

**LIFEBRANDZ LTD.**  
(Incorporated in Singapore)  
(Company Registration No. 200311348E)

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- (I) **PROPOSED CONSOLIDATION OF EVERY FIFTY (50) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE**
  - (II) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**
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## **I. INTRODUCTION**

1. The Board of Directors (the “**Board**”) of Lifebrandz Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that subject to and conditional upon approval from Shareholders (as defined below) being obtained for the Proposed Rights cum Warrants Issue (as defined below), the Company is proposing to undertake a share consolidation exercise (the “**Proposed Share Consolidation**”) pursuant to which the Company will consolidate every fifty (50) existing ordinary shares (“**Shares**”) in the capital of the Company into one (1) ordinary share (“**Consolidated Share**”). Accordingly, under the Proposed Share Consolidation, every fifty (50) Shares registered in the name of each shareholder of the Company (“**Shareholder**”) as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit (“**Share Consolidation Books Closure Date**”), will be consolidated into one (1) Consolidated Share.
2. The Board also wishes to announce that subject to and conditional upon the completion of the Proposed Share Consolidation, the Company is proposing a renounceable non-underwritten rights cum warrants issue of up to 122,400,000 new Shares (“**Rights Shares**”) at an issue price of S\$0.025 for each Rights Share (“**Issue Price**”), with up to 122,400,000 free detachable warrants (“**Warrants**”), each Warrant carrying the right to subscribe for one (1) new Share (“**Warrant Share**”) at an exercise price of S\$0.05 for each Warrant Share (“**Exercise Price**”), on the basis of two (2) Rights Share for every one (1) existing Share (adjusted for the Proposed Share Consolidation), held by Shareholders as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlement (“**Rights Issue Books Closure Date**”), fractional entitlements to be disregarded (“**Proposed Rights cum Warrants Issue**”). For the avoidance of doubt, the Rights Issue Books Closure Date will fall on a date after the completion of the Proposed Share Consolidation.

## **II. THE PROPOSED SHARE CONSOLIDATION**

1. Details of the Proposed Share Consolidation
  - 1.1 As at the date of this announcement, the Company has an issued share capital of S\$55,086,000 divided into 3,060,000,000 Shares. Following the Proposed Share Consolidation, the Company will have an issued share capital of S\$55,086,000 divided into approximately 61,200,000 Consolidated Shares. The number of Consolidated Shares which Shareholders will be entitled to pursuant to the Proposed Share Consolidation, will be based on

their holdings of the Shares as at the Share Consolidation Books Closure Date, and will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

- 1.2 Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.
- 1.3 The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Group.
- 1.4 Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.
- 1.5 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at an extraordinary general meeting ("**EGM**") to be convened by the Company, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Share Consolidation Books Closure Date.

## 2. Rationale for the Proposed Share Consolidation

- 2.1 For the past six (6) calendar months prior and up to the date of this announcement, the absolute price of the Shares traded had been at a low level in the range between S\$0.001 and S\$0.006.
- 2.2 As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded Share prices translate to higher transaction costs, relative to the trading price, for each trading of one (1) board lot of Shares. The Board believes that with the implementation of the Proposed Share Consolidation, Shareholders should be able to execute trades in larger sizes due to the theoretical higher trading price of each Consolidated Share and this should reduce the transaction costs for Shareholders when dealing in the Consolidated Shares.
- 2.3 In addition, in terms of investment risk, low-priced securities may be more susceptible to speculation and market manipulation and share price volatility. Hence, the theoretical higher trading price of each Consolidated Share may reduce such risk.
- 2.4 **Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results set out above nor is there assurance that such results (if achieved) can be sustained in the longer term.**

## 3. Approvals and Conditions

- 3.1 The implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM.
- 3.2 An application will be made through the Sponsor to the SGX-ST for the dealing in, listing of and quotation of the Consolidated Shares pursuant to the Proposed Share Consolidation on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

