM240,000 and the remaining balance pertains to accrued operating expenses such as professional fees and staff costs.

In 2021, rental payable of S$1,080,800 (approximately RM3,340,293) in relation to confinement centre located at Hendon Road, Singapore was derecognised from consolidation for liquidation, disclosed in Note 9.

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 S$200,000 (approximately RM607,288) for renovation of the confinement centre at Hendon Road, Singapore, RM182,207 rental deposits for the new confinement centre and existing confinement centre and the remaining balance pertains to payment made on behalf for operating expenses.

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

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

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Singapore dollar	**2,202,524**	3,787,912	**839,174**	849,656
United States dollar	**43,550**	125,508	**–**	691,232
Malaysia Ringgit	**2,613,904**	1,632,647	**–**	41,233
Others	**–**	165,425	**–**	–
	4,859,978	5,711,492	**839,174**	1,582,121

31. Contract liabilities

As at 31 December 2020, the contract liabilities of RM7,835 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. The amount has been fully recognised as revenue in the year.

As at 31 December 2021, the contract liabilities of 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.

32. Contingent liabilities

As 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.

33. Commitments

In November 2021, the Group entered into a contract for renovation works of a corporate office in Malaysia amounting to RM70,000. As at 31 December 2021, the commitment for remaining renovation works amounted to RM48,913.

34. 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 2020, upon the completion of disposal of IEV Group Sdn. Bhd. together with its subsidiaries and associate company under the Asset Integrity Management segment had been classified as discontinued operations (Note 9). In 2021, the Group has a new outsource services segment following its acquisition of Impact BPO Services Pte. Ltd. and Impact BPO Sdn. Bhd. (Note 16).

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.

34. Segment information (Continued)

Information regarding each of the Group's reportable segments is presented below.

Continuing Operations

Group	Healthcare		Outsourced Services		Corporate		Consolidated	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
		(Represented)						**(Represented)**
Revenue								
External sales	**689,796**	622,695	**707,647**	–	**–**	–	**1,397,443**	622,695
Results								
Segment results	**(11,108,040)**	(1,899,870)	**50,914**	–	**(1,676,239)**	(2,481,099)	**(12,733,365)**	(4,380,969)
Finance costs	**(95,159)**	–	**(4,789)**	–	**(794,312)**	–	**(894,260)**	–
Loss before tax	**(11,203,199)**	(1,899,870)	**46,125**	–	**(2,470,551)**	(2,481,099)	**(13,627,625)**	(4,380,969)
Income tax							**(33,734)**	4,165
Loss for the year							**(13,661,359)**	(4,376,804)
Loss attributable to:								
Owners of the Company							**(13,661,359)**	(4,376,804)
Loss for the year							**(13,661,359)**	(4,376,804)

34. **Segment information (Continued)**

Discontinued Operations

Group	Asset Integrity Management 2021 RM	Asset Integrity Management 2020 RM	Exploration and Production 2021 RM	Exploration and Production 2020 RM	Healthcare 2021 RM	Healthcare 2020 RM (Represented)	Consolidated 2021 RM	Consolidated 2020 RM (Represented)
Revenue								
Total sales	–	8,143,413	–	–	–	–	–	8,143,413
Inter-segment sales	–	(3,238,310)	–	–	–	–	–	(3,238,310)
External sales	–	4,905,103	–	–	–	–	–	4,905,103
Results								
Segment results	–	6,557,387	**(3,422,886)**	135,778	**(6,465,630)**	(5,539,993)	**(9,888,516)**	1,153,172
Finance costs	–	(261,530)	–	–	**(173,848)**	(553,524)	**(173,848)**	(815,054)
Share of results of associate	–	1,274,803	–	–	–	–	–	1,274,803
Profit/(loss) before tax	–	7,570,660	–	135,778	**(6,639,478)**	(6,093,517)	**(10,062,364)**	1,612,921
Income tax							–	484
Profit for the year							**(10,062,364)**	1,613,405
Profit attributable to:								
Owners of the Company							–	1,613,405
Non-controlling interests							–	–
Profit for the year							**(10,062,364)**	1,613,405

