LifeBrandz

SERVING UP

NEW EXPERIENCES

LIFEBRANDZ LTD.

ANNUAL REPORT 2019

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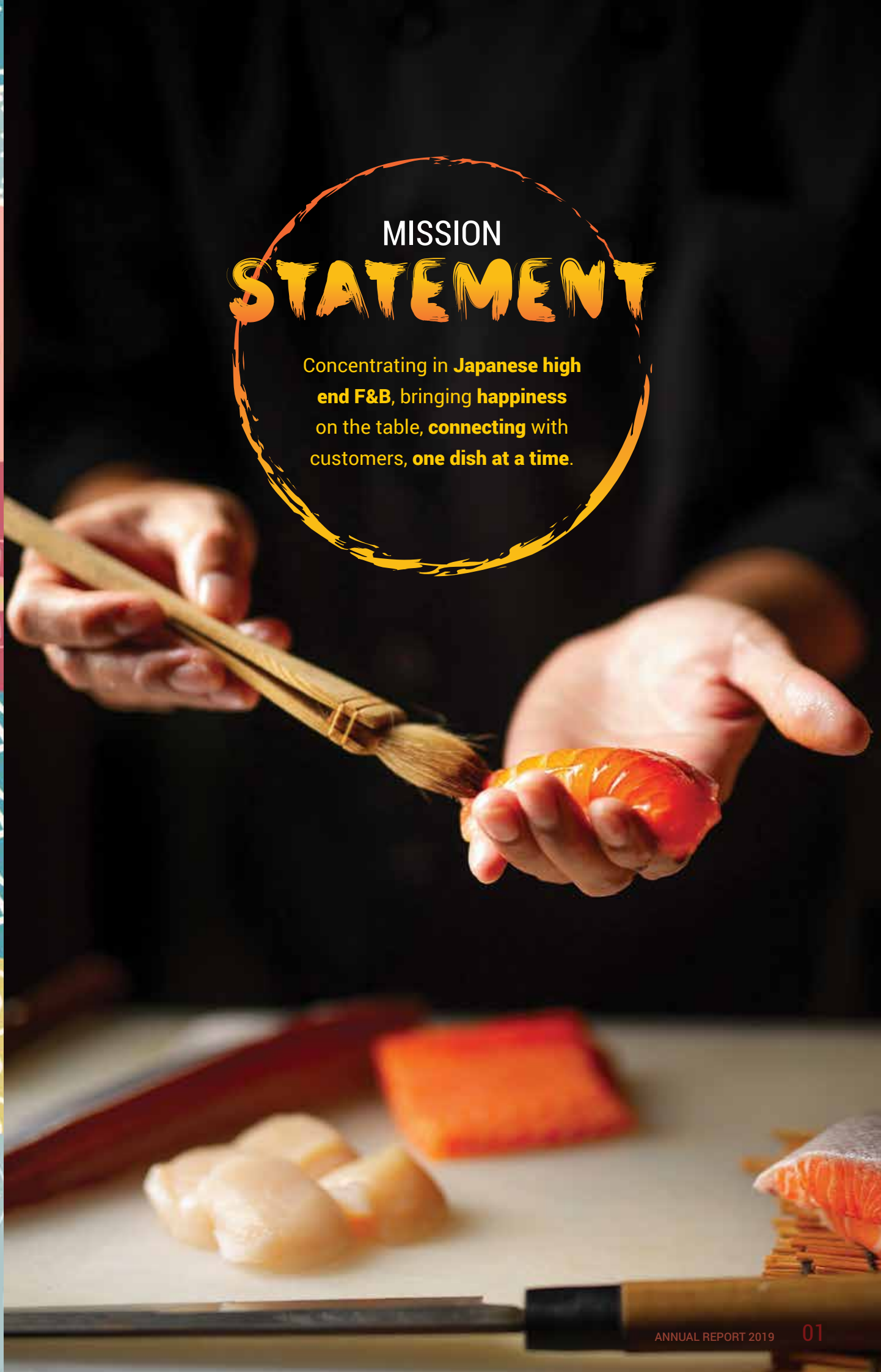
This Annual Report has been reviewed by the Company's sponsor, SAC Capital Private Limited the ("Sponsor").

This Annual Report 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 Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

MISSION STATEMENT

Concentrating in **Japanese high end F&B**, bringing **happiness** on the table, **connecting** with customers, **one dish at a time**.



ABOUT LIFEBRANDZ

LifeBrandz Group was established in 2001, and has been listed in Singapore since 2004. LifeBrandz is a brand development and management Group with interests in sectors related to lifestyle and entertainment, leveraging on its core competency to set up brands. In FY2006, LifeBrandz focused on developing the lifestyle business, catering to hip and trend-setting crowds in Singapore, quickly establishing itself amongst the most dynamic lifestyle players in both the country and the region. In FY2017, LifeBrandz Group initiated its transformation and diversification into comprehensive services and multi-faceted solutions – including brand development and management, travel, fintech, IT and fund management – while continuously striving to achieve growth and profitability.

DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the "Board" or "Directors"), it's my pleasure to share an overview of the developments for LifeBrandz Ltd. ("LifeBrandz" or the "Company", and together with its subsidiaries, the "Group") for the financial year ended on 31 July 2019 ("FY2019"). For FY2019 the pace of global economic activity remains weak. Rising trade and geopolitical tensions have increased uncertainty about the future of the global trading system and international cooperation more generally, taking a toll on business confidence, investment decisions, and global trade. A notable shift toward increased monetary policy accommodation through both action and communication has cushioned the impact of these tensions on financial market sentiment and activity, while a generally resilient service sector has supported employment growth. The global economic outlook remains precarious.

The Group invested in a joint venture, Cloud Eight, Inc., in the United States of America ("USA"), which is engaged in the food and beverage ("F&B") business, with a particular focus in the establishment and operating of high end sushi restaurants in San Francisco, California, in the USA.

During FY2019, we changed our revenue and risk diversification strategies by channelling our energy into high-end F&B businesses. Two high-end F&B outlets were opened in October 2018 and May 2019, in Singapore and the USA respectively.

Our strategic shift of focus aids in spreading out risks to avoid being overly dependent on any single market. This overcomes the challenges of bringing in growth and recurring revenue in an uncertain global environment, thereby increasing our value to stakeholders.

SIGNIFICANT EVENTS

There was a renounceable non-underwritten rights issue, at an issue price of S$0.007 for each right share. As announced on 14 December 2018, this was made on the basis of one right share for every two existing ordinary shares in the issued share capital of our Company (the "Rights Issue"). Pursuant to the Rights Issue, 80,014,724 rights shares were allotted and issued on 23 January 2019. Part of the proceeds has been used to fund our expansion of F&B businesses.

THE YEAR IN REVIEW

Locally, the Singapore economy grew by 1.8% in the first half of 2018 and 1.2% in first half of 2019, a decrease from 2.7% in 2017. The global growth outlook has weakened even more, with the IMF downgrading its global growth forecast for 2019 in its July review. In particular, the growth prospects of key emerging markets and developing economies such as the ASEAN-5 and China have worsened, partly due to the escalation of the US-China trade conflict in recent months. Concurrently,

the global electronics cycle has entered an ongoing downswing that is steeper than expected, exacerbated by the uncertainty caused by the US-China trade conflict. This downswing will pose a greater drag on economies with sizeable electronics and electronics-related sectors.

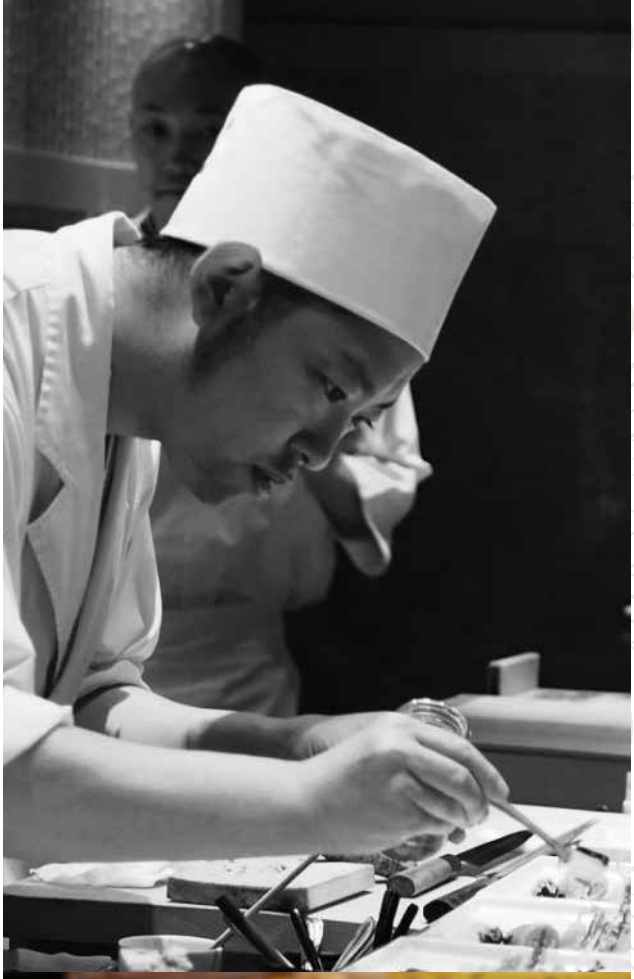
Looking ahead, the F&B retail business will remain competitive due to intense competition and rising operating costs. The Board remains highly confident that the business decisions taken so far will ensure that our organisation is more resilient and meets its targets. We will continue to foster our partnerships in order to maintain a competitive advantage.

Our maiden high-end F&B sushi business was recently added to the Group's portfolio, led by celebrity Chef Hatch Hashida. Hatch Hashida is the son of Master Chef Tokio Hashida, who hails from one of Japan's legendary sushi restaurants, "Hashida Sushi". He has more than two decades of experience not only in Japan, but globally. The new restaurant in Singapore has officially been operational since early October 2018.

Based on figures from the Japan Tourism Statistics, the year-on-year growth rate as of August 2019 for visitors arriving to Japan, and for Japanese travelling overseas, is approximately 7.7% and 5.6% respectively. This shows good potential for our travel business in Japan and demonstrates how we are well-positioned to capitalise on the growth of this segment.

The Group has decided to put the operations of its fintech business under Finesse Digital Pte. Ltd. on hold after taking into consideration of the departure of the head of fintech business, and the fact that it has been making losses.

The Group achieved a revenue of S$5.6 million for FY2019 – an increase of S$2.6 million compared to the prior financial year, which ended on 31 July 2018 ("FY2018"). This growth was mainly due to a S$2.8 million increase in F&B revenue. Net loss climbed to S$3.4 million in FY2019, compared to a net loss of S$2.9 million in FY2018, owing to a continued expansion of Group operations.



As part of our growth strategy, we are constantly bringing in fresh talents to support our new and existing businesses. During the year, we added new headcounts from various segments, and we firmly believe they will contribute to our growth in the coming years.

"We will continue to explore new business opportunities as well as control costs to improve operational efficiency."

OUTLOOK FOR FY2020

The Group continues to remain cautious about the outlook and condition of the overall business environment in the travel and F&B industries. The Board is mindful of the intense competition within these industries, as well as the tight labour supply and increasing costs.

We will continue to explore new business opportunities as well as control costs to improve operational efficiency. The Company may explore fund raising exercises to strengthen its cash position for future business expansions and diversification.

Moving forward, the Group will continue to seek opportunities to expand its presence by way of acquisitions and formations of new joint ventures with potential partners. We expect more new restaurants to be rolled out by first quarter of 2020, after the opening of Hashida Sushi restaurant in Singapore and Sushi Nagai San Francisco restaurant in the USA in FY2019.

APPRECIATION

On behalf of the Group, I thank my fellow Directors for their commitment and service. Their guidance and assistance have been invaluable while LifeBrandz was steering our course in pursuing a new strategic direction.

I also wish to express my deepest gratitude and appreciation to all our valued shareholders, various stakeholders, management and staff. We are only able to have progressed thus far with your unwavering support and contributions. We will persevere in our efforts to forge ahead with our new businesses to achieve growth, profitability and sustainability.

Saito Hiroyuki
Executive Chairman & CEO

OPERATIONS AND FINANCIAL REVIEW

REVIEW OF INCOME STATEMENT FOR FY2019

Revenue

The Group achieved a revenue of S$5.6 million for the financial year ended 31 July 2019 ("FY2019"), which saw an increase of S$2.6 million compared to the prior financial year ended 31 July 2018 ("FY2018").

The increase in revenue was mainly due to increase in food and beverage ("F&B") revenue of S$2.8 million which was partially offset by decrease in travel booking service revenue of S$0.2 million.

The increase in F&B revenue was mainly due to the revenue contribution of S$2.6 million from Hashida Sushi restaurant in Singapore which was newly opened in Q1 FY2019. The remaining revenue of S$0.3 million was contributed by the high-end sushi restaurant in the USA, namely Sushi Nagai San Francisco which was soft launched in May 2019. Revenue contributed by Mulligans Pattaya in Thailand dropped by S$0.1 million due to more competitive environment. Our F&B division has been continuously rolling out new marketing and promotion activities to attract customers.

The decrease in travel booking service revenue was mainly due to slowdown of the travel industry and more competitive environment in Japan.

Costs and expenses

Inventories and consumables used expenses saw an increase of S$0.9 million, consistent with the increase in the Group's revenue, mainly contributed by the increased sales activities of Hashida Sushi restaurant in Singapore and Sushi Nagai San Francisco restaurant in the USA in FY2019.

Travel booking services cost saw an increase of S$0.1 million, mainly due to high cost to arrange booking packages from vendor in FY2019.

Advertising, media and entertainment expenses increased by S$0.1 million mainly due to the increased advertising activities and promotion to attract more customers. Employee benefits increased by S$0.3 million mainly due to additional staff hired as the Group geared up for F&B expansion in FY2019.

The increase in amortisation and depreciation charges of S$0.4 million was mainly due to the depreciation of additional fixed assets purchased for Hashida Sushi restaurant in Singapore and Sushi Nagai San Francisco restaurant in the USA, and the amortisation of intangible asset arising from the acquisition of e-Holidays Co., Ltd.

Operating lease expenses increased by S$0.5 million mainly due to the increased rental expenses from the new subsidiaries, Cloud Eight Pte. Ltd. and Cloud Eight, Inc., which operate Hashida Sushi restaurant in Singapore and Sushi Nagai San Francisco restaurant, in the USA respectively.

Legal and professional fees saw an increase of S$0.1 million mainly due to the professional and legal fees incurred for fintech business and F&B business expansion.

Other operating expenses in FY2019 saw an increase of S$0.8 million mainly incurred by the two newly setup of high-end sushi restaurant in Singapore and the USA, such as utility expenses, cleaning expenses and kitchen supplies.

The Group registered a net loss of S$3.4 million in FY2019 as compared to a net loss of S$2.9 million in FY2018 as a result of higher operating costs and related employee expenses, which is directly attributed to higher sales activities and business expansion.

REVIEW OF FINANCIAL POSITION OF THE GROUP AS AT 31 JULY 2019

Current assets

The Group's current assets decreased by S$2.0 million, from S$3.3 million as at 31 July 2018 to S$1.3 million as at 31 July 2019. This was mainly a result of the decrease in cash and cash equivalents of S$1.4 million. Trade

and other receivables decreased by S$0.6 million due mainly to decrease in advances paid to suppliers of travel business.

Non-current assets

The Group's non-current assets increased by S$1.5 million, from S$1.0 million as at 31 July 2018 to S$2.5 million as at 31 July 2019. This was mainly due to the purchase of new plant and equipment of S$2.0 million relating to the expansion of new F&B outlets, partially offset by the depreciation charge of S$0.4 million and amortisation charge of S$0.1 million.

Current liabilities

The Group's total current liabilities increased by S$2.0 million, from S$1.3 million as at 31 July 2018 to S$3.3 million as at 31 July 2019 mainly due to an increase in trade and other payables of S$1.9 million as a result of the increased business activities. The existing bank borrowings amounted to approximately S$9,000 is attributed to the travel business.

Equity

The Group's equity decreased by S$2.6 million, from S$3.0 million as at 31 July 2018 to S$0.4 million as at 31 July 2019. The decrease was due to the net loss of S$3.4 million recorded by the Group and decrease in foreign currency translation reserve of S$0.2 million, partially offset by non-controlling interest of S$0.3 million from the investment in 50%-owned subsidiary, Cloud Eight, Inc. as well as increase in share capital of S$0.4 million arising from the rights issue completed in January 2019.

Working capital

The Group is in a net current liabilities position of S$2.0 million as at 31 July 2019. Notwithstanding this, the Board believes that barring any unforeseen circumstances, the Group will be able to meet its short-term obligations as and when they fall due and continue as a going concern, after taking into consideration that Bounty Blue Capital Ltd ("Bounty Blue"), the controlling shareholder of the Company, had extended an interest free loan of S$1.7 million to the Group for working capital purposes as at 31 July 2019, and has undertaken not to call for repayment until the Group has sufficient additional working capital. In addition, Bounty Blue has undertaken to provide further financial support if the need arises to enable the Group to continue operations for at least the next 12 months from 31 July 2019.

REVIEW OF STATEMENT OF CASH FLOWS FOR FY2019

The Group's net cash flows used in operating activities in FY2019 was S$1.9 million, mainly due to negative operating cash flows before working capital of S$2.9 million, partially offset by working capital inflow of S$1.0 million. This is mainly due to the Group being in the business expansion phase.

The Group's net cash flows used in investing activities in FY2019 was S$2.3 million, mainly due to the purchase of plant and equipment for the setup of new restaurants in Singapore and the USA of S$2.1 million and exchange realignment of S$0.2 million.

The net cash flows generated from financing activities in FY2019 was S$2.7 million, mainly due to the interest free loan of S$1.7 million from Bounty Blue, the net proceeds from the issuance of news shares of S$0.4 million and proceeds from incorporation of non-wholly owned subsidiary S$0.7 million.

As a result, cash and cash equivalents stood at S$0.3 million as at 31 July 2019.

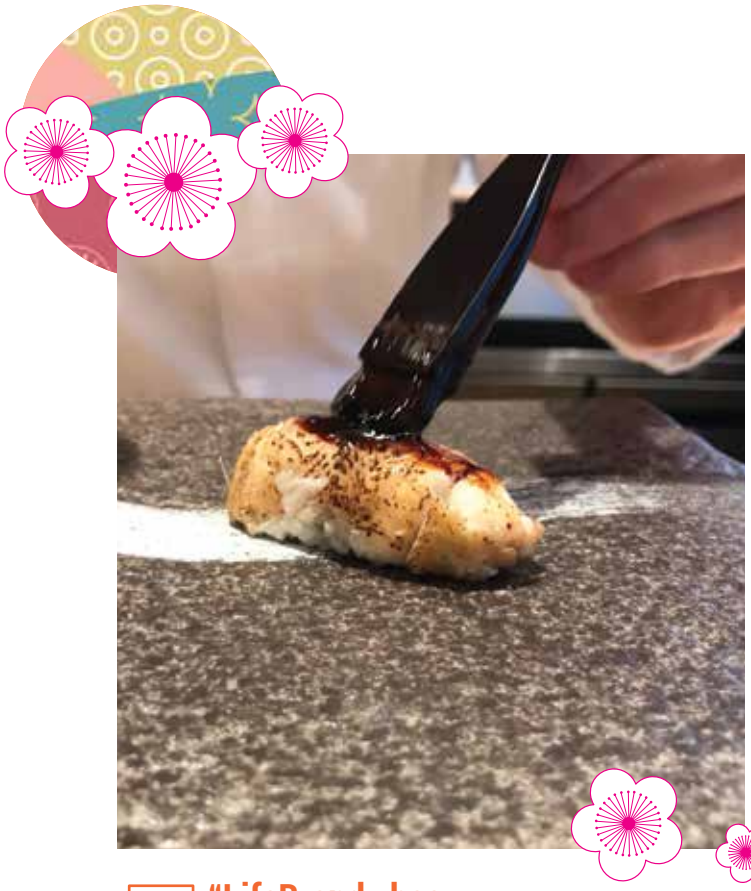
BUSINESS REVIEW

Established in 2001 and listed on the SGX-ST in 2004, LifeBrandz started as a brand development and management group specialising in the lifestyle and entertainment sectors. The Group transferred the listing on the SGX-ST from the Main Board to the Catalist Board on 4 December 2015. Swiftly growing from strength to strength, the Group quickly established itself as an industry leader, setting benchmarks for nightlife revelry and exceptional dining experiences, all accomplished in state-of-the-art venues designed for dynamic crowds who believe in enjoying life to the fullest. These included Ministry of Sound, Zirca, The Clinic and AQUANOVA. Subsequently, the Group further launched a series of restaurants and night-entertainment outlets throughout Singapore along with Mulligan's Irish Pub in Pattaya, Thailand.

Over the years, the Group had always been proactive in adapting to changing consumers' taste and lifestyle preferences by constantly revamping unsustainable outlets and launching new concepts. The lifestyle and entertainment industry, however, faced strong headwinds buckling from stiff competition due to the influx of new players entering the market. This culminated in diminishing revenues and profitability for the Group in a fast saturating industry amidst a subdued economic climate that lead to lower patronage, along with harsh government restrictions on liquor licensing hours.