### III. DETAILS OF PROPOSED RIGHTS CUM WARRANTS ISSUE

#### 1. Principal terms of the Proposed Rights cum Warrants Issue

- 1.1 **Basis of Provisional Allotment.** The Proposed Rights cum Warrants Issue is proposed to be made on a renounceable basis to Entitled Shareholders (as defined below) on the basis of two (2) Rights Share, with one (1) detachable Warrant, for every one (1) existing Share, as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded.
- 1.2 **Issue Price and Exercise Price.** The proposed Issue Price of S\$0.025 for each Rights Share represents a discount of approximately 75% to the closing market price of Shares as at 23 January 2017, being the last trading day prior to the date of this announcement on which Shares were traded, adjusted for the Proposed Share Consolidation, and a discount of approximately 50% to the theoretical ex-rights price of Shares, adjusted for the Proposed Share Consolidation. The proposed Exercise Price of S\$0.05 for each Warrant Share represents a discount of approximately 50% to the closing market price of the Shares as at 23 January 2017, being the last trading day prior to the date of this announcement on which Shares were traded, and is the theoretical ex-rights price of the Share, adjusted for the Proposed Share Consolidation.
- 1.3 **Form and Subscription Rights of the Warrants.** Up to 122,400,000 Warrants will be issued in registered form and will be subject to the terms and conditions to be set out in an instrument by way of a deed poll constituting the Warrants ("**Deed Poll**"). The Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price of S\$0.05 for each Warrant Share at any time during the period commencing on and including the date falling 12 months from the date of issue of the Warrants and expiring at 5:00 pm on the date immediately preceding 24 months from the date of the issue of the Warrants ("**Exercise Period**"), unless such date is a date on which the register of members of the Company ("**Register of Members**") is closed or is not a day on which Catalist is open for securities trading ("**Market Day**"), in which case the Exercise Period shall end on the date prior to the closure of the Register of Members of the Company or the immediate preceding Market Day, as the case may be, but excluding such period(s) during which the register of holders of Warrants may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.
- 1.4 **Detachability and Trading of the Warrants.** The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on Catalist under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on Catalist, subject to, amongst others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

- 1.5 **Eligibility of Shareholders to participate in the Proposed Rights cum Warrants Issue.** The Company proposes to provisionally allot Rights Shares with Warrants to all the “Entitled Shareholders”, comprising Entitled Depositors and Entitled Scripholders (both as defined herein).
- 1.6 **Entitled Depositors.** Shareholders whose Shares are registered in the name of the Central Depository (Pte) Limited (“**CDP**”) and whose securities accounts with CDP are credited with Shares as at the Rights Issue Books Closure Date (“**Depositors**”) will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Rights Issue Books Closure Date. To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as at the Rights Issue Books Closure Date or must have, at least five (5) Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.
- 1.7 **Entitled Scripholders.** Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Rights Issue Books Closure Date by Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) (“**Share Registrar**”), will be registered to determine the provisional entitlements of the transferee (“**Scripholder**”), which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Proposed Rights cum Warrants Issue. To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore as at the Rights Issue Books Closure Date or must have, at least five (5) Market Days prior to the Rights Issue Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.
- 1.8 **Foreign Shareholders.** For practical reasons and in order to avoid violation of relevant securities legislation applicable in countries other than Singapore, the Proposed Rights cum Warrants Issue is only made in Singapore and the Rights Share and Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Rights Issue Books Closure Date and who have not at least five (5) market days prior to the Rights Issue Books Closure Date, provided to the Company, the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The Offer Information Statement (to be set out in detail below) to be issued for the Proposed Rights cum Warrants Issue and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Rights Shares or the Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

Entitlements to Rights Shares or the Warrants which would otherwise accrue to Foreign Shareholders will, at the sole and absolute discretion of the Company, be sold “nil-paid” on Catalist after dealings in the provisional allotments of Rights Shares and the Warrants commence. In exercising its discretion, the Company may consider, amongst other things, whether a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Rights Issue Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount is less than S\$10.00, the Company shall be entitled to retain or deal with such net

proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares and the Warrants are sold “nil-paid” on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares and the Warrants represented by such provisional allotments.

1.9 **Status and Ranking.** The Rights Shares will be payable in full upon acceptance and/or application and, upon allotment and issue, will rank *pari passu* in all respects with the Shares then in issue, save for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which falls before the date of issue of the Rights Shares. The Warrant Shares allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which is on or after the relevant date of exercise of the Warrants and shall rank *pari passu* in all respect with the then existing issued Shares. For the purpose herein, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

1.10 **Provisional Allotments and Excess Applications.** Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and the Warrants and will be eligible to apply for Rights Shares and the Warrants in excess of their provisional allotments under the Proposed Rights cum Warrants Issue. Provisional allotments of Rights Shares and Warrants which are not taken up for any reason shall be used to satisfy excess applications for Rights Shares and Warrants (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of excess Rights Shares with Warrants, preference will be given to Entitled Shareholders in satisfaction of their application for excess Rights Shares and Warrants, if any, provided that where there are insufficient excess Rights Shares with Warrants to allot to each application, the Company shall allot the excess Rights Shares with Warrants to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company will either be ineligible for excess Rights Shares, or if eligible, rank last in priority for the rounding of odd lots and allotment of excess Rights Shares and Warrants. The Company will also not make any allotment and issue of any excess Rights Shares and Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Fractional entitlements to the Rights Shares and Warrants will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company. The Exercise Price and/or the number of Warrants to be held by each Warranholder will, after their issue, be subject to adjustments under certain circumstances to be set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issue and certain capital

distributions. Any such adjustments shall (unless otherwise provided under the SGX-ST Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) from time to time) be announced by the Company.

1.11 **Option to scale down subscription.** Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for its pro-rata Rights Shares entitlement and/or apply for excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him (as defined in the Singapore Code of Takeovers and Mergers (the “**Code**”) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares entitlements fully.