34. Segment information (Continued)

	Healthcare		Outsourced Services		Corporate		Discontinued operations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Assets										
Segment assets	**1,913,252**	7,110,542	**1,691,147**	–	**425,884**	258,582	**–**	12,993,419	**4,030,283**	20,362,543
Sub-total	**1,913,252**	7,110,542	**1,691,147**	–	**425,884**	258,582	**–**	12,993,419	**4,030,283**	20,362,543
Unallocated assets [(a)]									**–**	581,521
Consolidated total assets									**4,030,283**	20,944,064
Liabilities										
Segment liabilities	**5,029,931**	1,450,540	**1,646,623**	–	**3,246,237**	1,098,203	**–**	10,785,011	**9,922,791**	13,333,754
Unallocated liabilities [(b)]									**36,939**	2,730
Consolidated total liabilities									**9,959,730**	13,336,484

(a) Unallocated assets comprise tax recoverable, value-added tax receivables and deferred tax assets.

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

34. Segment information (Continued)

Group	Continuing operations						Discontinued operations							
	Healthcare		Corporate		Outsourced Services		Asset Integrity Management		Exploration and Production		Healthcare		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Other information														
Amortisation of intangible assets	**–**	–	**–**	–	**–**	–	**–**	33,725	**–**	–	**–**	–	**–**	33,725
Property, plant and equipment written off	**9,771**	10,100	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**9,771**	10,100
Depreciation of property, plant and equipment	**84,696**	29,313	**–**	–	**975**	–	**–**	397,370	**–**	–	**1,767**	1,359	**87,438**	428,042
Depreciation of right-of-use assets	**689,478**	–	**–**	–	**77,232**	–	**–**	244,948	**–**	–	**2,727,242**	5,387,911	**3,493,952**	5,632,859
Impairment / (Write back of impairment) of property, plant and equipment	**255,585**	–	**–**	–	**–**	–	**–**	(304,731)	**–**	–	**–**	–	**255,585**	(304,731)
Impairment of goodwill	**6,132,528**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**6,132,528**	–
Impairment of right-of-use assets	**1,220,745**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,220,745**	–
Write-back of loss allowance	**–**	–	**–**	–	**–**	–	**–**	(1,166,491)	**–**	–	**–**	–	**–**	(1,166,491)
Write-back impairment of inventories	**–**	–	**–**	–	**–**	–	**–**	(317,857)	**–**	–	**–**	–	**–**	(317,857)
Inventories written off	**–**	45,705	**–**	–	**–**	–	**–**	434,187	**–**	–	**–**	–	**–**	479,892
(Write back of impairment) on VAT receivables	**–**	–	**–**	–	**–**	–	**–**	(26,123)	**–**	–	**–**	–	**–**	(26,123)
Expected credit loss allowance	**–**	–	**–**	–	**148,680**	–	**–**	–	**–**	–	**–**	–	**148,680**	–
Receivables written off	**–**	627,202	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	627,202
Write-back of payables and accrued expenses	**–**	–	**–**	–	**–**	–	**–**	(168,995)	**–**	(172,516)	**–**	–	**–**	(341,511)
Loss on deconsolidation of subsidiary	**–**	–	**–**	–	**–**	–	**–**	–	**3,448,874**	–	**–**	–	**3,448,874**	–
Loss on liquidation of subsidiary	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**2,488,804**	–	**2,488,804**	–
Gain on disposal of subsidiaries	**–**	–	**–**	–	**–**	–	**–**	(6,335,577)	**–**	–	**–**	–	**–**	(6,335,577)

34. 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	
			31 December	31 December
	2021	2020	2021	2020
	RM	RM	RM	RM
Group				
Continuing operations				
Malaysia	**785,625**	622,695	**503.155**	304,180
Singapore	**611,818**	–	**799,489**	18,067,220
	1,397,443	622,695	**1,302,644**	18,371,400
Discontinued operations				
Vietnam	**–**	1,678,361	**–**	–
Malaysia	**–**	3,152,168	**–**	–
Thailand	**–**	74,574	**–**	–
	–	4,905,103	**–**	–
	1,397,443	5,527,798	**1,302,644**	18,371,400

35. 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:

		Group	
		2021	**2020**
		RM	**RM**
	Discontinued operations		
(a)	Transactions with IEV (Malaysia) Sdn. Bhd.		
	Charged to an associate		
	Project income	–	2,796,793
	Rental income	–	125,950
	Management fee income	–	76,100
	Charged by an associate		
	Purchases	–	(264,928)
	Rental expenses	–	(25,060)
	Project related costs	–	–
	Finance costs	–	(76,433)
(b)	Transactions with Disruptech Holdings Sdn. Bhd.		
	Charged by related party		
	Finance costs	–	(30,913)
(c)	Transactions with Christopher Nghia Do		
	Charged by related party		
	Rental expenses	–	(16,000)