We had continued to reinvent and introduce new concepts until the situation reached a turning point in March 2015. This was when LifeBrandz made a decision to cease its core business. The Group divested all its F&B and entertainment interests in Singapore, with the exception of Mulligan's Irish Pub in Thailand, which continues its presence and operations.

The Group is transitioning to a new corporate strategy of diversification, formed as a response to persistent economic headwinds and a hedge against downside risks that were escalating in the lifestyle and entertainment market. LifeBrandz has distinct direction and clear objectives to position and structure the core business activity for better growth and profitability to the Group.



"LifeBrandz has distinct direction and clear objectives to position and structure the core business activity for better growth and profitability to the Group."

The Group is and has been seeking and exploring opportunities in other businesses with good prospects for growth in the long run. In August 2017, the Group has announced the proposed diversification of the business to include the Travel Businesses, the Fintech Businesses, as well as the Fund Management Businesses. These businesses are well-positioned to capitalise on growth propsects of Singapore, Japan and the Asia-Pacific region, as well as tap onto their respective

growing demands. Additionally, the Group also completed the acquisition of e-Holidays Co., Ltd. in FY2018, initiating the much-anticipated shift in sectors and alluding the dawn of a new beginning.

In October 2018, Hashida Sushi restaurant was officially opened in Singapore. Hashida Sushi is led by Master Sushi Chef Kenjiro Hashida, also known as Hatch, who has more than 25 years of experience in managing sushi restaurants. The new restaurant is much bigger with two private rooms and larger seating capacity to handle more customers than before and serving some brand new Omakase menu.

In October 2019, the Group opened its second high-end Japanese sushi restaurant in the USA, namely Sushi Nagai San Francisco, the omakase sushi restaurant is located on 125 Ellis Street, in the heart of San Francisco's shopping and dining precinct and is within walking distance to Chinatown and Nob Hill. It is helmed by Chef Tomonori Nagai, who was one of the main chefs of Shinji by Kanesaka, a one Michelin-starred Omakase sushi restaurant in Singapore. He has over 20 years of experience as a sushi chef in New York, Hawaii and Singapore.

The new businesses are envisioned to have the potential to provide additional and recurrent revenue streams while reducing reliance on the existing businesses. Furthermore, these are likely to enable the Group to enter into transactions relating to the new businesses in the ordinary course of business while facilitating a wider network of contacts and business opportunities.

While prospecting for new opportunities to achieve our goal of long-term sustainability and profitability, the Group shall proceed with utmost care and due diligence so as to safeguard the interests of all our stakeholders and ultimately enhance value to them.

SERVING UP

NEW EXPERIENCES

LifeBrandz has been focusing on serving luxury cuisine, concentrating on Japanese Omakase. Today, we broaden our menu, injecting fusion recipe, achieving recurring income streams and sustainable value for all of our stakeholders.

SAITO HIROYUKI

Executive Chairman and Chief Executive Officer

Mr. Saito was appointed as Executive Chairman and Chief Executive Officer ("CEO") of the Group on 5 May 2017. As CEO, Mr. Saito, together with the Board, assumes responsibility for setting up the strategic direction of our Group. He oversees the leadership and management of the Group and directs strategies for operational growth and expansion. Mr. Saito has acquired a broad business background in various industries over the past 20 years and sits on the boards of several companies.

YOSHIO ONO

Lead Independent Director

Mr. Yoshio Ono was appointed as an Independent Director of the Group on 22 September 2017. He has been re-designated as Lead Independent Director and Chairman of the Audit Committee of the Group with effect from 30 April 2019. Mr. Ono continues to be a member of the Group's Remuneration and Nominating Committees, and has actively engaged in financial planning and advisory roles for more than two decades. He worked as a Financial Consultant and Financial Advisor with established organisations in Singapore and Japan, providing advice on investments and structured products. Mr. Ono is currently the Consultant and Director of Tourlife Consultants Pte Ltd, which provides management and consultancy services primarily to Japanese clients.

KUROKAWA SHINGO

Independent Director

Mr. Kurokawa was appointed as an Independent Director of the Group on 27 October 2017. He is the Chairman of the Group's Nominating Committee and a member of the Group's Audit and Remuneration Committees. Mr. Kurokawa has had wide exposure to technology development and software designs for both manufacturing and marketing establishments. He was in charge of system development and web designs as the Chief Technology Officer of Plate Inc. Prior to that, he worked in sales and marketing, and also as a Project Leader where he was involved in CRM, analysis and diagnostics services, CMS and SEM projects. Mr. Kurokawa is currently the Representative Director of FASTCODING Inc., which provides system development and web content designing services.

LIM YIT KEONG

Independent Director

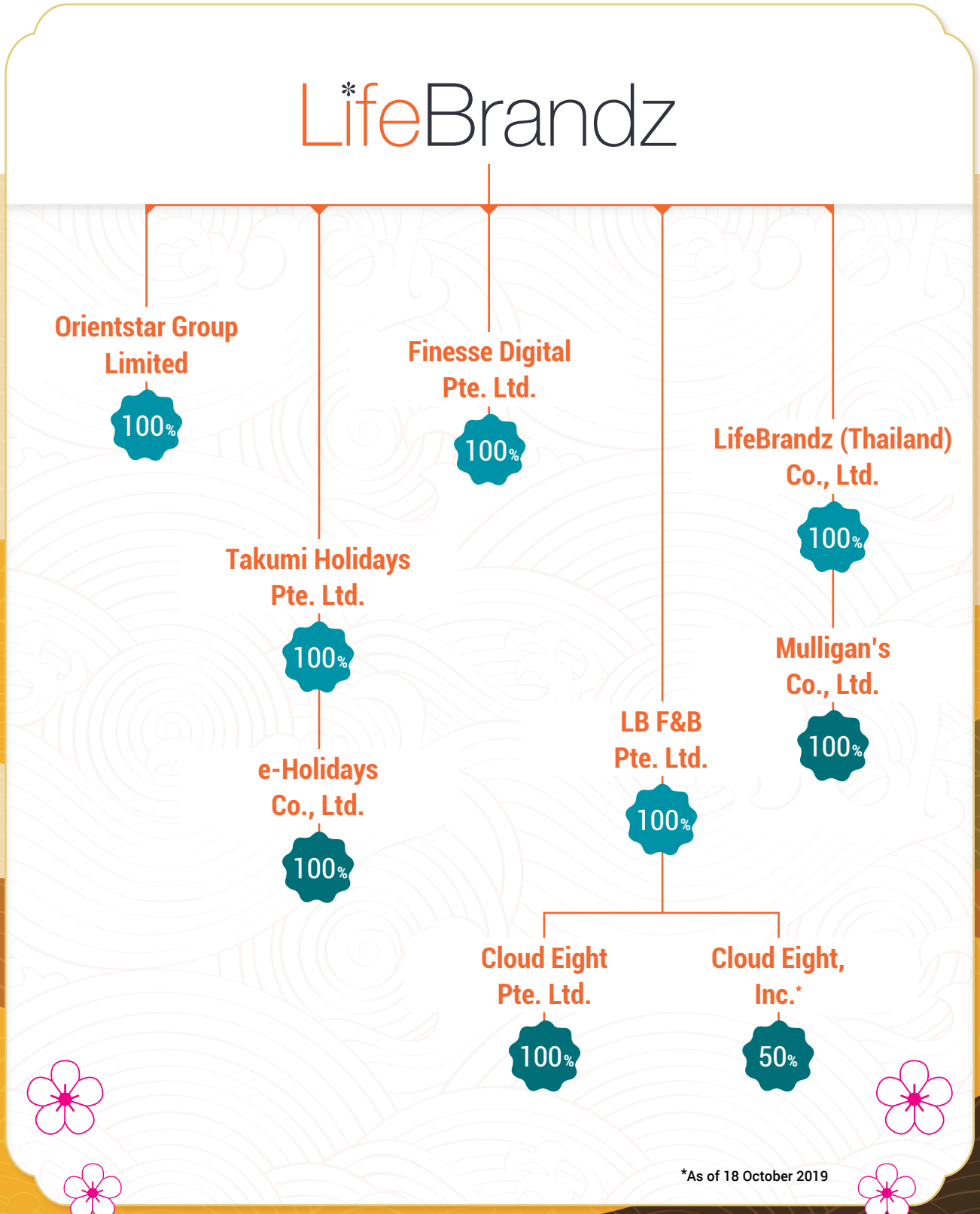
Mr. Lim Yit Keong was appointed as an Independent Director of the Group on 30 April 2019. He is currently the Chairman of the Group's Remuneration Committee and a member of the Group's Nominating and Audit Committees. Mr. Lim is currently an Independent Director of China Kunda Technology Holdings Limited and a Management Consultant with Capital Consulting Pte Ltd, which he founded in 2000. He has accumulated over 35 years of experience in finance after working with Global Knowledge Network Pte Ltd, KPMG, Dornier MedTech Asia Pte Ltd, Bena Consultancy Services, Braun GmbH and Wearnes Technology Pte Ltd., where he held various senior financial positions. He is a Fellow Member of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

Terry Cheung

Chief Financial Officer

Mr. Terry Cheung was appointed as the Financial Controller of the Group on 1 November 2018 and he has been re-designated as the Chief Financial Officer of the Group with effect from 3 June 2019. Mr. Cheung oversees the financial, accounting, corporate and business development, corporate secretarial and operation management matters of the Group. He has more than 10 years' experience in audit, financial accounting and business management. He holds a Bachelor Degree of Accountancy from Hong Kong Baptist University and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a Certified Public Accountant of CPA Australia.

CORPORATE STRUCTURE



*As of 18 October 2019

BOARD OF DIRECTORS

Saito Hiroyuki
Executive Chairman & CEO

Yoshio Ono
Lead Independent Director

Kurokawa Shingo
Independent Director

Lim Yit Keong
Independent Director

AUDIT COMMITEE

Yoshio Ono
Chairman

Kurokawa Shingo
Member

Lim Yit Keong
Member

REMUNERATION COMMITEE

Lim Yit Keong
Chairman

Kurokawa Shingo
Member

Yoshio Ono
Member

NOMINATING COMMITEE

Kurokawa Shingo
Chairman

Yoshio Ono
Member

Lim Yit Keong
Member

COMPANY SECRETARY

Shirley Tan Sey Liy

REGISTERED OFFICE

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Fax: (65) 6491 6498
Email: invest@lifebrandz.com
Website: www.lifebrandz.com

REGISTRATION NUMBER

200311348E

AUDITORS

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Singapore 069536

AUDIT PARTNER-IN-CHARGE

Chan Hock Leong, Rick
(since financial year ended 31 July 2015)

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1 Robinson Road
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AIA Tower
Singapore 048542

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

RHT Corporate Advisory Pte. Ltd.
30 Cecil Street
#19-08
Prudential Tower
Singapore 049712

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
65 Chlia Street
OCBC Centre
Singapore 049513

OUR STORY

LifeBrandz

May 2017

Mr. Saito Hiroyuki took over the position of Executive Chairman & CEO

August 2017

Obtained shareholders' approval to diversify into the Travel Businesses, the Fintech Businesses and the Fund Management Businesses.

September 2017

Completed the acquisition of e-Holidays Co., Ltd.

October 2018

Grand opening of Hashida Sushi in Singapore

May 2019

Soft Launch of Sushi Nagai San Francisco in the USA.

LifeBrandz

SUSTAINABILITY REPORT 2019

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

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

CORPORATE PROFILE

LifeBrandz Ltd. was listed on the SGX-ST in 2004. The Company transferred the listing on the SGX-ST from the Main Board to the Catalist Board on 4 December 2015. Currently, the principal activities of LifeBrandz Ltd. and its subsidiaries can be broadly categorised into two core business segments. These include the 1) lifestyle and entertainment segment which consists mainly food and beverage ("**F&B**") business and 2) travel agency services segment.

ABOUT THIS REPORT

LifeBrandz Ltd. ("**LifeBrandz**" or the "**Company**", and together with its subsidiaries, the "**Group**") presents its second annual Sustainability Report (the "**Report**") which covers the Group's performance from 1 August 2018 to 31 July 2019 ("**FY2019**"). The scope of the Report covers information on sustainability factors material to the Group. This should sufficiently address stakeholders' concerns in relation to sustainability issues arising from the major business operations of the Group.

More information on the Group can be found in the FY2019 Annual Report.

This Report is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards: Core Option. The Company has chosen the GRI Standards as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7F of the SGX-ST Listing Manual Sections B: Rules of Catalist ("**Catalist Rules**"). In preparing our Report, we applied the GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interest of our shareholders.

The data and information provided within the Report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

In addition, developments subsequent to FY2019 has not been considered for inclusion in this Report. We welcome your views and feedback on our sustainability practices and reporting at invest@LifeBrandz.com.

BOARD STATEMENT

We will be reporting on the Group's sustainability efforts in the areas of economic sustainability, regulatory compliance, environmental sustainability and social responsibility.

In addition, we wish to confirm that the Board of Directors (the "**Board**") has considered sustainability issues as part of its strategic formulation, determined the material Environmental, Social and Governance ("**ESG**") factors and overseen the management and monitoring of the material ESG.

As part of the LifeBrandz's commitment to sustainable development, we will continue to strive to do business in a responsible way and abide by the precautionary principle to minimise negative effects or doing business wherever feasible.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY ORGANISATIONAL STRUCTURE

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward.

1. The Board formulates related strategies and guideline.
2. The Corporate Social Responsibility ("**CSR**") coordinators, which comprise the Board and key management team which includes the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and the respective heads of business units (collectively, the "**Management**"), help to organise, communicate and coordinate the CSR practises of all departments and subsidiaries.
3. Employees from various departments are responsible for the implementation of CSR practises.
4. The CEO and the CFO monitor the adoption of the CSR practises in the various departments and ensure that the Group is working towards its CSR goals as a whole.

SUSTAINABILITY STRATEGY

At the Group level, our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to deliver value to all our stakeholders through the following:

1. Economic Sustainability
2. Regulatory Compliance
3. Environmental Sustainability
4. Social Responsibility

The sustainable strategy is underpinned by our comprehensive internal policies on the following:

1. Compliance Manual, which LifeBrandz is committed to conducting its business in accordance to the highest standards of business ethic. The Group works diligently to ensure that its employees comply with applicable laws, regulations and professional codes of conduct.
2. Risk Management Policy, which covers procedures to implement effective risk management practices, covering both the operational risk associated with the firm and the risks (market, liquidity, credit and counterparty risks) inherent in the management of investment portfolios.
3. Operations Manual, which covers all other aspects in our business operations, especially on investment procedures, dealing with counterparties, valuation, cash management, business continuity and disaster recovery plan.

The strategy is also guided by external sources, including GRI Standards, Sustainability Reporting Guide in Practice Note 7F of the Catalist Rules.

SUSTAINABILITY MATERIALITY

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and LifeBrandz. Some of our stakeholder's comments can be found in Appendix A: Consulting our stakeholders.

Using a materiality index, we align our responsible business priorities with the Group's principal business and operational risks, as illustrated in the diagram above.

SUSTAINABILITY TARGET

Please refer to the "Economic sustainability", "Regulatory compliance", "Environment sustainability" and "Social responsibility" sections of this Report for the respective qualitative and quantitative targets set by the Group for FY2020 and longer term.

ECONOMIC SUSTAINABILITY

ECONOMIC PERFORMANCE

The Group firmly believes that focus on financial sustainability is critical and we aim to maximise return for long-term profitability, thereby creating sustainable shareholder value. The Group's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and society as a whole.

For more detailed information regarding our FY2019 financial results, please refer to the following sections in our FY2019 Annual Report:

- Operations and Financial Review, pages 6
- Financial Statements, pages 50

SUSTAINABILITY SCORECARD

PERFORMANCE INDICATOR	UNITS	FY2018	FY2019
Revenue	$'m	3.0	5.6

The Group is pursuing a new strategic direction of shifting its business focus to generate stability and improve its growth prospects. At the same time, the Group is controlling its costs to improve operational efficiency. Our goal is to continue improving the financial performance in the mid- to long-term.

REGULATORY COMPLIANCE

To maintain a fair, ethical and efficient business and working environment, LifeBrandz strictly adheres to the local laws and industry regulations relating to corporate governance, risk management, and code of conduct including anti-money laundering, anti-corruption, fraud and confidentially.

CORPORATE GOVERNANCE

We have enhanced our accountability and transparency by upholding high standards in business ethic and corporate governance in all areas of our operations, thus building stronger trust with our stakeholders.

The Board has overall responsibility for ensuring effective corporate governance across the Group, including ensuring that effective risk management and internal controls are in place to address any identified risks and ensure business continuity.

We have in place the relevant Standard Operating Procedures ("**SOP**") in our Operations Manual which establishes principles and practices with regard to matters which may have ethical implications. The SOP provides communicable and understandable guidelines for staff to observe in their dealings with customers, suppliers and amongst fellow colleagues.

Some topics covered by our Operations Manual include the following:

- Staffing and segregation of duties
- Information technology controls
- Investment procedures
- Dealing with counterparties
- Valuation policy
- Cash management
- Business continuity and disaster recovery plan

PREVENTING BRIBERY AND CORRUPTION

The Group prohibits all forms of bribery and corruption. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities, which might exploit their positions against the Group's interests.

PERFORMANCE INDICATOR	UNITS	FY2018	FY2019
Corruption incident	Number	0	0

Our goal is to maintain zero incident of corruption in FY2020.

Whistle-blower can be reported verbally or in writing to the Management of the Group for any suspected misconduct with full details and supporting evidence at whistleblowing@lifebrandz.com. The Management will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group advocates a confidentiality mechanism to protect the whistle-blower against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when

the Management considers necessary. More information on whistle-blowing policy can be found in page 46 of the FY2019 Annual Report.

RISK MANAGEMENT

We view risk management as one of the most important responsibilities we owe to our clients, employees, regulators and counterparties. Every business and investment decision involves a consideration of the balance for risk versus reward.

We are committed to developing the appropriate systems, policies, procedures, arrangements and controls to ensure effective risk management is exercised and promoted within our Group culture. We believe in appropriate training of our staff and communication with our clients as requisite to fulfilling our risk management goals.

Our risk management practices cover both the operational risk associated with the firm and the risks (market, liquidity, credit and counterparty risks) inherent in the management of investment portfolios.

We view our risk management policies and procedures as dynamic in response to the evolution of our investment strategies, the development of our business and the innovation within financial markets and risk management tools. We will strive to improve our risk management capabilities and processes to stay abreast of market best practices. We believe that effective risk management is crucial to the long-term success of our business.

Our four cornerstones of effective risk management and sound internal controls are:

- The role of the Board in its oversight of risk management policies and their implementation;
- The role of Management in ensuring that sound policies, effective procedures and robust systems are in place;
- The presence of sound risk management processes and operating procedures that integrate prudent risk limits with appropriate risk measurement, monitoring and reporting; and
- The presence of competent personnel in the firm's compliance, controls, risk management, and audit functions.

More information on the Group's risk management and internal controls can be found in pages 43 of the FY2019 Annual Report.

REGULAR COMPLIANCE UPDATES

In FY2019, the Group, through its Company Secretary, has updated the Board on relevant new laws and regulations affecting the Company. From time to time, and through Board meetings and other meetings, both formal and informal, our CEO has been advising our Directors of the changing commercial and business risks faced by our Company.

Management are encouraged to attend seminar and receive training to improve themselves in the discharge of Managements' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from Catalist Rules that affect the Company and/or the Directors in discharging their duties. Such training costs are borne by the Company.

SUSTAINABILITY SCORECARD

PERFORMANCE INDICATOR	UNITS	FY2018	FY2019
Regulatory incidents that have a significant impact on the Group	Number	0	0

We aim to maintain zero non-compliance in FY2020 and will maintain strict compliance with applicable law, regulations and professional codes of conduct.

ENVIRONMENT SUSTAINABILITY

At LifeBrandz, we are committed towards protecting the environment.

WASTE MANAGEMENT

The Group adopts the Reduce, Reuse and Recycle ("**3Rs**") methodology to manage our waste. We believe that by practising the 3Rs, we can help to protect the environment and conserve limited resources. The Group believes that every small effort counts and goes a long way in contributing to the conservation and protection of the earth's natural resources.

Our waste management efforts are focused mainly on paper. We are constantly working to reduce waste from our operations, as well as finding efficient ways to recycle. Measures were communicated to all the new and existing employees through induction and informal meetings to reduce, reuse or recycle whenever possible.

Reduce

- Employees are educated to print double-sided documents.
- Paperless work flow system is being considered to store documents electronically.
- Employees are encouraged to think before print.

Reuse

- Employees are encouraged to reuse paper for note taking during meetings.
- Employees are also encouraged to use waste paper as draft paper.
- Employees are encouraged not to print documents for discussion purposes and display them on screens instead.