2. Size of the Proposed Rights cum Warrants Issue

2.1 As at the date of this announcement, the existing issued and paid-up share capital of the Company is 3,060,000,000 Shares. The issued and paid-up share capital of the Company following the completion of the Proposed Share Consolidation will be 61,200,000 Shares. (“**Adjusted Share Capital**”).

2.2 For illustration purposes only, based on the Adjusted Share Capital and assuming that the Proposed Rights cum Warrant Issue is fully subscribed, an aggregate 122,400,000 Rights Shares with 122,400,000 Warrants will be issued pursuant to the Proposed Rights cum Warrants Issue.

3. Rationale and Use of Proceeds

3.1 **Rationale.** The Proposed Rights cum Warrants Issue has been proposed to raise funds for (a) the expansion of the business of the Group through investments, acquisition, joint ventures or strategic alliances (“**Acquisitions**”); and (b) working capital so as to provide the Group with more flexibility and enhance its ability to formulate, strategise and execute its business plans (“**Working Capital**”).

3.2 **Use of Proceeds.** In the event that the Proposed Rights cum Warrants Issue is subscribed in full, the estimated net proceeds (“**Net Proceeds**”) will be approximately S\$2,930,000, after deducting professionals’ fees and related expenses incurred in connection with the Proposed Rights cum Warrants Issue. On the basis of the foregoing, and assuming that all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants (“**Exercise Proceeds**”) will be approximately S\$6,120,000.

The Company intends to use the Net Proceeds in the following proportions:

- (a) up to S\$1,172,000 (representing up to 40% of the Net Proceeds) for Acquisitions; and
- (b) up to S\$1,758,000 (representing up to 60% of the Net Proceeds) for Working Capital.

As and when the Warrants are exercised, the Exercise Proceeds raised may, at the discretion of the Directors, be applied towards potential acquisitions and/or working capital requirements of the Group. Pending the deployment of Net Proceeds and/or Exercise Proceeds, such

proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of Net Proceeds and/or Exercise Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the proceeds raised in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation.

The Company has decided to proceed with the Proposed Rights cum Warrant Issue on a non-underwritten basis as the Company believes that the Issue Price of S\$0.025 for each Rights Share and S\$0.05 for each Warrant is sufficiently attractive.

Further, the Directors are of the opinion that there is no minimum amount which must be raised from the Proposed Rights cum Warrant Issue, as in the event it is unable to raise sufficient funds, the Company will source for alternative sources of funding, including but not limited to bank borrowings and Shareholders' loans. Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Proposed Rights cum Warrant Issue on a non-underwritten basis.

#### 4. Offer Information Statement

The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue will be contained in the Offer Information Statement to be issued by the Company in due course following the EGM, if the Proposed Rights cum Warrants Issue is approved at the EGM. All Entitled Shareholders will receive the appropriate application forms and accompanying documents at their Singapore addresses.

#### 5. Circular and EGM

The Company intends to convene the EGM to seek Shareholders' approval for the Proposed Rights cum Warrants Issue. The Circular containing, inter alia, the notice of the EGM and details of the abovementioned transactions will be despatched to the Shareholders in due course.

#### 6. Approvals

The Proposed Rights cum Warrants Issue is subject to, inter alia, (i) approval from the Shareholders at the EGM to approve the Proposed Rights cum Warrants Issue, (ii) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on Catalist, and (iii) lodgment of the Offer Information Statement with the SGX-ST (acting as agent of the Monetary Authority of Singapore). RHT Capital Pte Ltd, acting as Sponsor to, and on behalf of, the Company, will submit an additional listing confirmation to the SGX-ST for permission for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on Catalist. An

appropriate announcement will be made in due course to notify Shareholders when the listing and quotation notice is obtained.

#### 7. Confirmation by Directors

The Directors are of the opinion that after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities and the proceeds from the Proposed Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

The Directors confirm that the proceeds from the Proposed Rights cum Warrants Issue will be utilised in accordance with Paragraph 3.2 above. The Company is proposing to undertake the Proposed Rights cum Warrants Issue as a strategic initiative to raise additional funding to strengthen the financial position of the Group by enlarging the Group's working capital and capital base and enhance the financial flexibility of the Company to capitalise on potential growth and acquisition opportunities.

#### **IV. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this Announcement, none of the Directors and substantial Shareholders of the Company has any interests, direct or indirect, in the Proposed Share Consolidation and/or the Proposed Rights cum Warrants Issue, (other than in his capacity as Director or Shareholder of the Company).

#### **V. RESPONSIBILITY STATEMENT**

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

#### **VI. FURTHER ANNOUNCEMENTS**

Further announcements will be made by the Company in relation to the Proposed Share Consolidation and Proposed Rights cum Warrants Issue as and when appropriate.



**By Order of the Board**

**Chng Weng Wah**  
**Chief Executive Officer / Executive Director**

Date: 24 January 2017

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*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The details of the contact person for the Sponsor is: -*

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