(d) Compensation of Directors and key management personnel

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

	Group	
	2021	**2020**
	RM	**RM**
Directors' remuneration:		
- salaries and related costs	**550,724**	1,260,473
- defined contributions	**18,872**	15,535
- directors' fees	**384,850**	558,163
	954,446	1,834,171
Key management personnel:		
- salaries and related costs	**582,008**	950,572
- defined contributions	**69,848**	97,952
	651,856	1,048,524
	1,606,302	2,882,695

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

36. 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 categorizes 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, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analysed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a prepayment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

36. 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.

36. 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 wite off of trade receivables as at 31 December 2021. In year 2020, the Group wrote off RM244,660) of trade receivables. The amounts were trade receivables from third parties which had been long outstanding and were not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there was no reasonable expectation of recovery.

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.

<u>Trade and other receivables (Note 20 and 21)</u>

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group has recognised a loss allowance of 100% against all receivables over 180 days past due because historical experience has indicated that these receivables are generally not recoverable.

The loss allowance for trade and other receivables are shown in Notes 20 and 21.

36. 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, Singapore dollar ("**S$**"), Malaysian Ringgit ("**RM**"), Australia dollar ("**AUD**"), Indonesia Rupiah ("**IDR**") 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**	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Monetary assets				
S$	**–**	–	**–**	–
RM	**7,495**	–	**114,149**	75,241
USD	**–**	5,472	**–**	5,472
AUD	**56,653**	5,472	**–**	5,472
Monetary liabilities				
S$	**–**	–	**–**	–
RM	**38,496**	74,722	**28,606**	41,234
USD	**43,549**	81,926	**43,549**	691,232
IDR	**–**	165,424	**–**	–

Foreign currency sensitivity analysis

The Group is mainly exposed to S$, RM, USD, AUD and IDR.

36. Financial instruments and financial risks (Continued)

Market risk

Foreign currency risk (Continued)

Foreign currency sensitivity analysis (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	
	2021	**2020**
	RM	**RM**
Group		
S$	**–**	–
RM	**(1,178)**	(2,839)
USD	**(1,655)**	(2,905)
AUD	**2,153**	–
IDR	**–**	(6,286)
Company		
USD	**(1,655)**	(26,059)
RM	**3,251**	1,292

Interest rate risk

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 100 basis points higher or lower and all other variables were held constant, the Group's loss after tax for the year ended 31 December 2021 would increase/decrease by RM 24,380 (2020: RM NIL). This is mainly attributable to the Group's exposure to interest rates on its convertible loans.

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.

36. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

The repayment terms of borrowings and lease liabilities are disclosed in Notes 27 and 28 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.

Group	**Effective interest rate**	**1 year or less**	**1 to 5 years**	**Total**
	%	**RM**	**RM**	**RM**
2021				
Financial assets:				
Trade receivables	–	**494,134**	–	**494,134**
Other receivables (exclude prepayment and tax recoverable)	–	**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 and other provisions	–	**4,856,835**	–	**4,856,835**
Contract liabilities	–	**79,597**	–	**79,597**
		8,914,986	**1,191,320**	**10,106,306**
Total net undiscounted financial liabilities		**(6,312,114)**	**(1,191,320)**	**(7,503,434)**
2020				
Financial assets:				
Other receivables (exclude prepayment and GST receivables)	–	1,409,204	27,500	1,436,704
Cash and cash equivalents	–	495,636	–	495,636
		1,904,840	27,500	1,932,340
Financial liabilities:				
Lease liabilities	5.5%	5,624,219	2,286,212	7,910,431
Trade payables	–	9,350	–	9,350
Other payables and other provisions	–	5,708,762	–	5,708,762
Contract liabilities	–	7,835	–	7,835
		11,350,166	2,286,212	13,636,378
Total net undiscounted financial liabilities		(9,445,326)	(2,258,712)	(11,704,038)

36. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Company	Effective interest rate %	1 year or less RM	1 to 5 years RM	Total RM
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 and other provisions	–	**839,174**	–	**839,174**
		3,342,385	–	**3,342,385**
Total net undiscounted financial liabilities		**(2,792,945)**	–	**(2,792,945)**
2020				
Financial assets:				
Other receivables (exclude prepayment)	–	80,263	–	80,263
Cash and cash equivalents	–	208,469	–	208,469
		288,732	–	288,732
Financial liabilities:				
Other payables and other provisions	–	1,582,121	–	1,582,121
		1,582,121	–	1,582,121
Total net undiscounted financial liabilities		(1,293,389)	–	(1,293,389)

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets at amortised cost	**2,602,872**	1,932,340	**549,440**	288,732
Financial liabilities at amortised cost	**4,945,782**	5,725,947	**839,174**	1,582,121
Borrowings	**2,438,049**	–	**2,438,049**	–
Lease liabilities	**2,517,373**	7,607,807	**–**	–

37. 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 23, 24, 25 and 26.

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 2020.

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	
	2021	**2020**
	RM	**RM**
Total debts	**9,959,730**	13,336,484
Less: Cash and cash equivalents	**(1,218,203)**	(495,636)
Net debt	**8,741,527**	12,840,848
Total equity	**(5,929,447)**	7,607,580
Total capital	**2,812,080**	20,448,428
Gearing ratio	**3.11**	0.63

The Group and the Company are not subjected to any externally imposed capital requirements during the financial year ended 31 December 2021 and 2020.

38. Comparative figures

Certain comparative numbers have been reclassified to the prior year's financial statements due to the management's views that the amount due from subsidiaries are not repayable in the foreseeable future and to enhance comparability with the current year's financial statements. Accordingly, management made retrospective reclassifications on the Company's Statement of financial position as at 31 December 2020. The net impact to the previously reported loss was RM Nil.

Statements of financial position

	Company	
	As previously reported	**As reclassified**
	31.12.2020	**31.12.2020**
	RM	**RM**
Non-current asset		
Subsidiaries	**7,036,141**	18,314,788
Current asset		
Other receivables and prepayments	**11,409,024**	130,377

39. Development of COVID-19 outbreak and its corresponding impact on the Group/Company

The COVID-19 outbreak continues to bring challenges to many entities, coupled with increased uncertainties in the global economy. The Malaysia and Singapore governments are transitioning to an endemic from a pandemic phase, with all economic sectors gradually being reopened. However, the authorities are still stressing to the public to remain cautious with Covid-19 and continue with the health protocols at public places.

The Group continues to evaluate the impact of COVID-19 and will revise its business plans as and when necessary. Furthermore, the Group is cautiously optimistic on the future prospects of the Healthcare Business, especially with the heightened public awareness on the need for good hygiene practices. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

STATISTICS OF SHAREHOLDINGS

As at 25 April 2022

Number of Issued and Paid-up Share Capital	:	S$49,697,074.56
Number of Issued and Paid-up Shares	:	552,968,971
Class of Shares	:	Ordinary Shares fully paid
Number of Issued and Paid-up Shares excluding Treasury Shares and Subsidiary Holdings	:	552,768,971
Number and Percentage of Treasury Shares	:	200,000 (0.036%)
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	0.68	283	0.00
100 - 1,000	36	3.48	19,427	0.00
1,001 - 10,000	207	20.02	1,668,400	0.30
10,001 - 1,000,000	744	71.95	109,814,372	19.87
1,000,001 AND ABOVE	40	3.87	441,266,489	79.83
TOTAL	**1,034**	**100.00**	**552,768,971**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	54,222,200	9.81
2	DBS NOMINEES (PRIVATE) LIMITED	48,676,355	8.81
3	LOW KOON POH	45,006,600	8.14
4	OCBC SECURITIES PRIVATE LIMITED	42,981,219	7.78
5	PHILLIP SECURITIES PTE LTD	29,756,850	5.38
6	RAFFLES NOMINEES (PTE.) LIMITED	28,194,189	5.10
7	WILLY CHAN FOO WENG	27,515,633	4.98
8	LIW CHAI YUK	26,866,284	4.86
9	CHRISTOPHER NGHIA DO	23,788,158	4.30
10	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	15,973,742	2.89
11	UOB KAY HIAN PRIVATE LIMITED	14,493,900	2.62
12	MAYBANK SECURITIES PTE. LTD.	7,535,500	1.36
13	PERMBROOK PTY LIMITED	7,524,000	1.36
14	CROGAR PTY LIMITED	7,230,000	1.31
15	MUWORI PTY LIMITED	7,230,000	1.31
16	KHIEM TRONG DO	4,691,000	0.85
17	TAN HWEE KHENG	4,200,000	0.76
18	NG LEE ENG	4,000,000	0.72
19	POH CHENG SENG OR POH SENG KUI	4,000,000	0.72
20	TAN KIM TJIO @ TAN KIM CHOW	3,792,300	0.69
	TOTAL	**407,677,930**	**73.75**

Note:

The shareholding percentage is computed based on the number of issued and paid-up shares (excluding treasury shares) of 552,768,971 shares as at 25 April 2022.