Recycle

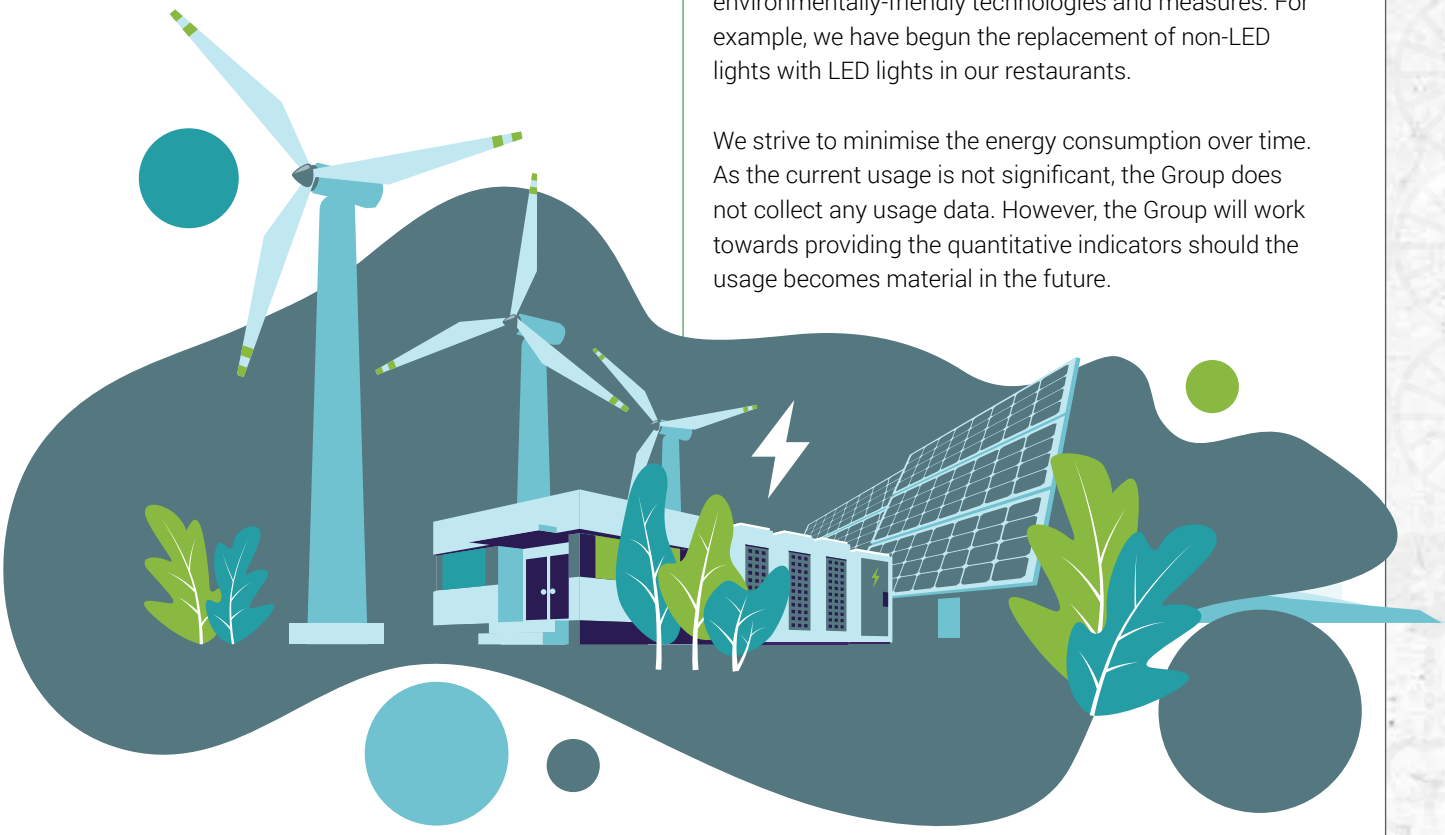
- Waste cardboard and paper are sent for recycling.

We aim to reduce the usage of paper over time. As the current usage is not significant, the Group does not collect any usage data. However, the Group will work towards providing the quantitative indicators should the usage becomes material in the future.

ENERGY

We play our part by reducing the energy use in our operations through adopting greener and more environmentally-friendly technologies and measures. For example, we have begun the replacement of non-LED lights with LED lights in our restaurants.

We strive to minimise the energy consumption over time. As the current usage is not significant, the Group does not collect any usage data. However, the Group will work towards providing the quantitative indicators should the usage becomes material in the future.



SOCIAL RESPONSIBILITY

At LifeBrandz, we strike to carry out our business operations in a socially responsible manner.

CUSTOMER HEALTH AND SAFETY

For our maiden high-end F&B sushi business, we source from licensed Agri-food and Veterinary Authority ("**AVA**")-approved suppliers. A great customer experience is built upon the foundation of perfecting taste and quality, coupled with the highest standards of safety and hygiene. With food safety and hygiene as the top priority across our divisions.

SUSTAINABILITY SCORECARD

PERFORMANCE INDICATOR	UNITS	FY2018	FY2019
Food safety incident	Number	0	0
National Environment Agency ("**NEA**") Grade	Grade	"A"	"A"

We will continue to collaborate with our partners in procurement, warehouse and logistics, quality assurance and operations to ensure all food items are hygienically prepared and safe for consumption. Our goal is to maintain zero incident of food safety and NEA Grade "A" in FY2020.

TRAINING AND EDUCATION

LifeBrandz understands that there is a continuous need to upgrade staff skills and knowledge. This is beneficial to the staff's development and also to the Group. Thus, staff are encouraged to go for courses and seminars to upgrade themselves and improve their skills. Staff are also sent by the Group, to attend courses to obtain skills or certifications that are necessary in the course of their work.

DIVERSITY AND FAIR EMPLOYMENT

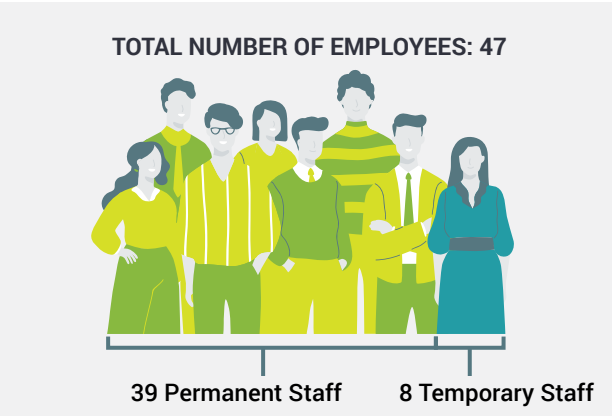
We embrace diversity, and at the same time expect employees to be aligned with Group's vision and strategic initiatives of enhancing overall business performance and to deliver sustainable growth. Our employees consist of people coming from different nationalities and academic qualifications. We strive for fair treatment of all our employees, regardless of nationalities, age, gender and educational levels. The lower ratio of the age group over 50 years old due to the nature of the work of F&B industry.

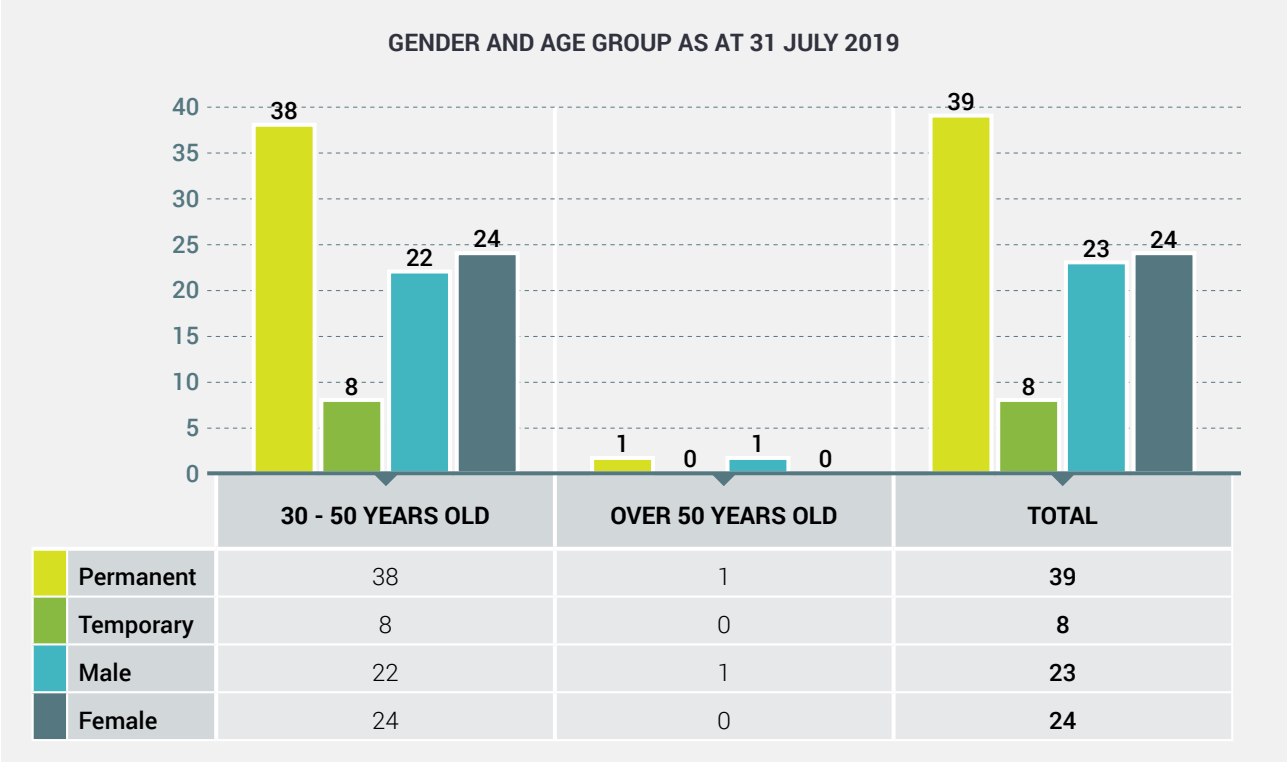
We offer good career progression and competitive salary and benefit packages to our employees, including annual leave, sick leave, transportation and dental allowance, medical insurance, worker compensation insurance, patiently and maternity leaves for staff.

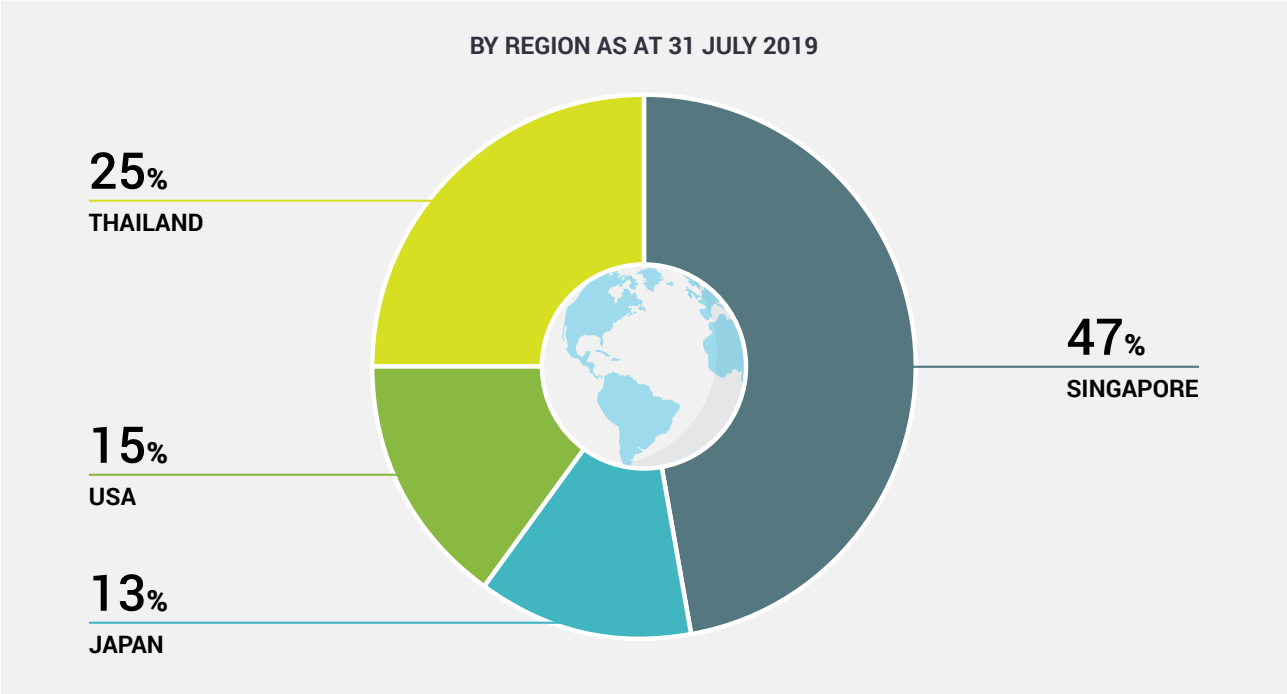
PERFORMANCE INDICATOR	UNITS	FY2018	FY2019
Discrimination incident	Number	0	0

Our goal is to maintain zero incident of discrimination in FY2020.

Total number of our employees as at 31 July 2019 is 47, which consist of 39 permanent staff and 8 temporary staff.







COMPLIANCE WITH SOCIAL AND ECONOMIC LAWS AND REGULATIONS

The Group adheres to labor standards and compliance strictly with local laws, and encourage open communication and comply with the Group's policies and procedures.

PERFORMANCE INDICATOR	UNITS	FY2018	FY2019
Incidents of fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic areas	Number	0	0

We aim to maintain zero incident of social and economic non-compliance in FY2020.

APPENDIX A: CONSULTING OUR STAKEHOLDERS

We listen to our stakeholders and engage them on an ongoing and ad hoc basis. An overview of our approach and rationale is set out below:

STAKEHOLDERS	HOW WE LISTEN	WHY WE DO IT	WHAT YOU'VE TOLD US
Customers	• Customer services hotline • Face-to-face meetings • Marketing campaigns	• Customer service and product quality • To ensure all food items are hygienically prepared and safe for consumption	• Food safety and hygiene at all outlets/restaurant
Employees	• Human resource policy and procedures • Performance appraisals (one-on-one session) • Trainings and recreational activities • Whistleblowing	• Committed to provide fair employment and work-life balance to employees • Increase efficiency and motivation of the employees	• Ensure safe and healthy working environment • Ensure fair and transparent performance appraisal process • Provide training and development • Improve employee welfare and benefit
Regulatory authorities (Governments, SGX, MOM, IRAS)	• Regular updates and communication with local authorities • Annual and quarterly financial reports • SGX announcements	• Good relationship between continuing sponsor and Company • Dialogue with SGX • Active participation in SGX events to increase visibility and transparency	• Compliance with relevant laws and regulations • Maintain strong corporate governance
Shareholder and investors	• SGX announcements • Shareholders' meeting • Annual reports • Company's website • Regular updates and communication	• Committed to delivering economic value to our capital providers through a strong financial performance	• Long-term profitability • Sustainability matters • Group's performance against targets • Compliance with all relevant requirements

APPENDIX B: GRI CONTENT INDEX

DISCLOSURE NUMBER		DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
GRI 102: General disclosure			
Organisation profile	102-1	Name of organisation	AR: Business Review (page 8-9)
	102-2	Activities, brand, product, and services	AR: Business Review (page 8-9)
	102-3	Location of headquarters	AR: Corporate Information (page 15)
	102-4	Location of operations	AR: Corporate Information (page 15)
	102-5	Ownership and legal form	AR: Corporate Information – Note 1 Financial Statement (page 66)
	102-6	Market served	AR: Operations and Financial Review (page 6-7) AR: Segment Information – Note 24 Financial Statement (page 102-103)
	102-7	Scale of the organisation	AR: Segment Information – Note 24 Financial Statement (page 102-103) SR: Social responsibility, Diversity and fair employment (page 24)
	102-8	Information on employees and other workers	AR: Employee benefits – Note 6 Financial Statement (page 87) SR: Social responsibility, Diversity and fair employment (page 24)
	102-9	Supply Chain	Not applicable, supply chain is minimal and insignificant to report on.
	102-10	Significant changes to the organisation and its supply chain	Not applicable, supply chain is minimal and there were no significant changes to the organisation.
	102-11	Precautionary Principle or approach	AR: Corporate Government Report (page 29 -49) SR: Board statement (page 19)
	102-12	External initiatives	Not applicable, no such initiatives
	102-13	Membership of associations	Not applicable, no such membership
Strategy	102-14	Statement from senior decision-maker	SR: Board statement (page 19)
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	AR: Mission Statement (page 19) SR: Sustainability Strategy (page 19-20)
Governance	102-18	Governance structure	AR: Corporate Government Report (page 29-49) SR: Sustainability organisational structure (page 19-20)
Stakeholder engagement	102-40	List of stakeholder groups	SR: Appendix A: Consulting our stakeholders (page 26)
	102-41	Collective bargaining agreements	Not applicable, no such agreements
	102-42	Identifying and selecting stakeholders	SR: Appendix A: Consulting our stakeholders (page 26) SR: Sustainability strategy (page 19-20)
	102-43	Approach to stakeholder engagement	SR: Sustainability strategy (page 19-20)
	102-44	Key topics and concerns raised	SR: Appendix A: Consulting our stakeholders (page 26)

DISCLOSURE NUMBER	DISCLOSURE TITLE		PAGE REFERENCE AND REMARKS
Reporting practice	102-45	Entities included in consolidated financial statements	AR: Investment in Subsidiary Corporation – Note 15 to the Financial Statements (page 93-97)
	102-46	Defining report content and topic boundaries	SR: About this Report (page 19)
	102-47	List of material topics	SR: Sustainability Materiality (page 19-20)
	102-48	Restatements of information	Not applicable, no such restatements
	102-49	Change in reporting	Not applicable, no change in reporting
	102-50	Reporting period	SR: About this Report (page 19)
	102-51	Date of most recent report	31 July 2019
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	SR: About this Report (page 19)
	102-54	Claims of reporting in accordance with the GRI Standards	SR: About this Report (page 19)
	102-55	GRI content index	SR: Appendix B: GRI content index (page 27-28)
	102-56	External assurance	No external assurance
GRI 200: Economic disclosures (application section only)			
Economic performance	201-1	Direct economic value generated and distributed	AR: Operations and Financial Review (page 50-110), Financial Statements (page 35-84)
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR: Regulatory compliance, Preventing bribery and corruption (page 21)
	205-2	Communication and training about anti-corruption policies and procedures	SR: Regulatory compliance, Preventing bribery and corruption (page 21)
	205-3	Confirmed incidents of corruption and actions taken	SR: Regulatory compliance, Preventing bribery and corruption (page 21)
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	SR: Environment sustainability, Energy (page 23)
	306-2	Waste by type and disposal method	SR: Environment sustainability, Energy (page 23)
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	There is non-compliance with environmental laws and regulations
GRI 400: Social disclosures (applicable sections only)			
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable, benefit provided to permanent full-time employees that are not provided to temporary or part-time employees is minimal and insignificant to report on
Training and education	404-2	Programs for upgrading employee skill and transition assistance programs	SR: Social responsibility, Training and education (page 24)
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	SR: Social Responsibility, Diversity and fair employment (page 24)
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	SR: Social Responsibility, Customer health and safety (page 24)

INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of LifeBrandz Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to ensuring that the highest standards of corporate governance and transparency are practised by the Group.

The Board views compliance with high standards of corporate governance and transparency as a fundamental part of discharging its responsibilities to act in the best interests of the Company and to protect and enhance long-term value for its shareholders (the "**Shareholders**"). To this end, the Board embraces the good corporate governance principles embodied in the Code of Corporate Governance 2012 (the "**Code**"), and adopts, where practical, best practices embodied by the Code throughout the Group.

This report outlines the corporate governance policies adopted and practised by the Group for the financial year ended 31 July 2019 ("**FY2019**") with reference to principles and guidelines as set out in the Code, and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015 (the "**Guide**"). The Group has complied substantially with the principles and guidelines as set out in the Code. Where there are deviations from the recommendations of the Code, reasons and explanations in relation to the Company's practices have been provided in this report.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance 2018 (the "**2018 Code**") and accompanying Practice Guidance. The 2018 Code supersedes and replaces the Code and applies to annual reports covering financial years commencing from 1 January 2019. The Group will outline its corporate governance practices and structures in place to comply with the 2018 Code, where appropriate, in the next annual report for the financial year ending 31 July 2020.

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 requirements of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

This report is divided into four main sections: (1) Board Matters; (2) Remuneration Matters; (3) Accountability and Audit and (4) Shareholder Rights and Responsibilities.

CORPORATE GOVERNANCE REPORT

1. BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

Every company should be headed by an effective board to lead and control the company. The board is collectively responsible for the long-term success of the company. The board works with management to achieve this objective and the management remains accountable to the board.

Guideline 1.1 – Principal Duties of the Board
Guideline 1.2 – Directors' Duties and Responsibilities

The Board sees its role as follows, and acts accordingly to fulfil its role in the Company:

(a) sets the strategic direction and long-term goals of the Group and ensures that adequate resources are available to meet these objectives;

(b) reviews and approves corporate strategies, annual budgets and financial plans, investment and divestment proposals, and major funding proposals of the Group to achieve its long-term goals;

(c) reviews and monitors the Management's performance towards achieving the goals that have been set;

(d) reviews the adequacy and effectiveness of the Group's internal controls, risks management systems, and the financial information reporting systems;

(e) ensures the Group's compliance to laws, regulations, policies, directives, guidelines and internal code of conduct;

(f) approves nominees for Directors or key executives put forward by the Nominating Committee ("**NC**") to the Board, and deliberates on the appointment of the external auditor recommended by the Audit Committee ("**AC**");

(g) delegates the task, but retains the responsibility, of reviewing and approving the remuneration packages for the Board and key executives to the Remuneration Committee ("**RC**");

(h) ensures accurate, adequate and timely reporting to, and communication with Shareholders;

(i) sets the Group's values and standards, to identify and ensure that obligations to Shareholders and other stakeholders are understood and met; and

(j) considers sustainability issues, such as environmental and social factors as part of its strategic formation.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with the Management to make objective decisions in the best interests of the Company and its stakeholders.

