

**INVESTMENT AND ENTRY INTO JOINT VENTURE AGREEMENT  
WITH OFFICE HASHIDA CO., LTD**

---

**1. INTRODUCTION**

The Board of Directors ("**Board**") of Lifebrandz Ltd. ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that its wholly-owned subsidiary, LB F&B Pte. Ltd. ("**LB F&B**"), had on 30 July 2018, entered into an investment joint venture agreement ("**Agreement**") with Office Hashida Co., Ltd ("**Office Hashida**") in relation to a proposed investment in Cloud Eight Inc. ("**Cloud Eight**") ("**Investment**").

**2. INFORMATION ON OFFICE HASHIDA**

Office Hashida is a private company limited by shares incorporated in Japan, which is engaged in the operation of sushi restaurants and other food related business internationally. It is wholly-owned by Kenjiro Hashida and is an independent third party from the Group. Mr Kenjiro Hashida is a renowned chef with a proven professional record of more than 25 years of culinary experience and has won several prestigious awards

**3. DETAILS OF THE INVESTMENT**

Business of Cloud Eight

Cloud Eight is a private company limited by shares incorporated in the United States of America, and is engaged in the food and beverage business, with a particular focus in the establishment and operating of high end sushi restaurants in San Francisco, California in the United States of America.

Capitalisation and shareholding Proportion of Cloud Eight

Cloud Eight has an issued and paid-up share capital of US\$150,000 (equivalent to approximately S\$204,750<sup>(1)</sup>) divided into 150,000 shares, each having a nominal value of S\$1 and is wholly-owned by Office Hashida.

Following the capital injection by LB F&B and Office Hashida, Cloud Eight will have an issued and paid-up share capital of US\$1,000,000 (equivalent to approximately S\$1,365,000) divided into 1,000,000 shares.

The shareholding composition of Cloud Eight shall be as follows:

Shareholders	Capital Contribution	Number of shares in Cloud Eight	Percentage
LB F&B	US\$500,000 (equivalent to approximately S\$682,500 <sup>(1)</sup> )	500,000	50%
Office Hashida.	US\$500,000 (equivalent to approximately S\$682,500 <sup>(1)</sup> )	500,000	50%

LB F&B and Office Hashida shall within 60 calendar days thereof (or other period mutually agreed by the parties), make payment of their respective capital contribution.

The Board of Directors will update the Shareholders when the capital contribution has been completed.

In addition, LB F&B will appoint 2 directors and will represent majority of the board of Cloud Eight.

**Note:**

- (1) For the purpose of this Announcement, all currency exchange rate used throughout this Announcement is US\$1: S\$1.3650. Such exchange rate has been presented solely for information only and should not be construed as representations that the relevant amounts have been or could be converted at the rates indicated or at any other rate.

#### **4. RATIONALE**

The Investment is in line with the Group's strategic plans of acquiring new and varied food and beverage businesses and pursuing new revenue streams.

Cloud Eight will be Mr. Kenjiro Hashida's first restaurant in the U.S and given that Cloud-Eight will adopt Office Hashida's business model, it is expected to grow the Group's food and beverage businesses. The Board believes that the Investment is beneficial as it will enable the Group to tap on the expertise of Office Hashida as well as provide the Group with an opportunity to diversify the Group's revenue stream.

#### **5. FUNDING**

The contribution of LB F&B in respect of the joint venture will be funded through the Group's internal resources.

#### **6. FINANCIAL EFFECTS**

Assuming that the Investment is effected on 31 July 2017, the Investment does not have any material impact on the net tangible assets per share of the Group for the financial year ended 31 July 2017.<sup>(1)</sup>

Assuming that the Investment is effected on 1 August 2016, the Investment does not have any material impact on the earnings per share of the Group for the financial year ended 31 July 2017.<sup>(2)</sup>

**Notes:**

- (1) On the basis that Cloud Eight is treated as a subsidiary of the Company and will also be controlled by the Company.
- (2) Cloud Eight has no revenue with minimal operating expenses.

## 7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures in relation to the joint venture and Investment computed on the bases set out in Rule 1006 of the Section B of the Listing Manual of the SGX-ST ("**Catalist Rules**") and based on the unaudited consolidated financial statements of the Group for the nine months ended 31 July 2018 are as follows:

Rule 1006	Bases	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits <sup>(1)</sup> attributable to the assets acquired or disposed of, compared with the group's net profit	2.7% <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	11.5% <sup>(3)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset	Not applicable

### Notes:

- (1) "Net profits" means the profit or loss before income tax, minority interests and extraordinary items.
- (2) Calculated based on (i) the net loss of S\$46,672 attributable to the Group's Investment in Cloud Eight, as compared against (ii) the Group's net loss of S\$1,731,000 for the nine months ended 30 April 2018.
- (3) Calculated based on (i) the aggregate consideration for the Investment of US\$500,000 (approximately S\$682,500 calculated at an exchange rate of US\$1.00:S\$1.365 as at 27 July 2018, being the last market day preceding the date of the Agreement), as compared against (ii) the market capitalisation of the Company based on the total number of issued shares (excluding treasury shares) and the weighted average price of S\$0.013 per share on 27 July 2018 (being the last market day preceding the date of the Agreement).

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 75%, the Investment constitutes a disclosable transaction under Rule 1010 of the Catalist Rules.

## 8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Investment. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Investment other than by reason only of being a Director of the Company or holder of shares in the capital of the Company.

## **10. DOCUMENT FOR INSPECTION**

A copy of the Agreement is available for inspection at the registered office of the Company at 80 Raffles Place, #41-02 UOB Plaza 1, Singapore 048624, for a period of three months from the date of this announcement.

## **BY ORDER OF THE BOARD**

Saito Hiroyuki  
Executive Chairman and Chief Executive Officer

30 July 2018

---

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("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 contact person for the Sponsor is:*

*Name: Mr. Nathaniel C.V, Registered Professional, RHT Capital Pte. Ltd.  
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619  
Tel: (65) 6381 6757*