

AKTIF LIFESTYLE CORP. BERHAD

The revisions to the Proposed Restructuring Scheme are set out as follows:

The salient terms of the Profit Guarantee Agreement include, amongst others, the following:

a.	Proposed Acquisition of Mahawira		
	<u>Current Proposal</u>		<u>Revised Proposal</u>
	<p>Proposed acquisition of 100% equity interest in Mahawira for an aggregate purchase consideration of RM95,694,711 to be satisfied by way of cash of RM27,000,000 and the issuance of 57,245,593 new ordinary shares of RM1.00 in IMG ("IMG Shares") ("Consideration Shares") at an issue price of RM1.20 each together with 11,449,119 free detachable warrants 2005/2010 ("Warrants") on the basis of one (1) Warrant for every five (5) Consideration Shares;</p>		<p>Proposed acquisition of 100% equity interest in Mahawira for an aggregate purchase consideration of RM76,999,465 to be satisfied by way of cash of RM19,220,000 and the issuance of 52,526,786 new ordinary shares of RM1.00 in IMG at an issue price of RM1.10 each</p> <p>No warrants will be issued.</p>
b.	Proposed Acquisition of Citatah		
	<u>Current Proposal</u>		<u>Revised Proposal</u>
	<p>Proposed acquisition of 54% equity interest in Citatah for a total purchase consideration of RM7,560,000 to be satisfied by way of cash of RM3,510,000 and the issuance of RM4,050,000 nominal value of 2% Irredeemable Convertible Unsecured Loan Stocks 2005/2008 ("ICULS") ("Proposed</p>		<p>Proposed acquisition of 54% equity interest in Citatah for a total purchase consideration of RM7,560,000 to be satisfied by way of cash of RM3,780,000 and the issuance of RM3,780,000 nominal value ICULS.</p> <p>The conversion price of the ICULS is revised to RM1.10 ("Conversion</p>

	Citatah Acquisition").		Price") whereby the RM1.10 nominal value of ICULS are convertible into one fully paid share in IMG subject to adjustments in accordance with the provisions of the trust deed, to be satisfied by surrendering an equivalent nominal amount of ICULS to the Conversion Price
c.	Moratorium on IMG Securities		
	<u>Current Proposal</u>		<u>Revised Proposal</u>
	Pursuant to the Proposed Acquisitions, a moratorium would be imposed on 28,622,797 IMG Shares, 5,724,560 Warrants and 2,025,000 nominal value ICULS, which represent fifty per cent (50%) of the consideration securities issued for the Proposed Acquisitions to be received by the Vendors, as stipulated under the Securities Commission's Policies and Guidelines on Issue/Offer of Securities ("SC Guidelines"). As such, the relevant shareholders are not allowed to sell, transfer or assign their shareholdings under moratorium for a period of one (1) year from the date of listing of IMG on the Second Board of Bursa Securities.		Pursuant to the Proposed Acquisitions, a moratorium would be imposed on 26,263,393 IMG Shares and RM1,890,000 nominal value ICULS , which represent fifty per cent (50%) of the consideration securities issued for the Proposed Acquisitions to be received by the Vendors, as stipulated under the Securities Commission's Policies and Guidelines on Issue/Offer of Securities ("SC Guidelines"). As such, the relevant shareholders are not allowed to sell, transfer or assign their shareholdings under moratorium for a period of one (1) year from the date of listing of IMG on the Second Board of Bursa Securities.
d.	Profit Guarantee Agreement		
	<u>Current Proposals</u>		<u>Revised Proposals</u>
	The profit guarantee to be provided by all		The profit guarantee to be provided by the

<p>or certain of the vendors of Citatah whereby the said vendors will guarantee fifty four per cent (54%) of the profit after tax of Citatah for the three (3) financial years ending 31 December 2005, 2006 and 2007 of RM2,500,000 per annum.</p> <p>The ICULS which will be held as security for the profit guarantee shall be released in three (3) tranches of RM1,350,000 nominal value ICULS per year when Citatah achieves the Guaranteed PAT for each of the financial years ending 31 December 2005, 2006 and 2007 upon terms and conditions to be set out in a profit guarantee agreement which will be executed at a later stage.</p>	<p>Vendors of Citatah will guarantee fifty four per cent (54%) of the profit after tax of Citatah for the three (3) financial years ending 31 March 2006, 2007 and 2008 of RM1,800,000, RM2,600,000 and RM3,100,000 ("Guarantee PAT") respectively; and</p> <p>The holders of the ICULS will have the right to convert the ICULS released each year when the Guaranteed PAT has been met by Citatah for each of the financial years ending 31 March 2006, 2007 and 2008 upon the terms and conditions to be set out in the Profit Guarantee Agreement.</p>
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To secure the obligation of the Vendors of Citatah pursuant to the Guaranteed PAT, the Vendors of Citatah undertake to:-

- (a) at the written request of IMG to deposit a sum of RM270,000 ("Cash Security") forming part of the security for the First Period i.e. for financial year ending ("FYE") 31 March 2006 with a stakeholder to be appointed by IMG and as soon as practicable after the appointment of the stakeholder, to execute and deliver the stakeholders agreement (if required) to deal with the Cash Security upon the terms and conditions of the Profit Guarantee Agreement. The costs and expenses for the appointment of the stakeholder shall be borne by IMG; and
- (b) deposit the ICULS with an escrow /security agent to be appointed by IMG ("Consideration ICULS") and as soon as practicable after the appointment of the escrow agent, to execute and deliver the escrow / security agreement (if required) and create the security over the Consideration ICULS in favour of IMG upon the terms and conditions of the Profit Guarantee Agreement. The costs and expenses for the appointment of the escrow agent shall be borne by IMG.

In the event that the guarantee is achieved, then the parties hereto agree that the stakeholder and the escrow/ security agent is irrevocably authorised to release the Cash Security and transfer the Consideration ICULS to the Vendors of Citatah in the proportions as set out in the Profit Guarantee Agreement within 3 business days of the receipt of the respective Audited Accounts by IMG.

In the event that the profit guarantee is not achieved AND the Vendors of Citatah fail to make good the shortfall in cash then the parties thereto agree that the stakeholder and the escrow/ security agent is irrevocably authorised to release the Cash Security and transfer such number of Consideration ICULS equivalent to the shortfall (for the respective periods) to IMG who will be entitled to cancel such amount of Consideration ICULS on the basis of RM1.00 nominal value of ICULS for every RM1.00 of shortfall in accordance with the terms of the Profit Guarantee Agreement.

Save for the above, the other components to the Proposed Restructuring Scheme as announced on 1 June 2005 remain unchanged.

2. EFFECTS OF THE REVISED PROPOSED ACQUISITIONS

The effects of the proposed revision on the Share Capital, NTA and substantial shareholders shareholdings are enclosed in the attachment.

This announcement is dated 16 August 2005.