Guideline 1.3 – Delegation of Authorities by the Board

The Board has delegated specific responsibilities to three (3) board committees (AC, NC, and RC), the details of which are set out below. These committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Catalist Rules and the Code.

These committees have the authority to examine particular issues within their terms of reference and report back to the Board with a fair recommendation. The ultimate responsibility for the final decision on all matters lies with the Board. The effectiveness of each committee is also constantly reviewed by the Board.

Guideline 1.4 – Board and Board Committee Meetings and Attendance Records

The Board meets at least four (4) times a year, with additional meetings convened as necessary. Board meetings are held in Singapore and the Directors attend the meetings regularly. To facilitate meetings, the Company's Constitution allows for meetings to be held through telephone and/or videoconference.

For FY2019, the matrix on the frequency of the meetings and the attendance of Directors at these meetings is set out as follows:

	Board	AC	NC	RC
No. of meetings held	6	6	1	1
No. of meetings attended by each respective Directors:				
Mr. Saito Hiroyuki	6	NA	NA	NA
Mr. Yoshio Ono (1)	6	6	1	1
Mr. Kurokawa Shingo	6	6	1	1
Mr. Lim Yit Keong (2)	1	1	NA	NA
Mr. Ng Lip Chi, Lawrence (3)	4	4	NA	NA
Ms. Kayoko Francis (4)	2	NA	NA	NA
Mr. Jack Chia Seng Hee (5)	1	1	1	1

* By invitation

Notes:

(1) Mr. Yoshio Ono was re-designated from Independent Director to Lead Independent Director and Chairman of AC on 30 April 2019.

(2) Mr. Lim Yit Keong was appointed as Independent Director, Chairman of RC and member of AC and NC on 30 April 2019.

(3) Mr. Ng Lip Chi, Lawrence was appointed as Independent Director and member of AC, NC and RC on 1 November 2018. He was re-designated as Lead Independent Director and Chairman of AC on 22 November 2018. Subsequently, he resigned and ceased to be Lead Independent Director, Chairman of AC and member of NC and RC on 30 April 2019.

(4) Ms. Kayoko Francis resigned and ceased to be Executive Director on 28 February 2019.

(5) Mr. Jack Chia Seng Hee was appointed as Lead Independent Director, Chairman of AC and member of NC and RC on 1 August 2018. Subsequently, he retired and ceased to be Lead Independent Director, Chairman of AC and member of NC and RC on 22 November 2018.

Guideline 1.5 – Matters requiring Board's Approval

Matters which are specifically reserved to the full Board for decision and approval include, among others, those involving:

(a) corporate strategic plans and budgets;

(b) material acquisitions and disposal of assets;

(c) major funding proposals and investments;

(d) corporate and financial restructuring;

(e) Group's quarterly and full-year financial result announcements;

(f) share issuances, dividends and other returns to Shareholders;

(g) matters involving conflict of interests for a substantial Shareholder or a Director; and

(h) interested person transactions.

Guideline 1.6 – Induction and Training of Directors

To ensure incoming Directors receive comprehensive and tailored induction program on joining the Board, new Directors are briefed on the Group's structure, businesses, corporate governance policies (including the Company's internal code of dealing in the Company's shares) and regulatory issues. The Company will arrange training for any new first time Director who has no prior experience as a Director of a listed company in areas such as accounting, legal, compliance and governance requirements and industry specific knowledge as appropriate as well as orientation programs and training courses conducted by the Singapore Institute of Directors.

To ensure that the Board keeps pace with regulatory changes, the Company works closely with professionals to provide its Directors with pertinent information in relation to changes to relevant laws, regulations and accounting standards. Any updates relating to changes in the Catalist Rules and/or corporate governance guidelines are circulated to Directors from time to time. Board members are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company further provides opportunities to the Directors for on-going education on Board processes and best practices, as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from SGX-ST that will affect the Company and/or Directors in discharging their duties. The Chief Executive Officer ("**CEO**") will update the Board regularly on business and strategic developments relating to the Group.

During FY2019, the Directors were provided with briefings and updates on: (i) the developments in financial reporting by the external auditor, Mazars LLP; (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board and/or Board Committee meetings; and (iii) updates relating to changes in the Catalist Rules and the 2018 Code by the Company Secretary and the sponsor, SAC Capital Private Limited.

Guideline 1.7 – Appointment Letter to New Director

A formal letter is sent to newly-appointed Directors upon their appointment explaining their duties and obligations as a Director. In addition, the Company has a policy of providing a service agreement on the appointment of Executive Directors.

Principle 2: **Board's Composition and Guidance**

There should be a strong and independent element on the board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the board's decision making.

Guideline 2.1 – Independent Element of the Board
Guideline 2.2 – Composition of Independent Directors on the Board

As at the date of this report, the Board comprises the following Directors:

Name of Directors	Designation	AC	NC	RC
Mr. Saito Hiroyuki	Executive Chairman and CEO	-	-	-
Mr. Yoshio Ono	Lead Independent Director	Chairman	Member	Member
Mr. Kurokawa Shingo	Independent Director	Member	Chairman	Member
Mr. Lim Yit Keong	Independent Director	Member	Member	Chairman

The Board of Directors comprises four (4) Directors, three (3) of whom are Independent Directors. As the Chairman of the Board ("**Chairman**") and CEO of the Company is the same person, the Independent Directors comprise more than half of the Board, which is in compliance with Guideline 2.2 of the Code. As Independent Directors make up more than half of the Board, no individual or group is able to dominate the Board's decision-making process.

Guideline 2.3 – Independence of Directors
Guideline 2.4 – Independent Directors with More Than 9-year Tenure

The independence of each Director is reviewed annually by the NC. Particularly rigorous review is applied when assessing the continued independence of a Director with attention paid to ensuring that his allegiance remains clearly aligned with interests of the Company and all Shareholders.

The criterion for independence is determined based on the definition as provided in the Code and the Catalist Rules. The Board considers an "independent" Director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Group.

In line with the Code, the NC also introduced the peer assessment of independence of each Director who has served the Board beyond nine (9) years. The peer assessments considered, *inter alia*, the contribution by the Director, the uniqueness of his skills and participation at meetings. The NC also considers a Director's competency, participation in meetings, and ability to exercise independent and objective judgement, and ensures that there are no relationships or circumstances which will affect his judgement and ability to discharge his duties and responsibilities as a Director.

The Board, taking into account the NC's view, has confirmed that Mr. Yoshio Ono, Mr. Kurokawa Shingo and Mr. Lim Yit Keong are independent in character and judgment in accordance to the Code and the Catalist Rules. None of the Independent Directors has served the Company for more than nine (9) years from his date of first appointment to the Board.

Guideline 2.5 – Board Composition and Size
Guideline 2.6 – Competency of the Board

The Board examines its size, taking into account the nature and scope of the Company's operations, to ensure that it is appropriate for effective decision making. The NC is of the view that the current Board size is appropriate and able to function effectively and efficiently. The NC, together with the Board, will continuously and progressively refresh the Board to instill greater knowledge and expertise to the Group. Such direction takes into account the business needs and requirement of the Group and to avoid unnecessary disruption during the time of succession and refreshment to the composition of the Board and Board committees.

The Board is made up of business leaders and professionals with business management experience, industry knowledge, financial and strategic planning experience. A brief description on the background of each Director is presented on "Board of Directors" section in the Annual Report. The Board, taking into account the NC's views, considers that the current Board provides an appropriate balance and diversity of skills, experiences and knowledge to the Company that will provide effective governance and stewardship for the Group.

The Company does not practise any gender preference on appointment of Board member. The Board does not have a fixed policy on appointment of Director basing on gender criteria. Appointment of Director is strictly based on the competency and expertise of such candidate, and his/her expected contributions to the business of the Group.

Guideline 2.7 – Role of Non-Executive Directors
Guideline 2.8 – Meetings of the Non-Executive Directors without the Presence of Management

The Independent Directors participate actively in the Board meetings. With their professional expertise and competency in their respective fields in the finance, accounting and commercial sectors, the Independent Directors collectively provide constructive advice and guidance for effective discharge by the Board of its principal function over the Group's strategies, businesses and other affairs. The Independent Directors constructively challenge and support the Board on strategy and review Management objectives and monitor the reporting performance.

Where warranted, Independent Directors meet without the presence of Management to review any matter that may be raised privately.

During FY2019, the Independent Directors met six (6) times without the presence of Management.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the board and the executives responsible for managing the company's business. No one individual represents a considerable concentration of power.

Guideline 3.1 – Separation of the Role of Chairman and Chief Executive Officer
Guideline 3.2 – Role and Responsibilities of the Chairman

As the Chairman of the Company, Mr. Saito Hiroyuki (i) leads the Board; (ii) manages the Board and various Board Committees businesses; (iii) sets the Board agenda and ensures timeliness and adequacy of information flow; (iv) ensures effective communication with Shareholders; (v) encourages constructive relationship and interaction within the Board and the Management; (vi) facilitates effective support and contribution of all Directors; and (vii) continuously pursues high standards of corporate governance. As the CEO of the Company, Mr. Saito Hiroyuki is responsible for the business strategy and direction, the implementation of corporate plans, policies and executive decision-makings of the Group.

There is no concentration of power as the Group is run objectively on a transparent basis and the Board feels that there is adequate representation of Independent Directors (more than half) on the Board. All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority in the spirit of good corporate governance.

Guideline 3.3 – Lead Independent Director
Guideline 3.4 – Meetings of Independent Directors

As Mr. Saito Hiroyuki is the Executive Chairman and CEO, the Board has appointed Mr. Yoshio Ono as the Lead Independent Director of the Company. The Lead Independent Director is available to Shareholders in circumstances where Shareholders' concerns raised through normal channels to the Executive Chairman and CEO or Chief Financial Officer ("**CFO**") have failed to resolve or where such communication is inappropriate. Led by the Lead Independent Director, the Independent Directors meet and communicate periodically, via meetings, telephone, electronic devices, to discuss issues without the presence of other Directors and provide feedback to the Chairman as appropriate.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the board.

Guideline 4.1 – Composition of NC
Guideline 4.2 – Role and Responsibilities of NC

As at the date of this report, the NC comprises three (3) members, all of whom, including the Chairman of NC, are independent. The current members of the NC are:

Mr. Kurokawa Shingo	Chairman and Independent Director
Mr. Yoshio Ono	Member and Lead Independent Director
Mr. Lim Yit Keong	Member and Independent Director

The NC has adopted a written terms of reference which describes the responsibilities of the NC and the proceedings at NC meetings. The NC's principal responsibilities are as follows:

(a) to make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board, as well as ensuring there are procedures in place for the selection and appointment of Non-Executive Directors;

(b) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(c) to be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominees have the requisite qualifications and whether or not they are independent;

(d) to recommend Directors who are retiring by rotation to be put forward for re-election;

(e) to oversee Management development and succession planning of the Group;

(f) to decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he has multiple board representations;

(g) to be responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board; and

(h) to carry out such other duties as may be agreed to by the NC and the Board.

Guideline 4.3 – Review of Directors' Independence

In determining the independence of the Directors, the NC has developed a form "Return on Independence" which is required to be completed by all Directors on an annual basis and submitted to NC for its review. The independence of each Director is reviewed by the NC with reference to the guidelines set out in the Code and the Catalist Rules and any other salient factors which would render a director to be deemed not independent.

There are no relationships including immediate family relationships between Mr. Yoshio Ono, Mr. Kurokawa Shingo and Mr. Lim Yit Keong, respectively, and the other Directors, the Company, its related corporations, its 5% Shareholders or its officers. The Board, with the concurrence of the NC, has considered Mr. Yoshio Ono, Mr. Kurokawa Shingo and Mr. Lim Yit Keong to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Guideline 4.4 – Multiple Board Representations

Despite some of the Directors having multiple board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company, after taking into consideration the number of listed company board representations and other principal commitments.

The NC will continuously review the performance of the Directors with multiple board representations to ensure that sufficient time and attention is devoted by these Directors to the affairs of the Group.

The Code requires listed companies to fix the maximum number of board representations on other listed companies that their directors may hold and to disclose this in their annual report. The Board, with the concurrence of the NC, is of the view that there are currently no compelling reasons to impose a cap on the number of board representations each Director may hold as each Director is able to devote sufficient time and attention to adequately carry out his duties as a Director of the Company.

The Group also recognises that its Executive Directors may be invited to become non-executive directors of other companies and that the exposure to such non-executive duties can broaden the experience and knowledge of its Executive Directors which will benefit the Group. Executive Directors are therefore allowed to accept non-executive appointments as long as these are with non-competing companies, are not likely to lead to conflicts of interests and their commitment to the Group is not compromised.

Guideline 4.5 – Alternate Director

Currently, the Company does not have any alternate directors.

Guideline 4.6 – Selection, Appointment and Re-appointment of Directors

Nomination and Selection

In the event a new Director is required, the search would be conducted via recruitment companies, contacts and recommendations so that the Company could cast its net as wide as possible for the right candidates. The NC will identify potential candidates for appointments based on and after taking into consideration the candidates' qualification, knowledge, skills and experience, as well as his/her ability to increase the effectiveness of the Board and the Group's business. The NC will then recommend their nominations to the Board for consideration.

Election and re-election

New Directors are appointed by way of a Board resolution, upon their nomination by the NC. In accordance with the Company's Constitution, these new Directors who are appointed by the Board are subject to re-election by Shareholders at the first opportunity after their appointment. The Constitution of the Company also requires one-third of the Board to retire from office at each Annual General Meeting ("**AGM**"). Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

Mr. Lim Yit Keong was appointed on 30 April 2019. Pursuant to Article 117 of the Constitution, Mr. Lim Yit Keong shall retire at forthcoming AGM.

Pursuant to Article 107 of the Constitution, Mr. Saito Hiroyuki is due for retirement by rotation at the forthcoming AGM.

Mr. Lim Yit Keong and Mr. Saito Hiroyuki have re-submitted themselves for re-election at the forthcoming AGM.

Mr. Lim Yit Keong is considered independent for the purpose of Rule 704(7) of the Catalist Rules, and shall upon re-election as a Director of the Company remain as Independent Director, Chairman of the RC, member of the NC and member of the AC.

Mr. Saito Hiroyuki shall upon re-election as a Director of the Company remain as the Executive Chairman and CEO of the Company.

The NC has recommended to the Board in which the Board has accepted the re-election of the Directors at the forthcoming AGM. In making the above recommendations, the NC had considered the said Directors' overall contribution and performance. Please refer to the Notice of AGM for the resolutions put forth on their proposed re-election and re-appointment.

Guideline 4.7 – Key Information on Directors

The directorships or chairmanship held by the Directors presently and/or in the last three years in other listed companies are set out in the table below:

Name of Directors	Date of Appointment	Date of Last Re-election	Directorships in Other Listed Companies	
			Current	Past 3 years (preceding to the date of this report)
Mr. Saito Hiroyuki	5 May 2017	29 November 2017	-	-
Mr. Yoshio Ono	22 September 2017	22 November 2018	-	-
Mr. Kurokawa Shingo	27 October 2017	29 November 2017	-	-
Mr. Lim Yit Keong	30 April 2019	-	China Kunda Technology Holdings Limited	Transcorp Holdings Limited

Academic and professional qualifications and the information on shareholdings in the Company held by each Director are set out in the "Board of Directors" and "Additional Information on Directors seeking Re-election" sections in the Annual Report.

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the board as a whole and its board committees and the contribution by each director to the effectiveness of the board.

Guideline 5.1 – Board Evaluation Process
Guideline 5.3 – Individual Director Evaluation

In line with the principles of good corporate governance, the NC implements and performs the annual performance evaluation for assessing the effectiveness of the Board as a whole and each of the Board Committees.

A formal Board performance evaluation, led by the NC, is conducted annually by means of a confidential questionnaire designed to assess the state of affairs of corporate governance matters in the Company, including the performance of each individual Board Committee. The NC is of the view that it is more appropriate and effective to assess the performance of the Board as a whole, bearing in mind that each member of the Board contributes in different ways to the success of the Company and Board decisions are made collectively. The Board meets frequently and informally to discuss on group business matters and evaluate on various assessments of the Group. With such effective interaction and regular communication by the Board, individual Directors' assessment is not necessary at this juncture.

The NC will initiate constant interaction to nurture better understanding and cohesion for Board members to establish good working relationship and commitment towards the Board's objectives. The purpose of such interaction and evaluation process is to increase the overall effectiveness and efficiency of the Board functions.

Guideline 5.2 – Board Performance Criteria

The Board assessment form and each of the Board Committees assessment forms are separately completed by each Director to elicit his individual input, collated, analysed and discussed with the NC and the Board with comparatives from the previous year. The Board assessment process focuses on the evaluation of factors such as the size and composition of the Board, independence component in the Board, the Board's access to information, Board processes and accountability, quality of agenda, communication with key Management personnel, Director's standard of conduct and quality of decision making. The Board Committee assessment process focuses on adequacy and effectiveness of each Board Committee in carrying out its roles and responsibilities. The performance criteria do not change from year to year. Recommendations to further enhance the effectiveness of the Board and the various Board Committees will be implemented, as appropriate. Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination.

The NC had conducted a performance evaluation of the Board and the Board Committees for FY2019. The NC is satisfied with the effectiveness of the Board and the Board Committees. No external facilitator has been engaged for the purpose of Board assessment in FY2019. Each Director continues to contribute effectively to the Board and is able to discharge responsibilities in the Board Committees without any issue of time commitment.

Principle 6: **Access to Information**

In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Guidelines 6.1 and 6.2 – Complete and Adequate Information

The Board has separate and independent access to the Management and the Company Secretary at all times. Requests for information from the Board are dealt with promptly by the Management. The Board is informed of all material events and transactions as and when they occur. The Management provides the Board with monthly and quarterly reports of the Group's performance. The Management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with Board papers timely and prior to Board meetings. Management staff who have prepared the papers are invited to present the papers at the meeting. Analysts' reports on the Company are also forwarded to the Directors on an on-going basis as and when received.

Guideline 6.3 – Company Secretary
Guideline 6.4 – Appointment and Removal of Company Secretary

The Company Secretary or representative(s) from the Company Secretary's office administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Constitution, governance matters and the relevant rules and regulations applicable to the Company are complied with.

The appointment and removal of the Company Secretary is subject to the Board's approval as a whole.

Guideline 6.5 – Independent Professional Advice

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, may direct the Company to appoint professional advisers to render professional advice. The Board takes independent professional advice as and when necessary to enable it or the Independent Directors to discharge their responsibilities effectively. The cost of such service shall be borne by the Group.

2. REMUNERATION MATTERS

The Company has sought to ensure that the level and structure of remuneration for Directors are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and to run the Group successfully. The component parts of remuneration are structured to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by the particular Non-Executive Director concerned.

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Guideline 7.1 – Composition of RC and Role and Responsibilities of RC

As at the date of this report, the RC comprises three (3) members, all of whom, including the Chairman of RC, are independent. The current members of the RC are:

Mr. Lim Yit Keong	Chairman and Independent Director
Mr. Yoshio Ono	Member and Lead Independent Director
Mr. Kurokawa Shingo	Member and Independent Director

The RC has adopted a written terms of reference which describes the responsibilities of the RC and the proceedings at RC meetings. The RC's principal responsibilities are as follows:

(a) to approve the structure of the compensation programme for Directors and Senior Management, and to ensure that the programme is competitive and sufficient to attract, retain and motivate Management of the required quality to run the Company successfully;

(b) to review and recommend the remuneration packages of the Executive Directors, the CEO and key executives of the Company annually;

(c) to review the appropriateness of compensation for Non-Executive Directors, including but not limited to Directors' fees, allowances and share options;

(d) to review and recommend to the Board any long-term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith; and

(e) to carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

Guideline 7.2 – Remuneration Framework

The Code endorses, as good practice, a formal framework for fixing the remuneration packages of individuals, with the RC making recommendations to the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards and benefits-in-kind shall be covered by the RC. Each of the member of the RC shall abstain from voting on any resolution in respect of his own remuneration package.

Guideline 7.3 – Advice on Remuneration Matters

If necessary, the RC has the right to seek professional advice internally and/or externally pertaining to remuneration of all Directors. The expenses of such advice shall be borne by the Company. No such consultants were engaged by the Company in FY2019.

Guideline 7.4 – Termination Clauses in Service Contract

The Company's obligations arising in the event of termination of Executive Directors and key Management personnel are contained in the respective service contracts. The RC is satisfied that the termination clauses therein are fair and reasonable.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Guideline 8.1 – Remuneration of Executive Directors and Key Management Personnel
Guideline 8.2 – Long-term Incentive Scheme

The RC takes into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key Management personnel when determining their remuneration packages. In structuring and reviewing the remuneration packages, the RC seeks to align interests of Directors with those of Shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. Such performance-related remuneration is designed to be aligned with the interest of Shareholders and promote long-term success of the Company. As and when appropriate, the Group will administer and manage long-term incentive schemes to nurture greater motivation and retention level within the Group.