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 25 April 2022

		Direct Interest		Deemed Interest	
No	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	TAN SRI DATO' HARI N. GOVINDASAMY	–	–	53,856,500 [1]	9.74
2.	VIMALA J. GOVINDASAMY	–	–	53,856,500 [1]	9.74
3.	LOW KOON POH	45,006,600	8.14		
4.	LIW CHAI YUK	44,777,103[2]	8.10	–	–
5.	I CONCEPT GLOBAL GROWTH FUND	40,201,005[3]	7.27	–	–

Notes:

(1) The deemed interest in 53,856,500 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.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 25 April 2022, approximately 66.69% 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, 27 May 2022 at 4.30 p.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 2021 and the Directors' Statement together with the Auditors' Report. **(Resolution 1)**

2. To re-elect Low Koon Poh 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 Ng Yau Kuen Carmen 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 2022, to be paid quarterly in arrears (2021: 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 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
12 May 2022

Explanatory Notes:

(1) **Resolutions 2 and 3**

Ordinary Resolution 2 – Dato’ Low Koon Poh will, upon re-election as a Director, continue to serve as Executive Chairman and Chief Executive Officer of the Company. Dato’ Low is a substantial shareholder of the Company.

Ordinary Resolution 3 – Ms Carmen Ng will, upon re-election as a Director, continue to serve as Independent Director and member of the Audit, Nominating and Remuneration Committees. The Board of Directors considers her 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 2021.

(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. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent 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.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-visual webcast ("**Live Webcast**") or "live" audio-only stream ("**Live Audio Stream**")), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 11 May 2022 ("**AGM Alternative Arrangements Announcement**"). The AGM Alternative Arrangements Announcement, this Notice of AGM, proxy form and Annual Report may be accessed at the Company's website at the URL https://investor.medi-lifestyle.com/agm.html as well as at the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Participation of Meeting via Live Webcast/Live Audio Stream

3. The proceedings of the AGM will be broadcasted "live" through an audio-and-visual webcast and an audio-only stream. 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 follow the proceedings through the Live Webcast or the Live Audio Stream must pre-register at the URL https://investor.medi-lifestyle.com/agm.html no later than 4.30 p.m. on 25 May 2022 ("**Registration Cut-Off Time**"). Following verification, an email containing a unique link and password to access the Live Webcast and a toll-free telephone number to access the Live Audio Stream of the proceedings of the AGM will be sent to authenticated members and CPF/SRS investors. Members and CPF/SRS investors who do not receive any email by 5.00 p.m. on 26 May 2022, but have registered by the Registration Cut-Off Time, should contact the Company's investor relations via email at agm2022@medi-lifestyle.com before 12.00 p.m. on Friday, 27 May 2022 for assistance.

   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. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) via email to the Company's Share Registrar at srs.teamd@boardroomlimited.com no later than 4.30 p.m. on 25 May 2022.

Appointment of Chairman as Proxy and Voting

4. **To minimize physical interactions and Covid-19 transmission risk to minimum, the AGM will be held by way of electronic means, and members will NOT be able to attend the AGM in person. A member (whether individual or corporate) will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

   The instrument appointing the Chairman of the AGM as proxy ("**proxy form**") may be accessed at the Company's website and the SGX website. 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.

5. The Chairman of the AGM, as proxy, needs not be a member of the Company.

6. CPF/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 by 5.00 p.m. on 17 May 2022, being seven (7) working days before the date of the AGM. For investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 should approach their respective relevant intermediaries as soon as possible to specify voting instructions.

7. The proxy form 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 4.30 p.m. on 25 May 2022, not less than forty-eight (48) hours before the time appointed for holding the AGM and in default the instrument of proxy shall not be treated as valid.

    A member who wishes to submit the proxy form 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. **Members are strongly encouraged to submit completed proxy forms electronically via email**.

