

CIRCULAR DATED 12 NOVEMBER 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by LifeBrandz Ltd. (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular with the Notice of Extraordinary General Meeting (“**Notice of EGM**”) and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s) which are not deposited with the CDP, you should at once hand this Circular with the Notice of EGM and the attached proxy form immediately to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

Your attention is drawn to the section entitled “Risks Associated with the New Business” of this Circular, which you should review carefully.

This Circular has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This Circular 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

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.

LifeBrandz

LIFEBRANDZ LTD.

(Company Registration Number: 200311348E)
(Incorporated in the Republic of Singapore on 7 November 2003)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DIVERSIFICATION TO INCLUDE THE NEW BUSINESS

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	25 November 2019 at 4:00 p.m.
Date and time of Extraordinary General Meeting	:	27 November 2019 at 4:00 p.m. (or as soon as practicable following the conclusion or adjournment of the Company’s annual general meeting to be held on the same day and at the same venue at 3:00 p.m.)
Place of Extraordinary General Meeting	:	2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835

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DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires or otherwise stated:

- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more,
- or such other definition as the Catalist Rules may from time to time prescribe
- “Board”** : The board of Directors of the Company
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 12 November 2019
- “Companies Act”** : Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Company”** : LifeBrandz Ltd.
- “Conflicted Individual”** : Has the meaning ascribed to it in Section 2.6 of the Letter to Shareholders in this Circular
- “Constitution”** : The constitution of the Company, as amended, modified or supplemented from time to time
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the total voting rights in the Company. Notwithstanding, the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company

DEFINITIONS

“CPF”	: The Central Provident Fund
“Director”	: A director of the Company
“EGM”	: The extraordinary general meeting of the Company, to be held on 27 November 2019, the notice of which is set out on pages N-1 to N-2 of this Circular
“Existing Businesses”	: The existing businesses of the Group as described in Section 2.2 of the Letter to Shareholders in this Circular
“FY”	: Financial year ended or ending 31 July, as the case may be
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 31 October 2019, being the latest practicable date prior to the printing of this Circular
“Mr. Saito”	: Mr. Saito Hiroyuki
“Ms. Onuki”	: Ms. Saori Onuki
“New Business”	: Has the meaning ascribed to it in Section 2.3.1 of the Letter to Shareholders in this Circular
“New Business Subsidiary”	: The subsidiary intended to be incorporated by the Group for the purposes of carrying out the New Business
“Notice of EGM”	: The notice of the EGM which is set out on pages N-1 to N-2 of this Circular
“Proposed Diversification”	: The proposed diversification of the Existing Businesses to include the New Business
“Register of Members”	: Register of members of the Company
“SFA”	: Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: The Singapore Exchange Securities Trading Limited
“Share Registrar”	: The share registrar of the Company
“Shareholders”	: Persons (not being Depositors) who are registered as the holders of the Shares in the Register of Members of the Company and Depositors, who have Shares entered against their names in the Depository Register, except that where the registered holder is CDP, the term “Shareholders” , where the context admits, mean the Depositors whose securities accounts are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company, and each a “Share”

DEFINITIONS

“Substantial Shareholder” : A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company

Currency, Units and Others

“%” : Percentage or per centum

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in section 81SF of the SFA.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

The terms **“subsidiaries”** shall have the meanings ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Catalist Rules or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts listed and their totals are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

LIFEBRANDZ LTD.

(Company Registration Number: 200311348E)
(Incorporated in the Republic of Singapore on 7 November 2003)

Directors

Mr. Saito Hiroyuki	<i>(Executive Chairman and Chief Executive Officer)</i>
Mr. Yoshio Ono	<i>(Lead Independent Director)</i>
Mr. Kurokawa Shingo	<i>(Independent Director)</i>
Mr. Lim Yit Keong	<i>(Independent Director)</i>

Registered Office:

80 Raffles Place
#41-02
UOB Plaza 1
Singapore 048624

Date: 12 November 2019

To: The Shareholders of the Company

Dear Sir/Madam

THE PROPOSED DIVERSIFICATION TO INCLUDE THE NEW BUSINESS

1. INTRODUCTION

The Directors are convening the EGM to be held at 4:00 p.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day and at the same venue at 3:00 p.m.) on 27 November 2019 at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835 to seek the Shareholders' approval for the Proposed Diversification.

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Diversification to ensure that Shareholders will be in a position to make an informed decision in respect of the above proposal at the EGM.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.

2. THE PROPOSED DIVERSIFICATION

2.1. Introduction

Subject to the approval of the Shareholders, the Company intends to diversify into the New Business.

2.2. Existing Businesses of the Group

Since August 2017, the Group has expanded the scope of its businesses from brand development and management specialising in the lifestyle and entertainment sectors to include travel, fintech, information technology and fund management businesses.