The remuneration for Executive Directors and key Management personnel comprise a basic salary and bonus component, and the annual remuneration in the form of Directors' fees which is subject to the approval by Shareholders at the AGM. The Company entered into a service agreement with the Executive Chairman and CEO, Mr. Saito Hiroyuki, for an initial appointment period of three (3) years from 5 May 2017 and it does not contain onerous removal clauses. The service agreement allows for termination by either party giving not less than six (6) months' notice in writing to the other. The RC is responsible for the review of compensation commitments in the service agreement, if any, in the event of early termination. The Board is of the view that the remuneration packages offered to the Executive Chairman and CEO and key Management personnel are fair and competitive. The RC will continue to carry out annual reviews of the remuneration packages of the Executive Chairman and CEO and key Management personnel, having due regard to their contributions as well as the financial and commercial needs of the Group.

Guideline 8.3 – Remuneration of Non-Executive Directors

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as efforts and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. All Independent Directors are paid Directors' fees that are subject to Shareholders' approval at the AGM.

Guideline 8.4 – Contractual Provisions

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Chairman and CEO and key Management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company. The Executive Chairman and CEO owes a fiduciary duty to the Company, and hence, the Company should be able to avail itself to remedies against him in the event of such breach of fiduciary duties. Similarly, for the key Management personnel, the Company believes that there are alternative legal avenues to specific contractual provisions that will enable the Company to recover financial losses arising from exceptional circumstances above from the key Management personnel. The RC will review the need to insert such contractual provisions into the service agreements with the Executive Chairman and CEO and key Management personnel in the future as and when necessary.

Principle 9: Disclosure on Remuneration

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Guideline 9.1 – Annual Remuneration Report

The RC recommends to the Board the framework of executive remuneration and the remuneration package for each Executive Director. In its deliberations, the RC will take into consideration industry practices and norms in compensation in addition to the Company's relative performance in the industry and the performance of the individual Directors. The remuneration packages recommended by the RC are ultimately approved by the Board. No Director is involved in deciding his own remuneration.

The Company adopts a remuneration policy that comprises a fixed component and a variable component. The fixed component is in the form of a base salary[, fixed allowances and benefits, and bonus]. The variable component is in the form of a variable bonus which is linked to the Group's performance, as well as the individual's performance assessed based meeting key performance indicators allocated to them and their level of efficiency and productivity. Staff appraisals are conducted once every year.

During FY2019, there were no termination, retirement and post-employment benefits granted to the Directors or the key Management personnel.

Details on the remuneration of Directors and key Management personnel for FY2019 are reported below.

Guideline 9.2 – Directors' Remuneration

A breakdown showing the level and mix of each individual Director's remuneration in bands of S$250,000 for FY2019 is as follows:

Name of Director	Director's Fees %	Salary* %	Bonus* %	Allowances and Benefits* %	Total %
S$250,000 to below S$500,000					
Mr. Saito Hiroyuki	-	100	-	-	100
Below S$250,000					
Mr. Yoshio Ono	100	-	-	-	100
Mr. Kurokawa Shingo	100	-	-	-	100
Mr. Lim Yit Keong (1)	100	-	-	-	100
Mr. Ng Lip Chi, Lawrence (2)	100	-	-	-	100
Ms. Kayoko Francis (3)	-	100	-	-	100
Mr. Jack Chia Seng Hee (4)	100	-	-	-	100

* Inclusive of Central Provident Fund Contributions

Notes:

(1) Mr. Lim Yit Keong was appointed as Independent Director, Chairman of RC and member of AC and NC on 30 April 2019.

(2) Mr. Ng Lip Chi, Lawrence was appointed as Independent Director and member of AC, NC and RC on 1 November 2018. He was re-designated as Lead Independent Director and Chairman of AC on 22 November 2018. Subsequently, he resigned and ceased to be Lead Independent Director, Chairman of AC and member of NC and RC on 30 April 2019.

(3) Ms. Kayoko Francis resigned and ceased to be Executive Director on 28 February 2019.

(4) Mr. Jack Chia Seng Hee was appointed as Lead Independent Director, Chairman of AC and member of NC and RC on 1 August 2018. Subsequently, he retired and ceased to be Lead Independent Director, Chairman of AC and member of NC and RC on 22 November 2018.

The RC has recommended that the Directors' fee of S$93,250 for FY2019, which will be tabled at the forthcoming AGM for the Shareholders' approval.

For competitive reasons, the Company discloses each individual Director's remuneration by way of respective bands of remuneration of each Director. The Company is of the view that due to confidentiality and sensitivity attached to remuneration matters, it would not be in the best interests of the Company to disclose the exact details of the remuneration of each individual Director.

Guideline 9.3 – Remuneration of Key Management Personnel

Currently, the Company only has one (1) key Management personnel (who is not a Director or CEO of the Company), being the CFO. A breakdown showing the remuneration amount and mix of the Company's current and former CFOs is as follows:

Name of Key Management Personnel	**Salary*** %	**Bonus*** %	**Allowances and Benefits*** %	**Total** %
Below S$250,000				
Mr. Terry Cheung [(1)]	100	-	-	100
Mr. Tan Sze Leng [(2)]	100	-	-	100

* Inclusive of Central Provident Fund Contributions

Notes:

(1) Mr. Terry Cheung joined the Group in June 2017 as Group Finance Manager and was appointed as Financial Controller of the Company on 1 November 2018. Subsequently, he was re-designated as CFO of the Company on 3 June 2019.

(2) Mr. Tan Sze Leng resigned as CFO of the Company on 24 October 2018.

The Board believes that disclosure of the exact or aggregate remuneration of the key Management personnel as recommended by the Code would be disadvantageous to the business interest of the Company, in view of the sensitive nature of such information and high competition for talent.

Guideline 9.4 – Immediate Family Members of a Director or CEO

The Company does not have any employee who is an immediate family member of a Director or the CEO whose remuneration in FY2019 exceeded S$50,000 per annum.

Guideline 9.5 – Employee Share Scheme

The Company does not have any employee share scheme or other long-term incentive schemes.

Guideline 9.6 – Link between Remuneration and Performance

The fixed component of remuneration for the Executive Chairman and CEO is based on the service agreements entered between the Company and the Executive Chairman and CEO. Similarly, the remuneration for the key Management personnel is based on the employment contract with them. The variable component of remuneration for both Executive Chairman and CEO and key Management personnel is linked to the performance of the Group and individual.

3. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The board should present a balanced and understandable assessment of the company's performance, position and prospects.

Guideline 10.1 – Accountability of the Board and Management
Guideline 10.3 – Management Accounts

For all announcements (including financial performance reporting) made to the public via SGXNET and the annual reports issued to Shareholders, the Board is cognizant of its responsibility to present a fair assessment of the Group's current performance, position and its future prospects.

To enable effective monitoring and decision-making by the Board, the Management provides the Board with a continual flow of relevant information on a timely basis as well as quarterly management accounts of the Group. Particularly, prior to the release of the quarterly and full year results to the public, the Management will present the Group's financial performance together with explanatory details of its operations to the AC, which will review and recommend the same to the Board for approval and authorisation for the release of the results.

Guideline 10.2 - Compliance with Legislative and Regulatory Requirements

The Board takes adequate steps to ensure compliance with legislative and statutory requirements, and observes obligations of continuing disclosure under the Catalist Rules. The Management reviews and provides relevant compliance reports for the Board's approval. For issues relating to the Group's business development, the Board also provides the Shareholders with periodic updates and reports through announcements where necessary.

Principle 11: Risk Management and Internal Controls

The board is responsible for the governance of risk. The board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risk which the board is willing to take in achieving its strategic objectives.

Guideline 11.1 – Risk Management and Internal Control Systems

The Board is responsible for the governance of risk by ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interest. The Group has established a risk identification and management framework. Using the aforesaid framework, the Group identifies key risks and undertakes appropriate measures to control and mitigate these risks. Action plans to manage the risks are continually being monitored and refined by the Management together with the Board. All significant control policies and procedures are reviewed regularly, and significant matters are highlighted to the AC and the Board.

The internal controls structure of the Group has been designed and put in place by the Management of the Group's business units to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations.

Guideline 11.2 – Adequacy and Effectiveness of Risk Management and Internal Control Systems
Guideline 11.3 – Board's Comment on Adequacy and Effectiveness of Internal Controls

The Group's internal auditor, Baker Tilly TFW LLP, carries out internal audit on the system of internal controls at least annually and reports the findings to the AC. The Group's material internal controls are also reviewed by the Group's external auditor, Mazars LLP, in the course of their statutory audit. The Management will then take corrective measures to strengthen the internal controls.
Any material non-compliance and internal control weaknesses and recommendations for improvements are noted during the audit and will be reported to the AC. The Board, with the assistance of the AC, internal and external auditors, will review the adequacy and effectiveness of the Group's key internal controls.

However, no cost-effective internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgment in decision-making, losses, fraud or other irregularities. Thus, the Board and the Management will continue to review and strengthen the Group's control environment, and further refine its internal policies and procedures.

For FY2019, the Board has received assurances from the CEO and the CFO that financial records have been properly maintained, the financial statements provide a true and fair view of the Company's operations and finances, and that the Company's risk management and internal control systems are adequate and operating effectively.

The Board, with the concurrence of the AC, concludes that based on (i) the internal control systems established and maintained by the Group, (ii) work performed by the internal auditor during the financial year, (iii) statutory audit by the external auditor and (iv) review performed by Management, the Group's system of risk management and internal controls, addressing financial, operational, compliance and information technology controls risks, were adequate and effective for FY2019.

Guideline 11.4 – Risk Committee

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board. During FY2019, there were no material weaknesses being identified.

Principle 12: Audit Committee

The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

Guideline 12.1 – Composition of AC
Guideline 12.2 – Qualification of AC Members

As at the date of this report, the AC comprises of three (3) members, all of whom, including the Chairman of AC, are independent. The current members of the AC are:

Mr. Yoshio Ono	Chairman and Lead Independent Director
Mr. Kurokawa Shingo	Member and Independent Director
Mr. Lim Yit Keong	Member and Independent Director

The Board constantly reviews and ensures that the members of the AC are qualified to discharge their responsibilities. The members of the AC bring with them many years of accounting, corporate finance, business management, economics, marketing expertise and investment experience.

Guidelines 12.3 and 12.4 – Role and Responsibilities of AC

The AC has adopted a written terms of reference which describes the responsibilities of the AC and the proceedings at AC meetings. The AC's principal responsibilities are as follows:

(a) review with the external auditor of the Company, its audit plan, evaluation of the internal accounting controls, audit reports and any matters which the external auditor wishes to discuss (in the absence of the Management);

(b) ensure co-operation is given by the Management to the internal and external auditors;

(c) review the announcement of the quarterly and year-end results to SGX-ST;

(d) review the annual financial statements and the auditor's report on the Company's annual financial statements before they are presented to the Board, focusing on:

- going concern assumption;
- compliance with accounting standards and regulatory requirements;
- any changes in accounting policies and practices;
- significant issues arising from the audit; and
- major judgmental areas;

(e) review with the Management and the external auditor the adequacy and effectiveness of the Company's risk management, internal controls, business and service systems and practices;

(f) monitor and review related and interested party transactions and conflict of interest situations that may arise within the Group. The AC is also required to ensure that the Directors report such transactions annually to Shareholders in the annual report;

(g) review the scope, adequacy and result of the internal audit procedures addressing financial, operational, information technology and compliance risks;

(h) make recommendations on the appointment and re-appointment of the external and internal auditors to the Board;

(i) review significant risks or exposures that exist and assess the steps taken by the Management to minimise such risks to the Company; and

(j) any other functions which may be agreed by the AC and the Board.

In performing its functions, the AC confirms that it has explicit authority to investigate any matter within its terms of reference, full access to and co-operation from the Management, and has been given full discretion to invite any Director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly. The AC is authorised to obtain independent professional advice if necessary in the discharge of its responsibilities. Such expenses will be borne by the Company.

In line with the recommendations by ACRA, Monetary Authority of Singapore and SGX-ST that the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on key audit matters ("**KAM**"), the AC considered the KAM presented by the external auditor together with Management. The AC reviewed the KAM and concurred and agreed with the external auditor and Management on the assessment, judgements, and estimates on the significant matter reported by the external auditor.

Guideline 12.5 – Meeting with External Auditor and Internal Auditor

In FY2019, the AC have met with the external and internal auditors without the presence of the Management and have reviewed the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence and the observations of the auditors.

Guideline 12.6 – Independence of External Auditor
Guideline 12.9 – Cooling Off Period for Partners or Directors of the Company's Auditing Firm

The AC reviews the independence of the external auditors annually. As disclosed in Note 7 to the audited financial statements of the Group for FY2019, the aggregate amount of fees paid/payable to the external auditor of the Company, Mazars LLP, and its network firms for FY2019 was S$115,100, comprising S$110,000 audit fees and S$5,100 non-audit fees for acting as tax agent.

The Group confirms that it has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors. The AC, having reviewed the range and value of non-audit services performed by the external-auditor, Mazars LLP, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The AC has also reviewed and confirmed that Mazars LLP is a suitable audit firm to meet the Company's audit obligations, having regards to the adequacy of resources and experience of the firm, the assigned audit engagement partner, other audit engagements, size and nature of the Group, and the number and experience of supervisory and professional staff assigned to the audit. The AC has recommended to the Board that, Mazars LLP, be nominated for re-appointment as external auditor at the forthcoming AGM.

The Board confirms that none of the AC members were former partners or directors of the Company's external audit firm within the last 12 months and none of the AC members hold any financial interest in the Company's external audit firm.

Guideline 12.7 – Whistle-blowing Policy

The Company has put in place a whistle-blowing policy to provide a channel to employees and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The Group is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and the Group's commitment to open communication, cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. The objective for such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Reporting can be done through the Company's email to the attention of the AC at whistleblowing@lifebrandz.com.

Guideline 12.8 – Measures taken by AC to Keep Abreast on Changes to Accounting Standards

The AC keeps abreast of changes in accounting standards and issues which have a direct impact on the financial statement, through advices from the external auditor and other professionals. During FY2019, the external auditor was invited to attend the AC meetings at least twice to present their audit plan and report to the AC respectively while the internal auditor was invited to attend the AC meeting once to present their internal audit report.

Principle 13: Internal Audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Guidelines 13.1 and 13.2 – Internal Auditor

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's asset and business.

For FY2019, the Company outsourced its internal audit function to Baker Tilly TFW LLP, an external professional firm who reports directly to the Chairman of AC and administratively to the Management. Baker Tilly TFW LLP is an international, integrated and independent organisation specialising in audit, accountancy, tax, legal and advisory services. Baker Tilly TFW LLP has a network of global resources that can be reached through the membership of Baker Tilly International.

The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner. The internal auditor has identified the Group's main business processes and developed an audit plan that covers the main business process.

To achieve its objectives, the internal auditor has unrestricted access to all record, properties and personnel of the Group. The internal auditor reports directly to the AC which assists the Board in monitoring and managing risks and internal controls of the Group. The internal audit functions primarily focusing on whether the current system of internal control provides reasonable assurance on (i) compliance with applicable laws, regulations, policy and procedures; (ii) reliability and integrity of information; and (iii) safeguarding of assets.

Guidelines 13.3 and 13.4 – Internal Audit Function
Guideline 13.5 – Adequacy and Effectiveness of Internal Audit Function

The internal auditor is guided by the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC will review the adequacy and effectively of the function of the internal audit annually. Based on the review of the internal audit function in FY2019, the AC believes that the internal auditor is independent and has appropriate standing and adequate resources to perform its function effectively and objectively.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Guideline 14.1 – Sufficient Information to Shareholders

The Board is mindful of the obligation to provide regular, effective and fair communication with Shareholders.

Guideline 14.2 – Opportunity to Shareholders to Participate and Vote at General Meetings

Notice of general meeting is despatched to Shareholders together with explanatory notes or circular on items of special business (if necessary), at least fourteen (14) days (without special resolution) or twenty-one (21) days (with special resolution) prior to the meeting date. The Company ensures that Shareholders have the opportunity to participate effectively in and vote at the general meeting, and that information on the rules, including voting procedures that govern the general meeting, have been provided to the Shareholders.

Guideline 14.3 – Appointment of Proxies

All Shareholders are entitled to attend the general meeting. If any Shareholders are unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's current Constitution does not allow corporations which provide nominee or custodial services to appoint more than two proxies. In line with the amendments to the Companies Act (Chapter 50), 'relevant intermediary' which provide nominee or custodial services to third parties are entitled to appoint more than two (2) proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to different shares held by Shareholders.

Principle 15: Communication with Shareholder

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guideline 15.1 – Communication with Shareholders
Guideline 15.2 – Disclosure of Information on a Timely Basis

The Company believes that prompt disclosure of pertinent information and high standard of disclosure are the keys to raise the level of corporate governance.

Information is disseminated to Shareholders on a timely basis through:

(a) SGXNET systems and news release;
(b) Annual reports prepared and issued to all Shareholders; and
(c) The Company's website at *www.lifebrandz.com* at which Shareholders can access information on the Group.

The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules.

In line with continuous obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all Shareholders should be equally informed of all major developments impacting the Group. The Company does not practice selective disclosure.

Guideline 15.3 – Interaction with Shareholders
Guideline 15.4 – Soliciting and Understanding Views of Shareholders

The Group has engaged an external investor relations firm to assist in communication with its investors on a regular basis and attends to their queries.

Shareholders are strongly encouraged to participate at general meetings, which acts as the major platform for Shareholders to engage and dialogue with the Company directly. Shareholders are encouraged to have open communication with the Directors and key Management personnel during the general meetings on their views on matters relating to the Company.

Guideline 15.5 – Dividend Policy

Currently the Company does not have a fixed dividend policy. The Board would consider establishing a dividend policy when appropriate. In considering the payment of dividend, the Board shall consider factors such as the Company's profits, cash flows, working capital and capital expenditure requirements, investment plans and other factors that the Board may deem relevant. Taking into account the above stated factors, the Company has not declared any dividends for FY2019 in view of the negative earnings.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Guideline 16.3 – Attendees at General Meetings

Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Company's strategy and goal. The Company encourages active Shareholders' participation. During the general meetings, Shareholders may raise questions or share their views regarding the proposed resolutions, and the Company's businesses and affairs. The respective Chairman of the AC, NC, RC and key Management personnel will attend to address questions relating to the progress and performance of the Group. The external auditor would also be present to assist the Directors in addressing any relevant queries by Shareholders about the conduct of audit and the preparation and content of the auditor's report.

Guideline 16.1 – Shareholders' Participation

Voting in absentia and electronic mail may only be possible following careful study to ensure the integrity of the information and authentication of the identity of members through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

Guideline 16.2 – Separate Resolutions at General Meetings

The Company practises having separate resolutions at general meetings on each substantially separate issue. "Bundling" of resolutions are kept to a minimum and are done only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved.

Guideline 16.5 – Voting by Poll at General Meetings

The Company will put all resolutions to vote by poll either through manual or electronic polling. Announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meeting will be released on SGX-ST on the same day.

Guideline 16.4 – Minutes of General Meetings

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management, are available to Shareholders upon written request.

COMPLIANCE WITH OTHER PROVISIONS IN THE CATALIST RULES

Dealing in Securities

The Company has complied with Rule 1204(19) of the Catalist Rules. The Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Company for the period of two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year, or one (1) month prior to the announcement of the Company's full year financial statements, and ending on the date of the announcement of the relevant results.

In addition, the Company, Directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term consideration.

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling Shareholder, either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

For FY2019, the non-sponsor fee paid/payable to its sponsor, SAC Capital Private Limited, amounted to S$25,000.

Interested Person Transactions ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Shareholders.

There have been no IPTs equal to or exceeding S$100,000 in value for FY2019.

The Company does not have a Shareholders' mandate for IPTs.

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The directors are pleased to present their statement to the members together with the audited consolidated financial statements of LifeBrandz Ltd. (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 July 2019.

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 the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the statement of financial position of the Group and of the Company as at 31 July 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Executive Chairman and Chief Executive Officer
Saito Hiroyuki

Independent non-executive directors
Yoshio Ono
Kurokawa Shingo
Lim Yit Keong (Appointed on 30 April 2019)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4, 5 and 6 below.

4. Directors' interests in shares, warrants and debentures

The directors of the Company holding office at the end of the financial year had no interest in the shares, warrants 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 Act, except as disclosed below:

	Direct interest			Deemed interest		
Name of director	**At beginning of financial year**	**At end of financial year**	**As at 21 August 2019**	**At beginning of financial year**	**At end of financial year**	**As at 21 August 2019**
Ordinary shares of the Company						
Saito Hiroyuki	-	-	-	**103,432,020**	**155,148,030**	**155,148,030**
Warrants of the Company						
Saito Hiroyuki	-	-	-	**28,290,661**	**-**	**-**

5. Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

6. Warrants

On 5 June 2017, the Company issued 122,399,992 warrants, pursuant to Rights Cum Warrants Issue, each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of $0.05 during the period commencing on and including the date falling 12 months from the date of issue of the Warrants and expiring on the date immediately preceding 24 months from such date of issue, on the basis of two (2) Rights Shares with two (2) Warrants for every one (1) existing ordinary share in the capital of the Company, held by the shareholders of the Company as determined by the directors for the purpose of determining the entitlements of the Entitled Shareholders under the Rights cum Warrants Issue, fractional entitlements to be disregarded.