8. The proxy form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy 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 manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

9. Where the proxy form 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 of proxy, failing which the instrument may be treated as invalid.

10. 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.

Submission of Questions in Advance

11. **Members will not be able to ask questions "live" during the broadcast of the AGM. Members and CPF/SRS investors may submit questions relating to the business of the AGM no later than 5.00 p.m. on 19 May 2022:**

    (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' email at agm2022@medi-lifestyle.com.

    All substantive and relevant questions related to the resolutions to be tabled for approval at the AGM received in advance of the AGM, will be addressed and published by 22 May 2022 via SGXNet and at the Company's website at https://investor.medi-lifestyle.com/agm.html/. This is to allow Members sufficient time and opportunity to consider the Company's responses before the deadline for the submission of proxy form, which is 4.30 p.m., on 25 May 2022.

    Investors (other than CPF/SRS investors) will not be able to submit questions relating to the business of the AGM via the above means. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

12. All documents (including the Annual Report, this Notice of AGM and the proxy form) or information relating to the business of the AGM have been, or will be, published on the Company's website and SGX website. **Printed copies of the documents will not be dispatched to members**. Members and Investors are advised to check the Company's website or SGX website regularly for updates.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By (a) submitting a proxy form appointing the Chairman of the AGM to vote at the AGM and/or any adjournment thereof; or (b) submitting any question prior to 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. the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy 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 Live Audio Stream and providing viewers with any technical assistance, where necessary;

III. addressing selected substantive questions from members received before the AGM;

IV. the preparation 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 ("**Proxy Form**") 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 Proxy Form will not be sent to members.
2. Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions in advance, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 11 May 2022. This announcement may be assessed on the Company's website at the URL https://investor.medi-lifestyle.com/agm.html and on the SGX website at URL https://www.sgx.com/securities/company-announcements.
3. **As the AGM is held by way of electronic means, member will NOT be able to attend the AGM in person. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM.**
4. 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 and/or SRS Operators to submit their votes at least seven (7) working days before the AGM.

I/We, ________________________ (name) ______________ (NRIC/Passport/Co Registration No.)

of ____ (address)
being a member/members of Medi Lifestyle Limited (the "**Company**"), hereby appoint Chairman of the AGM as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the AGM to be held by way of electronic means on **Friday, 27 May 2022 at 4.30 p.m**. (Singapore time) and at any adjournment thereof. I/We direct the Chairman of the AGM, being my/our proxy, to vote for or against, or to abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder.

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 2021 and the Directors' Statement together with the Auditors' Report			
2.	To re-elect Low Koon Poh as a Director of the Company			
3.	To re-elect Ng Yau Kuen Carmen as a Director of the Company			
4.	To approve the payment of Directors' fees for the financial year ending 31 December 2022, to be paid quarterly in arrears			
5.	To re-appoint Mazars LLP as the Company's auditors for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration			
Special Business				
6.	To approve the authority to allot and issue shares			

Notes:

* Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy 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 the Chairman of the AGM as your proxy to **abstain** from voting on a resolution, please indicate with "X" in the "**Abstain**" box in respect of that resolution. **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 ______________ 2022

Total Number of Shares held (Note 1)

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO PROXY FORM:
IMPORTANT

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. **To minimise physical interactions and Covid-19 transmission risk to minimum, the AGM will be held by way of electronic means and members will NOT be able to attend the AGM in person. A member (whether individual or corporate) will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

3. 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 form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. **Printed copies of the Notice of AGM and this form of proxy will not be sent to members.**

4. A Chairman of the AGM, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the AGM as proxy must be submitted 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 to the Company's Share Registrar at srs.teamd@boardroomlimited.com,

   in either case, by no later than 4.30 p.m. on 25 May 2022, not less than forty-eight (48) hours before the time appointed for holding the AGM and in default the instrument of proxy shall not be treated as valid.

   A member who wishes to submit an instrument of proxy must 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. **Members are strongly encouraged to submit completed proxy forms electronically via email.**

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

7. Where the instrument appointing the Chairman of the AGM as proxy 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 of proxy, failing which the instrument may be treated as invalid.

8. This proxy form is not valid for use by CPF investors and/or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 17 May 2022, being seven (7) working days before the AGM.

9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy). In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have Shares entered against his/her name in the Depository Register at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) 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 12 May 2022.

MEDI LIFESTYLE

Medi Lifestyle Limited
Company Registration Number (201117734D)

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