As part of the Board's ongoing strategic corporate strategy to better position the Group to achieve long-term sustainable growth across diverse economic conditions, the Company is and has been seeking opportunities to expand the Group's presence by way of acquisitions and formations of new joint ventures with potential partners, and to adopt a diversification approach in its long-term growth strategy, with the primary goal of broadening the Group's revenue streams so as to sustain and enhance Shareholders' value and returns.

In order to achieve these objectives, the Company intends, subject to the approval of its Shareholders at the EGM, to diversify its Existing Businesses to include the New Business. More information on the rationale for the Proposed Diversification can be found in Section 3 below.

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2.3. New Business

2.3.1. Structure and scope of the New Business

The proposed new business will include the following:

- (a) the import and distribution of raw foods, such as the import of seafood and beef from the United States, Japan or other countries, which will be distributed to restaurants under the Group and other customers (including restaurants, retailers or other distributors) in the Asian market;
- (b) the import and distribution of canned or processed foods, such as the import of high quality canned or processed foods, wines and biscuits from the United States, Japan or other countries, which will be distributed to restaurants under the Group and other customers (including restaurants, retailers or other distributors) in the Asian market; and
- (c) the import and distribution of lifestyle, health and wellness products, such as the import of health supplements from the United States, Japan or other countries, which will be distributed to customers (including retailers or other distributors) in the Asian market,

(collectively, the “**New Business**”).

The New Business will become a new segment of the Group’s business and will be carried out through the New Business Subsidiary at the initial stage for the purposes of risk management. The Group may also, as part of the New Business, invest in shares or interests in any entity that is in the New Business.

To assist it in undertaking the New Business more effectively and efficiently, the Company may also enter into joint ventures, partnerships and/or strategic alliances with third parties (including interested persons) and seek to build its expertise and capabilities in the field. In the event that the Company proposes to enter into a joint venture, partnership or strategic alliance with an interested person (as defined under the Catalyst Rules), the Company will comply with the relevant provisions of Chapter 9 of the Catalyst Rules.

While the Group plans to focus on the import from the United States and Japan and the distribution to Asian market at the initial stage, it does not plan to restrict the New Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required and economic conditions, taking into account the opportunities available.

2.3.2. Management of the New Business

The Board recognises that although complementary, the New Business is different from the Existing Businesses of the Group. However, the Group notes that the relevant experience and expertise required can be acquired and developed by the Group over time as it progresses in the New Business.

Meanwhile, the New Business will be overseen and spearheaded by Mr. Saito, the Executive Chairman and Chief Executive Officer of the Company, and managed by Ms. Onuki, a manager of the Company.

Mr. Saito was appointed the Executive Chairman and Chief Executive Officer of the Company on 5 May 2017. Mr. Saito assumes the responsibility of setting up the strategic direction of the Group together with the Board. He also oversees the leadership and management of the Group for operational growth and expansion. Mr. Saito started and managed businesses in Japan 20 years ago. He has accumulated a broad business background in various industries and jurisdictions

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(including Singapore, Japan and the United States) over the past 20 years and he sits on the board of several companies. Through his experience, Mr. Saito has built a network with food distributors, suppliers and trading companies in Singapore, Japan and the United States.

Ms. Onuki was appointed a manager of the Company in April 2018 and she assists Mr. Saito in managing the food and beverage operations the subsidiaries of the Group in Singapore and establishing the food and beverage operations in the United States. Prior to joining the Group, Ms. Onuki was a general manager of a Japan-based manufacturer of healthcare, hygiene and food products where she was responsible for managing the distribution business in Cambodia.

In addition, as the New Business expands and the Board identifies new business opportunities and/or acquisition targets, the Group will evaluate the manpower and expertise required for the New Business and will, where necessary, employ new employees and engage professionals with the relevant expertise and experience to manage, support and assist with the New Business. Additionally, the Board and management of the Company will, where necessary, seek the advice of reputable external consultants and experts and work closely with local industry experts and professionals to ensure that the Company is able to comply with the relevant laws and understand the operating landscape in the jurisdictions in which New Business will operate in.

2.3.3. Management of the New Business Subsidiary

Ms. Onuki will oversee the operations of the New Business Subsidiary on an executive level. Her experience in the management of food-related business and distribution business makes her well placed to run the business of the New Business Subsidiary moving forward.

Mr. Saito will not be involved on an executive level in the daily running of the New Business Subsidiary. He will be providing oversight on a strategic level with the aim of growing the business of the New Business Subsidiary. Mr. Saito will also be in charge of identifying new targets and/or opportunities in respect of the New Business.

Furthermore, Mr. Saito's extensive experience in running businesses places him in an excellent position to oversee the New Business together with Ms. Onuki. He will utilise his network with food distributors, suppliers and trading companies to negotiate with various vendors to obtain a lower supply price for the New Business Subsidiary while ensuring that the quality of the supplies is maintained.