On 27 March 2018, the Company issued additional 72,668,628 warrants, pursuant to Warrants adjustment, which has the same terms and conditions of the 122,399,992 warrants issued on 5 June 2017 and the exercise price is adjusted from $0.05 to $0.04.

On 22 January 2019, the Company issued additional 27,389,420 warrants, pursuant to Warrants adjustment, which has the same terms and conditions of the 122,399,992 warrants issued on 5 June 2017 and the exercise price is adjusted from $0.04 to $0.035.

As at 31 July 2019, the details of the warrants issued by the Company are set out as below:

	← Number of Warrants →						
Date of issue	Before adjustments	Warrants issued	Warrants expired	Warrants exercised	After adjustments	Exercise price per share $	Expiry date
5 June 2017	122,399,992	-	122,399,992	-	-	0.05	4 June 2019
27 March 2018	122,399,992	72,668,628	195,068,620	-	-	0.04	4 June 2019
22 January 2019	195,068,620	27,389,420	222,458,040	-	-	0.035	4 June 2019

7. Audit Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this statement, they are:

Yoshio Ono (Chairman)
Kurokawa Shingo
Lim Yit Keong

7. Audit Committee (Continued)

The Audit Committee has convened six meetings during the financial year and has also met up once with the internal and external auditors of the Company without the presence of the management during the financial year.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act. In performing those functions, the Audit Committee reviewed:

(i) the audit plans and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;

(ii) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) the adequacy and effectiveness of the Group's risk management processes;

(vi) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) the interested person transactions in accordance with SGX-ST listing rules;

(viii) the nomination of external auditors and gave approval of their compensation; and

(ix) the submission of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the 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 Audit Committee.

The Audit Committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

8. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Saito Hiroyuki
Director

Yoshio Ono
Director

Singapore
23 October 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFEBRANDZ LTD.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of LifeBrandz Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 July 2019, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 61 to 110.

In our opinion, the accompanying financial statements of the Group, the statement of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2019 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgment in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current financial year's financial statements, we identified 3 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

These significant components were audited by other Mazars offices as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFEBRANDZ LTD.

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Matter	Audit response
Assessment of ability of the Group to continue as a going concern (refer to Note 3.1 to the financial statements)	
As at 31 July 2019, the Group has net current liabilities of $2,097,000, the Group incurred a net loss of $3,446,000 during the financial year. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Notwithstanding the above conditions, management assessed and concluded that there is no material uncertainty relating to the Group's ability to continue as a going concern on the following premises: - The Group would be able to generate sufficient operating cash flows; - The Group would be able to fulfil its obligations towards its creditors as and when such obligations fall due; - Bounty Blue Capital Ltd, a related party where the chief executive officer is the ultimate beneficiary and has significant control, will not demand repayment of the amount $1,667,000 owing by the Group until the Group's resources permit; and - The Group would be able to obtain continued financial support from Bounty Blue Capital Ltd. The assessment of the appropriateness of the Group's going concern assumption requires significant management judgement and estimates, including the management's projections of the future cash flows of the Group.	Our audit procedures include, but are not limited to, the following: - Obtained an understanding of and evaluated the feasibility of management's basis to support the Group's going concern assumption; - Performed an analysis of the cash flow projections prepared by management, which included our evaluation of the reliability and relevance of the underlying data used to prepare the forecast and the appropriateness of the assumptions used; and - Considered facts and information that became available subsequent to management's assessment up till the date of this report, including the receipts of incoming funds. We also considered the appropriateness of the disclosures made in the financial statements in respect to the management's assessment of the appropriateness of the use of going concern assumption in their preparation of the Group's financial statements.

Key Audit Matters (Continued)

Goodwill and intangible asset (refer to Note 12 and Note 13 to the financial statements)	
Majority of the intangible assets pertains to the intangible assets and goodwill arising from the acquisition of a subsidiary (e-Holidays Co., Ltd) in the previous financial year. The Group recorded an intangible asset relating to customer relationships and goodwill amounting to $89,000 and $194,000 respectively as of 31 July 2019. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, i.e. its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Given the sensitivity of the key inputs and assumptions to various factors, including their outlook of macro-economic environment and future market conditions, significant judgements and estimates have been applied by the management in determining the value-in-use. We hence consider the management's assessment of impairment of goodwill as a key audit matter.	Our audit procedures included the following: - Evaluated the process by which management prepared its cash flow forecasts and compared them against the latest financial budgets and management approved forecast; - Discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives; - Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use models, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; and - Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU or groups of CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFEBRANDZ LTD.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFEBRANDZ LTD.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entity incorporated 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 Chan Hock Leong, Rick.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
23 October 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 July 2019

	Note	Group 2019 $'000	Group 2018 $'000
Revenue	4	5,573	2,957
Other operating income	5	129	33
		5,702	2,990
Expenses			
Inventories and consumables used	16	(1,171)	(258)
Travel booking services costs		(2,005)	(1,880)
Amortisation and depreciation		(515)	(88)
Employee benefits	6	(2,725)	(2,376)
Finance cost		(1)	(2)
Advertising, media and entertainment		(280)	(154)
Rental on operating leases		(788)	(324)
Transportation		(25)	(21)
Legal and professional fees	7	(557)	(480)
Other operating expenses	8	(1,102)	(286)
Changes in inventories of finished goods		22	(9)
Loss before income tax		(3,445)	(2,888)
Income tax expense	9	(1)	(3)
Loss for the financial year		(3,446)	(2,891)
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss, net of taxation			
Exchange differences on translating foreign operations		(188)	(7)
Total comprehensive loss for the financial year		(3,634)	(2,898)
Loss for the financial year attributable to:			
Owners of the Company		(3,094)	(2,891)
Non-controlling interest		(352)	-
Loss for the financial year		(3,446)	(2,891)
Total comprehensive loss for the financial year attributable to:			
Owners of the Company		(3,282)	(2,898)
Non-controlling interest		(352)	-
Total comprehensive loss for the financial year		(3,634)	(2,898)
Loss per share attributable to owners of the Company (Cents)			
Basic and diluted loss per share	10	(0.62)	(1.02)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2019

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
ASSETS					
Non-current assets					
Plant and equipment	11	2,051	431	21	26
Goodwill	12	194	194	-	-
Intangible asset	13	89	163	-	-
Guarantee deposit	14	177	172	-	-
Investment in subsidiaries	15	-	-	100	100
Total non-current assets		2,511	960	121	126
Current assets					
Inventories	16	25	3	-	-
Trade and other receivables	17	905	1,544	4,305	2,757
Cash and cash equivalents	18	320	1,760	73	1,576
Total current assets		1,250	3,307	4,378	4,333
Total assets		3,761	4,267	4,499	4,459
EQUITY AND LIABILITIES					
Equity					
Share capital	19	62,650	62,265	62,650	62,265
Foreign currency translation reserve		(237)	(49)	-	-
Accumulated losses		(62,341)	(59,247)	(59,970)	(58,223)
Equity attributable to owners of the Company		72	2,969	2,680	4,042
Non-controlling interest		342	-	-	-
Total equity		414	2,969	2,680	4,042
Non-current liability					
Bank borrowings	20	-	8	-	-
Total non-current liability		-	8	-	-
Current liabilities					
Bank borrowings	20	9	33	-	-
Provision for reinstatement	21	216	-	-	-
Trade and other payables	22	3,122	1,257	1,819	417
Total current liabilities		3,347	1,290	1,819	417
Total liabilities		3,347	1,298	1,819	417
Total equity and liabilities		3,761	4,267	4,499	4,459
Net current (liabilities)/assets		(2,097)	2,017	2,559	3,916

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2019

Group	Attributable to owners of the Company					
	Share capital $'000	Foreign currency translation reserve[(a)] $'000	Accumulated losses $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
At 1 August 2017	58,500	(42)	(56,356)	2,102	-	2,102
Contributions by owners:						
Issuance of shares	3,940	-	-	3,940	-	3,940
Share issuance expense	(175)	-	-	(175)	-	(175)
Total contributions by owners	3,765	-	-	3,765	-	3,765
Loss for the financial year	-	-	(2,891)	(2,891)	-	(2,891)
Other comprehensive income:						
Exchange differences on translating foreign operations	-	(7)	-	(7)	-	(7)
Total comprehensive loss for the financial year	-	(7)	(2,891)	(2,898)	-	(2,898)
At 31 July 2018	62,265	(49)	(59,247)	2,969	-	2,969
Contributions by owners:						
Issuance of shares	560	-	-	560	-	560
Share issuance expense	(175)	-	-	(175)	-	(175)
Total contributions by owners	385	-	-	385	-	385
Capital contribution from non-controlling interest	-	-	-	-	694	694
Loss for the financial year	-	-	(3,094)	(3,094)	(352)	(3,446)
Other comprehensive income:						
Exchange differences on translating foreign operations	-	(188)	-	(188)	-	(188)
Total comprehensive loss for the financial year	-	(188)	(3,094)	(3,282)	(352)	(3,634)
At 31 July 2019	62,650	(237)	(62,341)	72	342	414

[(a)] The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2019

Company	Share capital $'000	Accumulated losses $'000	Total $'000
At 1 August 2017	58,500	(56,370)	2,130
Contributions by owners:			
Issuance of shares	3,940	-	3,940
Share issuance expense	(175)	-	(175)
Total contributions by owners	3,765	-	3,765
Loss for the year, representing total comprehensive loss for the financial year	-	(1,853)	(1,853)
At 31 July 2018	62,265	(58,223)	4,042
Contributions by owners:			
Issuance of shares	560	-	560
Share issuance expense	(175)	-	(175)
Total contributions by owners	385	-	385
Loss for the year, representing total comprehensive loss for the financial year	-	(1,747)	(1,747)
At 31 July 2019	62,650	(59,970)	2,680

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2019

	Note	2019 $'000	2018 $'000
Operating activities			
Loss before income tax		(3,445)	(2,888)
Adjustments for:			
Depreciation of plant and equipment	11	441	25
Amortisation of intangible asset	13	74	63
Interest expense		-	2
Operating cash flows before changes in working capital		(2,930)	(2,798)
Movement in working capital			
Inventories		(22)	9
Trade and other receivables		639	(798)
Trade and other payables		415	536
Cash flows used in operations		(1,898)	(3,051)
Income tax paid		(1)	(5)
Net cash flows used in operating activities		(1,899)	(3,056)
Investing activities			
Net cash flow on acquisition of subsidiary	15	-	(777)
Purchase of plant and equipment	11	(2,062)	(337)
Exchange realignment		(188)	(7)
Net cash flows used in investing activities		(2,250)	(1,121)
Financing activities			
Interest paid		-	(2)
Amount due to related party	22	1,667	-
Proceeds from issuance of shares	19	560	3,940
Share issuance expense	19	(175)	(175)
Capital contribution from non-controlling interest	15	694	-
Repayment of borrowings		(32)	(39)
Guarantee deposit	14	(5)	-
Net cash flows generated from financing activities		2,709	3,724
Net decrease in cash and cash equivalents		(1,440)	(453)
Cash and cash equivalents at beginning of financial year		1,760	2,213
Cash and cash equivalents at end of financial year	18	320	1,760

Reconciliation of (asset)/liability arising from financing activities:

	At beginning of financial year $'000	Cash inflow/ (outflow) $'000	Non-cash movement: Bank borrowings assumed $'000	At end of financial year $'000
2019				
Asset				
Guarantee deposit	(172)	(5)	-	(177)
Liabilities				
Amount due to related party	-	1,667	-	1,667
Bank borrowings	41	(32)	-	9
2018				
Liability				
Bank borrowings (Note 20)	-	(39)	80	41

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

LifeBrandz Ltd. (the "Company") (Registration No: 200311348E) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The registered office and principal place of business of the Company is located at 80 Raffles Place #41-02 UOB Plaza 1, Singapore 048624.

The principal activity of the Company is that of investment holding. The principal activities of the respective subsidiaries are those of the lifestyle and entertainment businesses as disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2019 were authorised for issue by the Board of Directors on the date of directors' statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 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 consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise indicated.

Singapore Financial Reporting Standards (International)

In December 2017, the Accounting Standards Council (the "ASC") issued the SFRS(I)s as the new accounting framework to be mandatorily applied by qualifying entities, which include Singapore-incorporated entities whose debt or equity instruments are traded in a public market in Singapore, in the preparation and presentation of their general purpose financial statements for annual reporting periods beginning on or after 1 January 2018.

This first volume of SFRS(I)s contains the equivalent of consolidated text of IFRS as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual reporting periods beginning on 1 January 2018. Simultaneous to its compliance with SFRS(I)s, the Group can hence elect to include an explicit and unreserved statement of compliance with SFRS(I)s in its first and subsequent SFRS(I)s financial statements.

In its initial adoption of this first set of SFRS(I)s financial statements, the Group has applied SFRS(I) 1 *First-Time Adoption of Singapore Financial Reporting Standards (International)* ("SFRS(I) 1") which is equivalent to IFRS 1 *First-Time Adoption of International Financial Reporting Standards.* The effects of applying SFRS(I) 1 is insignificant.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective

At the date of authorisation of these financial statements, the following *SFRS(I)s and SFRS(I)s INT* that are relevant to the Group were issued but not yet effective:

SFRS (I)s	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-19	Amendments to SFRS(I) 1-19: *Plan Amendment, Curtailment or Settlement*	1 January 2019
SFRS(I) 1-28	Amendments to SFRS(I) 1-28: *Long-term Interests in Associates and Joint Ventures*	1 January 2019
SFRS(I) 1-1, SFRS(I) 1-8	Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020
SFRS(I) 3	Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
SFRS(I) 9	Amendments to SFRS(I) 9: *Prepayment Features with Negative Compensation*	1 January 2019
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) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
Various	Amendments to References to the Conceptual Framework in SFRS(I) Standards Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements	1 January 2020
Various	Annual Improvements to SFRS(I)s 2015-2017 Cycle - Amendments to SFRS(I) 3 *Business Combinations: Additional guidance for applying the acquisition method to particular types of business combinations* - Amendments to SFRS(I) 11 *Joint Arrangements: Accounting for acquisition of interests in joint operations* - Amendments to SFRS(I) 1-12 *Income taxes: Measurement, Recognition of current and deferred tax and borrowing costs* - Amendments to SFRS(I) 1-23 Borrowing costs: *Borrowing costs eligible for capitalisation*	1 January 2019

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group and the Company do not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Other than the following standard, 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)

2.1 Basis of preparation (Continued)

SFRS(I) 16 Leases

SFRS(I) 16 supersedes SFRS(I) 1-17 *Lease*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) 1-15 *Operating Leases – Incentives*, and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* It sets out the principles for the recognition, measurement, presentation and disclosure of leases and introduces a single, on-balance sheet accounting model for lessees.

The Group plans to apply SFRS(I) 16 on 1 August 2019 and will apply the modified retrospective approach to recognise the cumulative effect of initially applying SFRS(I) 16 on 1 August 2019. Accordingly, the comparative financial statements will not be restated.

Lessee

SFRS(I) 16 requires, with limited exceptions, the lessee to recognise, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of “low-value” assets and qualifying short-term leases entered into by lessees can be exempted from the new recognition criteria.

The Group plans to elect to use the exemption proposed by the standard on lease contracts for which the underlying asset is of low value and where the lease is short-term. The Group also plans to elect not to recognise right-of-use assets and lease liabilities of leases for which the lease term ends within 12 months as of 1 August 2019. In the determination of the lease term as a lessee, the Group plans to apply the practical expedient to use hindsight for contracts which contains options to extend or terminate the lease.

Preliminarily, based on the currently known and reasonably estimable information relevant to its assessment, as at 1 August 2019, the Group expects an increase in right-of-use assets, an increase in lease liabilities and an increase in beginning accumulated profits.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders’ meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal 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. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments 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 or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business combinations

Business combinations from 1 January 2017

The acquisition of subsidiaries is accounted for using the acquisition method. 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. Acquisition-related costs are recognised in profit or loss as incurred.

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.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured 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)

Business combinations from 1 January 2017 (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 are measured in accordance with that Standard.

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)

2.3 Business combinations (Continued)

Business combinations before 1 January 2017

As part of transition to SFRS(I)s, the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I)s, i.e. 1 January 2017. Goodwill arising from acquisitions before 1 January 2017 has been carried forward from the previous FRS framework as at the date of transition.

In comparison to the above-mentioned requirements under SFRS(I)s, the following differences applied:

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as step acquisitions. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of business. Revenue is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. Revenue is presented net of rebates, discounts and sales relates taxes.

Food and beverages revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of food and beverages in the ordinary course of the Group's activities upon delivery and acceptance by customers. Revenue is shown net of sale discounts.

Travel booking service revenue

Revenue from travel booking service are recognised in the period in which the services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2. Summary of significant accounting policies (Continued)

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

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, 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.

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.

2.8 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 that have been enacted or substantively enacted in countries where the Company and its 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 balance sheet 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 utilised. 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 investment in subsidiaries, 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 utilised.

2. Summary of significant accounting policies (Continued)

2.8 Income tax (Continued)

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. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

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.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.9 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 year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the 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.

2. Summary of significant accounting policies (Continued)

2.9 Foreign currency transactions and translation (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars 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 translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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.

2.10 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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:

Computer equipment	3 years
Motor vehicle, office and operating equipment	3 years
Furniture and fixtures	3 years
Plant and equipment	3 years
Leasehold improvement and renovation	3 - 10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of plant and equipment is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (Continued)

2.11 Intangible assets

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

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.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Customer relationships

Customer relationships which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships have estimated useful lives of 3 years.

2.12 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-generating unit 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 cash-generating unit 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.

2. Summary of significant accounting policies (Continued)

2.12 Impairment of tangible and intangible assets excluding goodwill (Continued)

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Company 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 instruments from 1 August 2018

These accounting policies are applied on and after the initial application date of SFRS(I) 9, (i.e. 1 August 2018).

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.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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 ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial instruments from 1 August 2018 (Continued)

Financial assets (Continued)

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. 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 a financial assets has not increased significantly since initial recognition.

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 decreased 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.

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 is recognised in profit or loss.

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 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 26.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial instruments from 1 August 2018 (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the 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.

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.

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.

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.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial instruments from 1 August 2018 (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities

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 Groups accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

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

Financial assets before 1 August 2018

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale ("AFS") financial assets. The classification at initial recognition depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Financial asset at FVTPL

A financial asset is classified as FVTPL if the financial asset is either held for trading or is designated as such upon initial recognition.

A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the short term; or if it is part of an identified portfolio of financial instruments with a recent actual pattern of short-term profit-taking and which is managed by the Group; or if it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee contract.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets before 1 August 2018 (Continued)

Financial asset at FVTPL (Continued)

A financial asset which is not classified as held-for-trading may be designated as FVTPL upon initial recognition if the financial asset is managed as part of a group of financial instruments, with its performance being evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or if by designating the financial asset as FVTPL eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses arising from changes in the fair value are recognised in profit or loss. The net gain or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

A financial asset is classified as loans and receivables if the financial asset is non-derivatives with fixed or determinable payments that are not quoted in an active market. The Group's loans and receivables comprise trade and other receivables, bank balances and fixed deposits. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Offsetting of financial instruments

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 recognized amounts; and
(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise 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 measured based on weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions, and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.16 Leases

Operating Leases

Lessee

Rentals payable under operating leases are charged to profit or loss 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 economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.17 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.

2. Summary of significant accounting policies (Continued)

2.17 Provisions (Continued)

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.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

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

Impairment of financial assets

The Group follows the guidance of SFRS(I) 9 in assessing its financial assets for impairment. This assessment requires significant judgement. The Group first assesses whether objective evidence of impairment exists for individually significant debtors and collectively for debtors which are not individually significant. The Group evaluates, among other factors, financial status of the debtors, any changes in the collection status and changes in industry conditions that affect the debtors.

Impairment of non-financial assets

The Group assesses whether there are any indication of indefinite impairment for its non-financial assets other than goodwill and intangible assets with an indefinite useful life, before computing the recoverable value of asset value. Goodwill and intangible assets with an indefinite useful life are assessed for their recoverable amounts at each reporting date.

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

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

Impairment of non-financial assets (Continued)

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the Group's asset. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The Group evaluates among other factors, the reasonableness of the expected future cash flows in light of industry and business outlook and the appropriateness and relevant of the key assumption, including the discount rate, used in the value-in-use calculation.

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the respective entities operate and the respective entities' process of determining sales prices.

Determination of purchase price allocation for business combination

Purchase price related to business combination and asset acquisition is allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value requires management to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

Going concern

The financial statements of the Group and the Company have been prepared on a going concern basis notwithstanding the Group incurred net losses of $3,446,000 (2018: $2,891,000) and net operating cash outflows of $1,899,000 (2018: $3,056,000) during the financial year ended 31 July 2019 and reported net current liabilities position of $2,097,000 (2018: net current asset of $2,017,000) as of 31 July 2019. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Group's and the Company's ability to continue as going concerns.

Management assessed that there is no material uncertainty related to these conditions that may cast significant doubt on the Group's ability to continue as a going concern in consideration of factors, including and not limited to, Bounty Blue Capital Ltd will not demand repayment of $1.67 million and will be able to receive continued financial support from Bounty Blue Capital Ltd for the next 12 months, as well as lower operating cash outflows to be incurred consequent to a reduction in operating costs, such as employment benefits expenses for the financial year ended 31 July 2020. Consequently, management has also assessed the Group's 12 months cash flow projection from the financial year ended 31 July 2019, based on certain assumptions and estimates. Based on the cash flow projection, the Group is able to meet its commitments as well as repay its debts as and when they fall due within the next 12 months. Accordingly, the directors of the Company are of the view that the going concern assumption is appropriate for the preparation of these financial statements.

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

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.

Depreciation of plant and equipment

The Group depreciates the plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's plant and equipment at 31 July 2019 were $2,051,000 (2018: $431,000) and $21,000 (2018: $26,000) (Note 11) respectively.

Impairment of investment in subsidiaries and amounts due from subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments and amounts due from subsidiaries are impaired. Where applicable, the Company's assessments are based on existence of objective evidence of impairment with reference to SFRS(I) 9 Financial Instruments and the estimation of the value-in-use of the assets defined in SFRS(I) 36 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investment in subsidiaries and amounts due from subsidiaries as at 31 July 2019 were $100,000 (2018: $100,000) (Note 15) and $4,243,000 (2018: $2,696,000) (Note 17) respectively.

Impairment 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. No impairment loss was recognised during the financial year. The carrying amount of goodwill as at 31 July 2019 was $194,000 (2018: $194,000). Determining whether goodwill is impaired requires an estimation of their recoverable amounts. Where such recoverable amounts are based on the assets' values-in-use, the determination of such value-in-use involves significant use of estimates and assumptions by management. These estimates and assumptions including a sensitivity analysis, where applicable, are disclosed and further explained in Note 12.

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

3.2 Key sources of estimation uncertainty (Continued)

Useful life of intangible asset

Customer relationships which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships have estimated useful lives of 3 years.

Measurement of ECL of trade receivables and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting year. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The expected loss allowance on the trade and other receivables as at 31 July 2019 is $7,000 (2018: Nil).

Classification of interest in Cloud Eight, Inc. ("CEI")

The determination of the control the Group has over the investee is often a mix of contractually defined and subjective factors that can be critical to the appropriate accounting treatment of investee in the Group's financial statements. The management exercises significant judgement in analysing and evaluating relevant, subjective, diverse and sometimes contrasting qualitative and quantitative facts and circumstances surrounding its involvement in the investee, in determining whether the Group has significant influence over the investee. Such evaluation and assessment processes do take into consideration the transactions and events in accordance with its substance and economic reality, and not merely its legal forms.

The Group considered SFRS(I) 10 Consolidated Financial Statements to determine whether it has control over CEI and considered factors, including but not limited to, its representation on the board of directors of CEI and its participation in policy-making decisions including the financial and operating policies. The directors have determined that they have control over CEI even though the Group owns 50% of the issued capital of CEI. In making their judgement, the directors have considered the Group's ability to exercise its power to participate in the financial and operating policy decisions of CEI.

4. Revenue

	Group	
	2019	2018
	$'000	$'000
Revenue recognised at point in time		
- Food and beverage revenue	3,539	733
- Miscellaneous revenue	6	15
- Travel booking service revenue	2,028	2,209
	5,573	2,957

The disaggregation of revenue from contracts with customers is as follows:

	Food and beverage		Travel booking services		Miscellaneous		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Geographical markets[(a)]								
Singapore	2,610	-	-	-	3	13	2,613	13
Thailand	590	733	-	-	2	2	592	735
United States of America	339	-	-	-	1	-	340	-
Japan	-	-	2,028	2,209	-	-	2,028	2,209
	3,539	733	2,028	2,209	6	15	5,573	2,957
Timing of revenue recognition								
Goods transferred at a point in time	3,539	733	2,028	2,209	6	15	5,573	2,957

(a) The disaggregation is based on the location of customers from which revenue was generated.

5. Other operating income

	Group	
	2019	2018
	$'000	$'000
Net foreign exchange gain	77	-
Interest income from fixed deposit	*	*
Government grant	-	18
Others	52	15
	129	33

* denotes less than $1,000.

6. Employee benefits

	Group	
	2019	2018
	$'000	$'000
Wages and salaries and related benefits	2,335	1,900
Directors' fees	120	120
Employer's contribution to Central Provident Fund	82	70
Other benefits and related expenses	188	286
	2,725	2,376

7. Legal and professional fees

Legal and professional fees included the following for the years ended 31 July:

	Group	
	2019	2018
	$'000	$'000
Legal fees	108	44
Audit fees paid to auditors:		
- Auditors of the Company	66	56
- Auditors of the subsidiaries	44	44
Non-audit fees paid to auditors:		
- Auditor of the Group	5	11
- Other auditor	-	12

8. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	2019	2018
	$'000	$'000
Insurance	29	9
IT services expense	24	27
Cleaning/Laundry service	58	5
Restaurant supplies	21	7
Kitchen supplies	27	3
Decorations	20	-
Repairs and maintenance	25	11
Utensils	18	-
Printing	40	23
Utilities	81	34

9. Income tax expense

	Group	
	2019	2018
	$'000	$'000
Current tax expense		
Current financial year	1	-
Under-provision in prior financial years	-	3
	1	3

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2018: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	Group	
	2019	2018
	$'000	$'000
Loss before income tax	(3,445)	(2,888)
Tax at the applicable tax rate of 17% (2018: 17%)	(586)	(491)
Adjustments:		
Different tax rates of overseas operations	(4)	(4)
Deferred tax assets not recognised	607	495
Under-provision in prior financial years	-	3
Others	(16)	-
Total income tax expense for the financial year	1	3

As at 31 July 2019, the Group has unabsorbed tax losses and capital allowances of approximately $15,576,000 and $72,000 (2018: $12,012,000 and $60,000) respectively that are available for offset against future taxable profits of the companies in which they arose and for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to agreement of the tax authorities.

9. Income tax expense (Continued)

For subsidiary in Japan, the realisation of the future income tax benefits from tax losses carried forward is available for a period of 9 years subject to the agreement of the Japanese tax authorities. The expiry dates of tax losses carried forward are estimated to be as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Expiring in financial year		
2022	11	11
2023	89	89
2028	520	-
	620	100

10. Loss per share

Basic loss per share are calculated by dividing the loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share are the same as basic loss per share as 222,458,040 (2018: 195,068,620) warrants granted under the Rights cum Warrants issue have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

	Group	
	2019	**2018**
	$'000	**$'000**
Net loss attributable to owners of the Company	(3,094)	(2,891)
Basic and diluted loss per share (cents per share)	(0.62)	(1.02)
	No. of Shares '000	**No. of shares '000**
Weighted average number of ordinary shares	498,088	283,964

11. Plant and equipment

Group	Computer equipment $'000	Office and operating equipment $'000	Furniture and fixtures $'000	Leasehold improvement and renovation $'000	Plant and equipment $'000	Total $'000
Cost:						
At 1 August 2017	66	2	102	500	141	811
Acquisition of subsidiary	1	-	33	78	-	112
Additions	119	-	31	187	-	337
Exchange translation differences	-	-	-	(1)	-	(1)
At 31 July 2018	186	2	166	764	141	1,259
Additions	66	-	76	1,774	146	2,062
Exchange translation differences	-	-	-	10	-	10
At 31 July 2019	252	2	242	2,548	287	3,331
Accumulated depreciation:						
At 1 August 2017	62	2	100	500	140	804
Depreciation	12	-	8	5	-	25
Exchange translation differences	-	-	-	(1)	-	(1)
At 31 July 2018	74	2	108	504	140	828
Depreciation	29	-	20	342	50	441
Exchange translation differences	-	-	-	11	-	11
At 31 July 2019	103	2	128	857	190	1,280
Net carrying value:						
At 31 July 2019	149	-	114	1,691	97	2,051
At 31 July 2018	112	-	58	260	1	431

11. Plant and equipment (Continued)

Company	Computer equipment $'000	Furniture and fixtures $'000	Leasehold improvement and renovation $'000	Total $'000
Cost:				
At 1 August 2017	30	-	-	30
Additions	9	9	9	27
At 31 July 2018	39	9	9	57
Additions	7	1	-	8
At 31 July 2019	46	10	9	65
Accumulated depreciation:				
At 1 August 2017	26	-	-	26
Depreciation	3	1	1	5
At 31 July 2018	29	1	1	31
Depreciation	8	2	3	13
At 31 July 2019	37	3	4	44
Net carrying value:				
At 31 July 2019	9	7	5	21
At 31 July 2018	10	8	8	26

12. Goodwill

	Group	
	2019 $'000	2018 $'000
Cost:		
At 1 August	194	-
Arising on acquisition of subsidiary (Note 15)	-	194
At 31 July	194	194
Carrying amount:		
At 31 July	194	194

12. Goodwill (Continued)

Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the business combination.

During the financial year ended 31 July 2018, goodwill with carrying amount of $194,000 as of the end of the financial year was acquired through the purchase of e-Holidays Co., Ltd. (Note 15) (the "CGU") in the travel agency services segment in Japan.

The Group tests cash-generating units for impairment annually, or more frequently when there is an indication for impairment.

The Group has measured the recoverable amount of the CGU based on 5-years cash flows projections approved by the Board of Directors. Key assumptions on which management has based its cash flow projections for the respective periods are as follows:

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 5% to 20% (2018:10% to 15%).

Discount rate: The discount rate used of 8.7% (2018: 6.7%) 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.

Management is of the view that no reasonably possible changes in any of the key assumptions would cause the CGU's carrying amount to exceed its recoverable amount.

No impairment loss was recognised during the financial year ended 31 July 2019.

13. Intangible asset

	Group	
	2019	**2018**
	$'000	**$'000**
Non-contractual customer relationships		
Cost:		
At 1 August	226	-
Addition	-	226
At 31 July	226	226
Accumulated amortisation:		
At 1 August	63	-
Amortisation charge	74	63
At 31 July	137	63
Net carrying amount:		
At 31 July	89	163

The Group's intangible asset represents customer relationships which were acquired through a business combination.

The intangible asset is amortised over 3 years based on the historical customer attrition rate.

14. Guarantee deposit

	Group	
	2019	2018
	$'000	$'000
Guarantee deposit	177	172

Guarantee deposit pertains to deposit for issuance of the travel agent license of a subsidiary in Japan, Tokyo.

15. Investment in subsidiaries

	Company	
	2019	2018
	$'000	$'000
Shares, at cost	421	421
Less: Impairment losses	(321)	(321)
	100	100

The Company has recognised full impairment of $321,000 for the investment in LifeBrandz (Thailand) Co., Ltd. during the previous financial year.

There were no movement in the impairment losses of investment in subsidiaries.

Details of subsidiaries are as follows:

Name	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest		Cost of investment by the Company	
			2019	2018	2019	2018
			%	%	$'000	$'000
Held by the Company						
Orientstar Group Limited [b]	Dormant	British Virgin Islands	100	100	*	*
LifeBrandz (Thailand) Co., Ltd.[c]	Investment holding	Thailand	100	100	321	321
Takumi Holidays Pte. Ltd. [a]	Leisure and travel consultancy and ticketing agency services	Singapore	100	100	100	100
Finesse Digital Pte. Ltd. [a]	Providing of Fintech services.	Singapore	100	100	*	-
LB F&B Pte. Ltd. [a]	Operating of restaurants	Singapore	100	100	*	-

15. Investment in subsidiaries (Continued)

Name	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest		Cost of investment by the Company	
			2019 %	2018 %	2019 $'000	2018 $'000
Held through LifeBrandz (Thailand) Co., Ltd.						
Mulligan's Co., Ltd. [c]	Lifestyle and entertainment businesses	Thailand	100	100	-	-
Held through Takumi Holidays Pte. Ltd.						
e-Holidays Co., Ltd. [d]	Travel agency services	Japan	100	100	-	-
Held through LB F&B Pte. Ltd.						
Cloud Eight Pte. Ltd.[a]	Operating of restaurant	Singapore	100	100	-	-
Cloud Eight, Inc.[b], [e]	Operating of restaurant	United States of America	50	-	-	-
					421	421

(a) Audited by Mazars LLP, Singapore.
(b) Not required to be audited under the laws of the country of incorporation.
(c) Audited by Mazars Limited, Thailand.
(d) Audited by Mazars,Tokyo, Japan.
(e) Reviewed by Mazars LLP, Singapore for consolidation

* denotes less than $1,000.

Incorporation of subsidiaries

- On 8 September 2017, the Company has incorporated a wholly owned subsidiary, Finesse Digital Pte. Ltd., with a paid-up share capital of $1 comprising 1 ordinary share in Singapore to provide fintech application and innovation, information technology and development services.

- On 4 October 2017, the Company has incorporated a wholly owned subsidiary, LB F&B Pte. Ltd. with a paid-up share capital of $1 comprising 1 ordinary share in Singapore to provide food and beverage services.

- On 7 May 2018, the Group has incorporated a wholly owned subsidiary, Cloud Eight Pte. Ltd., with a paid-up share capital of $100,000 comprising 100,000 ordinary shares in Singapore to provide food and beverage services.

- On 11 September 2018, the Group has subscribed for 500,000 ordinary shares in Cloud Eight, Inc. has a paid-up share capital of US$1,000,000 comprising 1,000,000 ordinary shares and is a 50%-owned subsidiary of the Group in United States of America which provides food and beverage services.

15. Investment in subsidiaries (Continued)

Acquisition of e-Holidays Co., Ltd.

On 28 July 2017, Takumi Holidays Pte. Ltd. entered into a conditional sale and purchase agreement with Leafield Ltd. and Masahiko Okabe to acquire the entire paid-up and issued share capital of e-Holidays Co., Ltd., a company incorporated in Japan carrying on the business of providing travel agency services, non-life insurance services and such related services. The acquisition will provide the opportunity to diversify the Group's business into the travel sector and into a new geographical market.

On 30 August 2017, the Company announced that approval by the shareholders had been obtained for the aforementioned conditional sales. On 11 September 2017, the proposed acquisition was completed. The Group has, through the purchase, acquired the entire share capital of e-Holidays Co., Ltd. at a purchase price of $850,000, entirely paid by way of cash. e-Holidays Co., Ltd., through the purchase, is now an indirect wholly-owned subsidiary of the Group.

Fair values of the identifiable assets and liabilities of e-Holidays Co., Ltd as at the date of acquisition:

	Fair value recognised on date of acquisition
	$'000
Plant and equipment	112
Trade and other receivables	711
Customer relationships	226
Cash and cash equivalents	73
	1,122
Bank borrowings	80
Trade and other payables	384
Income tax payable	2
	466
Net identifiable assets at fair value	656
Goodwill arising from acquisition (Note 12)	194
Total consideration	850

Effect of the acquisition of e-Holidays Co., Ltd on cash flows:

	$'000
Total consideration for 100% equity interest acquired *	850
Less: Cash and cash equivalents of subsidiary acquired	(73)
Net cash outflow on acquisition during the financial year ended 31 July 2018	777

* As at 31 July 2018, the consideration of $850,000 has been paid in cash.

15. Investment in subsidiaries (Continued)

Acquisition of e-Holidays Co., Ltd. (Continued)

Goodwill of $194,000 was recognised on the acquisition based on the difference between the fair value of the consideration and the fair value of the identifiable assets and liabilities at the date of acquisition. The goodwill arising from the acquisition comprises the value of expanding the Group's portfolio approach. Therefore, existing operations of the Group will not be disposed of or reduced in terms of production capacity as a result of the combination. None of the goodwill recognised is expected to be tax deductible for income tax purposes.

No contingent consideration arrangements and contingent liabilities were identified at acquisition.

- *Plant and equipment acquired*
  The carrying amount of the plant and equipment acquired were an approximation of fair values as the plant and equipment were newly acquired and the accumulated depreciation was only 7% of the total cost.

- *Customer relationships acquired*
  The fair value of customer relationships acquired in a business combination is determined by the independent professional valuer engaged by the management. The valuation of intangible asset for the purpose of purchase price allocation was made using Multi-Period Excess Earning Method which estimates the future cash flows.

- *Trade and other receivables acquired*
  The carrying amount of trade and other receivables acquired were an approximation of fair values and gross contractual amounts receivables as there are no recoverable issues.

- *Trade and other payables assumed*
  The fair value of trade and other payables assumed were an approximation of fair values largely due to the short-term maturities of these instruments.

- *Bank borrowings assumed*
  The carrying amount of the bank borrowings assumed were an approximation of fair values as these were subjected to frequent repricing (floating rates) on an annual basis.

Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year		Accumulated NCI at the end of financial year	
	2019	2018	2019	2018	2019	2018
	%	%	S$'000	S$'000	S$'000	S$'000
Cloud Eight, Inc.	50	-	(342)	-	352	-

15. Investment in subsidiaries (Continued)

	Cloud Eight, Inc. 2019 $'000
Assets	
Non-current	1,345
Current	375
Liabilities	
Non-current	-
Current	1,039
Net assets	681
Revenue*	340
Loss after income tax and total comprehensive loss	(685)
Loss for the financial year attributable to non-controlling interest	(342)
Capital contribution from non-controlling interest	694
Equity attributable to non-controlling interest	352

*Represents financial period from 7 May 2018 (date of incorporation) to 31 July 2019

16. Inventories

	Group	
	2019 $'000	2018 $'000
Statement of financial position:		
Food and beverage inventories	25	3
Statement of profit or loss and other comprehensive income:		
Inventories recognised as an expense	1,171	258

17. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade receivables:				
Third parties	71	14	12	*
Amounts due from subsidiaries	-	-	235	107
	71	14	247	107
Other receivables:				
Third parties	38	642	29	22
Prepayments	419	243	20	39
Deposits	377	645	1	-
Amounts due from subsidiaries	-	-	4,008	2,589
	834	1,530	4,058	2,650
	905	1,544	4,305	2,757

* denotes less than $1,000.

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms (2018: 30 to 60 days).

Other receivables and deposits are non-interest bearing and repayable on demand.

Prepayments includes amount for leases and advance payment to suppliers.

Trade and other receivables denominated in the following currencies as at 31 July are as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Singapore Dollar	310	785	4,305	2,757
United States Dollar	329	-	-	-
Thai Baht	169	89	-	-
Japanese Yen	97	670	-	-

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to $12,000 (2018: $Nil) and $247,000 (2018: $107,000) respectively that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade receivables past due but not impaired:				
1 to 30 days	12	-	27	11
31 to 60 days	-	-	13	11
61 to 90 days	-	-	12	11
More than 90 days	-	-	195	74
	12	-	247	107

17. Trade and other receivables (Continued)

Receivables that are impaired

The trade receivables that are individually impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade receivables – nominal amounts	-	-	362	362
Less: Allowance for impairment	-	-	(362)	(362)
	-	-	-	-
Movement in allowance accounts:				
At 1 August	-	-	362	140
Charge for the year	-	-	-	222
At 31 July	-	-	362	362

18. Cash and cash equivalents

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash on hand	4	-	-	-
Bank balances	316	1,760	73	1,576
	320	1,760	73	1,576

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents denominated in the following currencies as at 31 July are as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Singapore Dollar	175	1,644	71	1,574
Japanese Yen	20	67	-	-
Thai Baht	85	47	-	-
United States Dollar	40	2	2	2

19. Share capital

	Group and Company			
	2019		2018	
	No. of shares '000	Amount $'000	No. of shares '000	Amount $'000
Issued and fully paid ordinary shares				
At 1 August	456,656	62,265	194,020	58,500
Issuance of shares	80,015	560	262,636	3,940
Share issuance expense	-	(175)	-	(175)
At 31 July	536,671	62,650	456,656	62,265

On 14 December 2018, the board of directors proposed a rights issue of up to 325,862,071 new ordinary shares (the "Rights Shares"), each Right Share carrying the right to subscribe for one new ordinary in the capital of the Company at the exercise price of $0.007, on the basis of one (1) Rights Share for every two (2) existing ordinary share in the capital of the Company, held by the shareholders of the Company as determined by the directors for the purpose of determining the entitlements of the Entitled Shareholders under the Rights Issue, fractional entitlements to be disregarded.

Upon the completion of the Right Issue on 23 January 2019, the Company has issued 80,014,724 new ordinary shares for value of $560,000 to eligible shareholders which elected to participate in the Right Issue. The Rights Issue includes 51,716,010 subscribed by the Undertaking Shareholder.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

20. Bank borrowings

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current	9	33	-	-
Non-current	-	8	-	-
	9	41	-	-

Bank borrowing is repayable over a period of 3 years by monthly instalments commencing from October 2016 to October 2019. The bank borrowings are unsecured and the interest rate of the bank borrowing at the reporting date is 1.4% (2018: 1.4%) per annum.

21. Provision for reinstatement

Provision for reinstatement costs is the estimated costs of restoring retail outlets to their original conditions, which are capitalised and included in the cost of fixed assets. The provision is expected to be utilised at the end of the lease term.

22. Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade payables:				
Third parties	673	259	199	146
Other payables:				
Third parties	425	641	24	40
Accrued operating expenses	357	357	251	231
Non-interest bearing	1,667	-	1,345	-
	2,449	998	1,620	271
	3,122	1,257	1,819	417

Trade and other payables are unsecured, non-interest bearing and are normally settled on 30 to 60 days' terms, except for amount due to subsidiaries and related companies which are repayable on demand.

The non-interest bearing is a unsecured loan and is repayable on demand. This has been provided by Bounty Blue Capital Ltd, a related party where the chief executive officer is the ultimate beneficiary and has significant control.

Trade and other payables denominated in the following currencies as at 31 July are as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Singapore Dollar	2,455	538	1,819	417
United States Dollar	165	-	-	-
Thai Baht	60	64	-	-
Japanese Yen	442	655	-	-

23. Commitments

Operating lease commitments – as lessee

The Group has entered into non-cancellable commercial leases on office, shop and other premises. These leases have an average tenure of three years with varying terms and escalation clauses but no renewal option.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 July 2019 amounted to $788,000 (2018: $324,000).

Future minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, computed based on the agreed rental rates are as follows:

23. Commitments (Continued)

Operating lease commitments – as lessee (Continued)

	Group	
	2019	**2018**
	$'000	**$'000**
Not later than one year	806	714
Later than one year but not later than five years	1,416	766
More than five years	618	-
	2,840	1,480

The leases have its tenure from 2019 to 2029 (2018: 2019- 2022). There are no restrictions placed upon the Company by entering into these leases.

Under the lease terms for the leased premises, the Group shall pay a monthly variable rent, computed based on a certain percentage of monthly gross revenue generated by the Group's operations at the leased premises. The base rent for the lease arrangement increases over the lease term.

No variable rental expenses had been incurred in the current and previous financial year.

24. Related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
(viii) the entity, or any member of a group of which it is a part, provides key management personal services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and of the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

24. Related party transactions (Continued)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

(a) Compensation of key management personnel

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Salaries and other short-term employee benefits	403	449	390	380
Directors' fees	120	120	120	120
	523	569	510	500

Included in the above is total compensation for executive directors of the Company amounting to $390,000 (2018: $380,000).

(b) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group or the Company and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Related companies [(a)]				
Usage of office facilities	-	-	27	16
Subsidiaries				
Management fees income	-	-	(144)	(220)

(a) These are entities with common directors or key management personnel of the Company.

25. Segment information

The Group is substantially in two business segments, namely lifestyle and entertainment and travel agency services. All of its operations are in Singapore, except for three subsidiaries – Mulligan's Co., Ltd, e-Holidays Co., Ltd., and Cloud Eight, Inc. which are located in Pattaya, Thailand, Tokyo, Japan and San Francisco, United States of America respectively.

For management purposes, the Group is organised into business units based on their geographical location.

25. Segment information (Continued)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

(a) *Geographical segment*

	Singapore		Thailand		Japan		United States		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue:										
Sales to external customers	2,613	13	592	735	2,028	2,209	340	-	5,573	2,957
Results:										
Amortisation and depreciation	318	75	2	1	88	12	107	-	515	88
Segment loss for the year	(2,143)	(2,810)	(23)	(18)	(594)	(63)	(685)	-	(3,445)	(2,891)
Assets/(Liabilities):										
Plant and equipment	1,883	316	3	5	11	110	154	-	2,051	431
Additions to non-current assets	520	333	35	4	54	112	1,453	-	2,062	449
Segment assets[1]	1,383	3,104	279	145	378	1,018	1,721	-	3,761	4,267
Segment liabilities[2]	(2,573)	(538)	(60)	(64)	(459)	(696)	(255)	-	(3,347)	(1,298)

(1) Segment assets relate to total assets of the respective segment. Inter-segment assets of $7,218,000 (2018: $4,167,000) are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

(2) Segment liabilities relate to total liabilities of the respective segment. Inter-segment liabilities of $6,429,000 (2018: $4,263,000) are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

(b) *Information on major customers*

The Group generates its revenue from transactions with numerous customers and no customer contributes more than 10% of the Group's revenue.

26. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group's principal financial instruments comprise cash and fixed deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the current and previous financial years, the Group's policy that no trade in derivative financial instruments shall be undertaken.

26. Financial risk management objectives and policies (Continued)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *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 as a mean of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

The Group's and Company's major classes of financial assets are bank deposits and trade and other receivables.

Bank deposits are mainly deposits with banks with good credit-ratings. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Company.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks Note 1	12-months ECL
2	Non-significant increase in credit risks 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 assets have 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.

26. Financial risk management objectives and policies (Continued)

(a) ***Credit risk (Continued)***

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.

Note 3. Credit impaired

In determining whether financial assets are 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 reorganisation; 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.

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, 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.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances. The management estimated the irrecoverable amounts by reference to past default experience. If repeated reminders and letters of demand to settle overdue payments fail to yield results, the Group will make allowances or write off the debts on a case-by-case basis.

26. Financial risk management objectives and policies (Continued)

(a) ***Credit risk (Continued)***

Trade Receivables

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates.

As of 31 July 2019, the Group and the Company recorded trade receivables of $71,000 (2018: $14,000) and $247,000 (2018: $107,000). The loss allowance for trade receivables for the Group as at 31 July 2019 is $Nil (2018: $Nil).

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group. Based on historical default rates, the Group believe that no impairment allowance is necessary in respect of trade and other receivables not past due.

Other Receivables

As of 31 July 2019, the Group and the Company recorded other receivables of $415,000 (2018: $1,287,000) and $4,038,000 (2018: $2,611,000). The loss allowance for other receivables for the Group as at 31 July 2019 is $7,380 (2018: Nil).

The movement in the loss allowance during the financial year and the Group's and Company's exposure to credit risk in respect of credit-impaired receivables are as follows: -

Group		**Group**		**Company**	
	Note	**Trade Receivable Category 4**	**Other Receivable Category 4**	**Trade Receivable Category 4**	**Other Receivable Category 4**
Credit risk grading		**$'000**	**$'000**	**$'000**	**$'000**
Loss allowance					
At 1 August 2018		-	-	362	761
Allowance for impairment loss		-	7	-	-
At 31 July 2019		-	7	362	761
Gross carrying amount					
At 1 August 2018		14	1,287	469	3,372
At 31 July 2019		71	422	609	4,799
Net carrying amount					
At 1 August 2018	17	14	1,287	107	2,611
At 31 July 2019	17	71	415	247	4,038

Apart from certain amounts due from one individual and subsidiaries, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the other receivables. The Group considered amongst other factors, included but not limited to using 12-month ECL, the Company determined that the ECL is insignificant.

26. Financial risk management objectives and policies (Continued)

(b) Market risks

The Group does not have significant foreign currency transaction and interest bearing financial assets and liabilities. Thus, is not expose to market risks.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. 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's and the Company's objective is to maintain sufficient level of cash and short-term deposits to meet its working capital requirements. The Group maintains a balance between continuity of funding and flexibility through the use of stand-by financial and credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group and to mitigate the effects of fluctuations in cash flows.

Short-term funding may be obtained from short-term loans where necessary without incurring unacceptable losses or risking damage to the Group's reputation.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial instruments, at the end of the reporting period 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 contractual undiscounted cash flows of the financial instruments are the same as the carrying amount of the different categories of financial instruments.

	2019			2018		
Group	**1 year or less $'000**	**1 to 5 years $'000**	**Total $'000**	**1 year or less $'000**	**1 to 5 years $'000**	**Total $'000**
Financial assets						
Trade and other receivables (excluding prepayments)	486	177	663	1,301	172	1,473
Cash and cash equivalents	320	-	320	1,760	-	1,760
Total undiscounted financial assets	806	177	983	3,061	172	3,233
Financial liabilities						
Trade and other payables	3,122	-	3,122	1,257	-	1,257
Provision for reinstatement	216	-	216	-	-	-
Bank borrowings	9	-	9	33	8	41
Total undiscounted financial liabilities	3,347	-	3,347	1,290	8	1,298
Total net undiscounted financial (liabilities)/assets	(2,541)	177	(2,364)	1,771	164	1,935

26. Financial risk management objectives and policies (Continued)

(c) *Liquidity risk* (Continued)

	2019			2018		
	1 year or less $'000	1 to 5 years $'000	Total $'000	1 year or less $'000	1 to 5 years $'000	Total $'000
Company						
Financial assets						
Trade and other receivables (excluding prepayments)	4,285	-	4,285	2,718	-	2,718
Cash and cash equivalents	73	-	73	1,576	-	1,576
Total undiscounted financial assets	4,358	-	4,358	4,294	-	4,294
Financial liabilities						
Trade and other payables	1,819	-	1,819	417	-	417
Total undiscounted financial liabilities	1,819	-	1,819	417	-	417
Total net undiscounted financial assets	2,539	-	2,539	3,877	-	3,877

27. Fair value of assets and liabilities

The carrying amount of trade and other receivables and payables, cash and cash equivalents, approximate their respective fair values due to the relative short term maturity of these financial instruments. While, the non-current amounts due from subsidiaries have no repayment terms and is repayable only when the cash flows of the borrower permits. Accordingly, the fair value of the loan is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

28. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial year ended 31 July 2019.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as total equity as shown in the statement of financial position, plus net debt.

28. Capital management (Continued)

	Group	
	2019	**2018**
	$'000	**$'000**
Trade and other payables (Note 22)	3,122	1,257
Provision for reinstatement	216	-
Bank borrowings (Note 20)	9	41
Less: Cash and cash equivalents (Note 18)	(320)	(1,760)
Net debt/(asset)	3,027	(462)
Equity attributable to equity holders of the Company	414	2,969
Capital and net debt	3,441	2,507
Gearing ratio	7.31	N.M.

N.M.- Not meaningful

The Company is not subjected to any externally imposed capital requirements during the financial years ended 31 July 2019 and 2018.

29. Subsequent event after reporting date

On 14 June 2019, Cloud Eight Pte. Ltd., a wholly-owned subsidiary of the Group received a letter of demand dated 11 June 2019 from the solicitors acting for the creditor for payment of the sum $200,000 which has been included in the outstanding payable balance. Subsequently, on 15 October 2019, Cloud Eight Pte. Ltd., subsidiary of the Group received a writ of summons in relation to the letter of demand received on 14 June 2019. The Group intends to dispute the claim and is currently seeking formal legal advice on this matter.

SHAREHOLDERS' INFORMATION

Issued and fully paid-up capital	:	S$62,650,479
Number of issued shares	:	536,670,246
Class of shares	:	Ordinary shares of equal voting right
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 23 OCTOBER 2019

Name of Substantial Shareholder	Direct Interests		Deemed Interests	
	No. of Shares	%	No. of Shares	%
Bounty Blue Capital Ltd [(a)]	–	–	155,148,030	28.91
Rockwills Trustee Ltd [(b)]	–	–	155,148,030	28.91
Blue Bay Trust [(b)]	–	–	155,148,030	28.91
Saito Hiroyuki [(b)]	–	–	155,148,030	28.91
Low Poh Kuan [(c)]	23,746,500	4.42	14,160,000	2.64

Notes:

(a) Bounty Blue Capital Ltd is deemed to be interested in the 155,148,030 shares held through UOB Kay Hian Private Limited.

(b) Bounty Blue Capital Ltd is wholly owned by Rockwills Trustee Ltd, being the trustee of Blue Bay Trust (the "**Trust**"). The beneficiary and settlor of the Trust is Mr. Saito Hiroyuki.

(c) Mr. Low Poh Kuan is deemed to be interested in the 14,160,000 shares held through DBS Nominees (Private) Limited.

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

64.03% of the Company's issued paid up capital is held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules of the SGX-ST.

STATISTICS OF SHAREHOLDINGS

As at 23 October 2019

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	406	12.24	16,230	0.00
100 - 1,000	1,007	30.35	465,956	0.09
1,001 - 10,000	1,041	31.37	4,111,312	0.77
10,001 - 1,000,000	800	24.11	111,707,930	20.81
1,000,001 AND ABOVE	64	1.93	420,368,818	78.33
TOTAL	**3,318**	**100.00**	**536,670,246**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN PRIVATE LIMITED	165,019,897	30.75
2	DBS NOMINEES (PRIVATE) LIMITED	47,412,200	8.83
3	LOW POH KUAN	23,746,500	4.42
4	LONG SA KOW	13,384,600	2.49
5	OCBC SECURITIES PRIVATE LIMITED	10,750,659	2.00
6	TAN ENG CHUA EDWIN	10,093,500	1.88
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,992,848	1.49
8	TAN LYE SENG	7,563,500	1.41
9	TAN KIAN LYE	6,902,000	1.29
10	NGIN CHOON KAY	5,430,000	1.01
11	LAW YEAN MUAY	5,300,000	0.99
12	KHEE SEE HONG	5,232,000	0.97
13	TAN BOON HWEE	5,000,000	0.93
14	YONG CHEE KEONG (YANG ZHIQIANG)	4,424,000	0.82
15	FRANCIS KAYOKO	4,170,000	0.78
16	LIM YI FEN YVONNE (LIN YIFEN)	4,155,800	0.77
17	NG HOOI KHIM	4,000,000	0.75
18	ZHU XILIN	3,844,000	0.72
19	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,733,870	0.70
20	PHILLIP SECURITIES PTE LTD	3,638,448	0.68
	TOTAL	**341,793,822**	**63.68**

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of LifeBrandz Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") will be held at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835, on Wednesday, 27 November 2019 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2019 together with the Auditors' Report thereon.

   (Resolution 1)

2. To approve Directors' fees of S$93,250 for the financial year ended 31 July 2019. (2018: S$120,000)

   (Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Regulations 107 and 117 of the Constitution of the Company:

   Regulation 107
   Mr. Saito Hiroyuki **(Resolution 3)**

   Regulation 117
   Mr. Lim Yit Keong **(Resolution 4)**

   [See Explanatory Note (i)]

4. To re–appoint Messrs Mazars LLP, as auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 5)

5. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution (with or without amendments):

6. **Authority to allot and issue shares in the capital of the Company**

   That pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"), and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while the authority 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) does not exceed 100% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of this resolution, the total number of issued Shares excluding treasury shares and subsidiary holdings is based on the Company's total number of issued Shares 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 convertible securities;

(ii) new Shares arising from exercising hare options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of the Company's Shares;

(c) in exercising the authority conferred in this resolution, the Company 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), the Companies Act and the Company's Constitution; and

(d) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (ii)] **(Resolution 6)**

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

Singapore, 12 November 2019

Explanatory Notes:

(i) Mr. Saito Hiroyuki ("**Mr. Saito**") will, upon re-election of as a Director of the Company, remain as the Executive Chairman and Chief Executive Officer of the Company.

Mr. Lim Yit Keong ("**Mr. Lim**") will, upon re-election as a Director of the Company, remain as the Independent Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee of the Company. The Board of Directors of the Company considers Mr. Lim to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Further information on Mr. Saito and Mr. Lim can be found under sections entitled "Board of Directors" and "Additional Information on Directors seeking Re-election" in the Annual Report 2019.

(ii) Resolution 6, if passed, will authorise the Directors of the Company from the date of this AGM until the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked in a general meeting, whichever is earliest, to issue Shares and convertible securities in the Company up to an amount not exceeding, in aggregate, 100% of the issued Shares (excluding treasury shares and subsidiary holdings) of which the total number of Shares and convertible securities issued other than on a pro–rata basis to existing shareholders shall not exceed 50% of the issued Share (excluding treasury shares and subsidiary holdings) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company.

Notes:

(a) Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead.

(b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy.

(c) A proxy need not be a member of the Company.

(d) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed under seal or the hand of its duly authorised officer or attorney.

(e) The instrument appointing a proxy must be deposited at the Company's registered office at 80 Raffles Place #41–02 UOB Plaza 1, Singapore 048624 at least 48 hours before the time of the AGM.

(f) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) 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. The member's personal data and its proxy(ies)'s and/or representative(s)'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. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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*This Notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**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. Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Saito Hiroyuki and Mr. Lim Yit Keong are the Directors seeking re-election ("**Retiring Directors**") at the forthcoming annual general meeting of the Company to be convened on 27 November 2019.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is set out below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" in this annual report:

Name of Director	**Saito Hiroyuki**	**Lim Yit Keong**
Date of appointment	5 May 2017	30 April 2019
Date of last re-appointment	29 November 2017	N/A
Age	52	65
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered the recommendation of the Nominating Committee and assessed Mr. Saito Hiroyuki's ("**Mr. Saito**") qualifications and work experience, is of the view that Mr. Saito has the requisite experience and capabilities to assume the duties and responsibilities as Executive Director and Chief Executive Officer of the Company.	The Board having considered the recommendation of the Nominating Committee and assessed Mr. Lim Yit Keong's ("**Mr. Lim**") qualifications and work experience, is of the view that Mr. Lim has the requisite experience and capabilities to assume the duties and responsibilities of an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, Chairman of the Board and Chief Executive Officer	Independent Director, Chairman of Remuneration Committee, member of Audit Committee and Nominating Committee
Professional qualifications	Nil	Fellow member, The Association of Chartered Certified Accountants (FCCA)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Saito Hiroyuki	Lim Yit Keong
Working experience and occupation(s) during the past 10 years	June 2016 – Present Kingston House Children Learning Centre Pte. Ltd., Director April 2013 – Present Whitebay Capital Sdn. Bhd. (established in Malaysia), Director January 2013 – Present Whitebay Pte. Ltd., Director April 2012 – Present MF Financial Services Pte. Ltd., Director	September 2001 – Present Capital Consulting Pte Ltd, Director
Shareholding interest in the listed issuer and its subsidiaries	Yes Deemed interest of 155,148,030 ordinary shares in the Company	Nil
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	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Saito Hiroyuki	Lim Yit Keong
Other principal commitments including directorships		
Past (for the last 5 years)	Directorships: 1. Leafield Pte. Ltd. 2. Blue Active Singapore Pte. Ltd. Other principal commitments: None	Directorships: 1. Transcorp Holdings Limited 2. Edition Ltd. 3. R H Energy Ltd. 4. Primeearth Trading Pte Ltd 5. Sunli Migration Limited Other principal commitments: None
Present	Directorships: 1. Kingston House Children Learning Centre Pte. Ltd. 2. MF Financial Services Pte. Ltd. 3. Whitebay Pte. Ltd. 4. Whitebay Capital Sdn. Bhd. (established in Malaysia) 5. Cloud Eight, Inc. (formerly known as SAKURA FUTURES INC.) (established in USA) 6. BH Venture Myanmar Co., Ltd. (established in Myanmar) 7. Cloud Eight Pte. Ltd. 8. Finesse Digital Pte. Ltd. 9. LB F&B Pte. Ltd. 10. Takumi Holidays Pte. Ltd. Other principal commitments: None	Directorships: China Kunda Technology Holdings Limited Other principal commitments: Capital Consulting Pte Ltd, Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Saito Hiroyuki	Lim Yit Keong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(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?	No	No
(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

Name of Director	Saito Hiroyuki	Lim Yit Keong
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Saito Hiroyuki	Lim Yit Keong
(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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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?	Yes. Please refer to the Company's announcement dated 14 September 2018 for the relevant disclosure.	No

LIFEBRANDZ LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.200311348E)

IMPORTANT:

1. For investors who have used their CPF monies ("**CPF Investors**") and/or SRS monies ("**SRS Investors**") to buy shares in the capital of LifeBrandz Ltd., this Annual Report is forwarded to them at the request of their CPF and/or SRS Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with LifeBrandz Ltd..

ANNUAL GENERAL MEETING
PROXY FORM

I/We, _____(Name),
NRIC/Passport/Company Number* _____ of _____
_____(Address) being
a member / members of **LIFEBRANDZ LTD.** ("**Company**"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing *him/her, the Chairman of the Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835 on Wednesday, 27 November 2019, at 3.00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

No.	**Ordinary Resolutions**	**For****	**Against****
1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2019 together with the Auditors' Report thereon.		
2	To approve Directors' fees of S$93,250 for the financial year ended 31 July 2019 (2018: S$120,000).		
3	To re–elect Mr. Saito Hiroyuki who is retiring pursuant to Regulation 107 of the Company's Constitution.		
4	To re–elect Mr. Lim Yit Keong who is retiring pursuant to Regulation 117 of the Company's Constitution.		
5	To re–appoint Messrs Mazars LLP, as auditors of the Company and to authorise the Directors of the Company to fix their remuneration.		
	Special Business		
6	To authorise Directors to allot and issue shares in the capital of the Company.		

*** If you wish to exercise all your votes "**For**" or "**Against**", please indicate your vote "**For**" or "**Against**" with "**X**" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ..... day of 2019

Total number of Shares in:	Number. of Shares
(a) CDP Register	
(b) Register of Members	

.....
Signature(s) of Member(s) / Common Seal

*Delete where inapplicable
IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member of the Company appoints two (2) proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act.

6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 80 Raffles Place #41–02 UOB Plaza 1, Singapore 048624 not less than 48 hours before the time set for the AGM.

7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he 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 the member of the Company.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

9. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

10. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

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 AGM dated 12 November 2019.

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AFFIX
POSTAGE
STAMP

The Company Secretary
LIFEBRANDZ LTD.
80 Raffles Place #41-02
UOB Plaza 1, Singapore 048624

Fold this flap to seal

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LifeBrandz

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