The Board will continue to observe Ms. Onuki's management of the New Business Subsidiary and will decide on whether to appoint her or any other executive as key executive officer when the New Business grows substantially in the future. Where necessary, the Board will provide Ms. Onuki with the relevant support in order to ensure the success of the New Business. The Company is confident that, with Mr. Saito and Ms. Onuki at the helm, the operations of the New Business Subsidiary will be carried out smoothly.

2.3.4. Revenue from New Business

It is envisioned for the initial revenue from the New Business will be substantially derived from the New Business Subsidiary.

The Company intends for the New Business to be engaged on a prudent basis with discretion, and to set appropriate risk and return objectives in respect of the New Business. Prior to acquiring other companies or making other investments for the New Business, the Board will evaluate each investment based on, *inter alia*, the potential costs and cash flow requirements involved, the estimated profit margins and the prevailing local and general market conditions.

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2.4. Financing of the Proposed Diversification

The Company intends to fund the New Business by internal resources, bank borrowings and/or fund-raising exercises. The Directors will determine the optimal mix of internal funding and external funding, taking into account the cash flow requirements of the Group and prevailing funding costs. In addition, the Company may consider tapping on the capital market including but not limited to rights issues, share placements and/or issuance of debt instruments as and when necessary and deemed appropriate.

2.5. Internal Controls and Risk Management of the New Business

The Board recognises the importance of internal control and risk assessment for the smooth running of the New Business. In order to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will implement a set of operations and compliance procedures.

The audit committee of the Company and the Board will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the New Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

2.6. Conflict of Interest

When the Company identifies a potential opportunity in respect of the New Business, each of the Directors and key management personnel will be obliged to disclose to the Board where he and/or his Associates have an interest (and the full extent thereof) in the transaction ("**Conflicted Individual**").

A Conflicted Individual shall not (i) vote in respect of matters in relation to the New Business; (ii) will not, directly or indirectly, make any executive decisions in respect of the New Business; and (iii) will not, directly or indirectly influence or participate in the operations and management of the New Business.

2.7. Requirements of the Catalist Rules

As the Proposed Diversification will result in an expansion of the Group's business to new business sector(s) and may also result in an expansion to new geographical market(s), it is envisaged that the Proposed Diversification may change the Group's risk profile. Accordingly, the Directors propose to convene an EGM to seek Shareholders' approval for the Proposed Diversification.

Upon approval by the Shareholders of the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the New Business. This will allow the Group to, enter into transactions relating to the New Business in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the New Business arise, even where they constitute a "major transaction". This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

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Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds (i) for an acquisition, 75% but less than 100%, or (ii) for a disposal, 50%, and must be made conditional upon approval by shareholders in a general meeting.

However, in accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval.

For the avoidance of doubt, notwithstanding approval by the Shareholders of the Proposed Diversification, where:

- (a) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable;
- (b) in respect of an acquisition of assets, any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100% or more, or such acquisition will result in a change in control of the issuer, Chapter 10 of the Catalist Rules (including Rule 1015) will continue to apply to any such acquisition, which must be made conditional upon the approval of, *inter alia*, Shareholders;
- (c) a transaction constitutes an interested person transaction (as defined under the Catalist Rules), Chapter 9 of the Catalist Rules will continue to apply to any such transaction; and
- (d) in light of Practice Note 10A of the Catalist Rules, if a transaction changes the risk profile of the Company, Shareholders' approval may be sought for such transaction.

3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

3.1. Historical Performance of the Group

In July 2017, the Group took step to wind up six of its then subsidiaries which were dormant to rationalise and streamline the Group's structure and subsequently in August 2017, the Group obtained its Shareholders' approval for diversification of its business to provide comprehensive services and multi-faceted solutions including travel, fintech, information technology and fund management services, in addition to brand development and management services.

The Group's persistence in its strategy of revenue and risk diversification, and channelling energies and resources into the diversification of its businesses, has proved to be successful. The Group's expansion and diversification efforts have resulted in a large increase of (i) more than 300% to its revenue for FY2018 as compared to FY2017 and (ii) more than 80% to its revenue for FY2019 as compared to FY2018.

As part of continuing the Group's strategy to strengthen its operations and financial position and to ensure continued growth and success of the Group, the Directors have been on a search for new business opportunities and have decided to pursue the Proposed Diversification in order to expand into the New Business.

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3.2. Synergy with and Complementary to Existing Businesses

The Company had selected to expand into the New Business as it synergises with and complements the Existing Businesses of the Group and provides the following three (3) key benefits to the Group: cost control, streamlining the Group's processes and establishing an alternative stream of income.

3.2.1. Cost control

The Group's recent joint venture with Office Hashida Co., Ltd to operate a high-end food and beverage sushi business has led to the establishment of new restaurants, Hashida Sushi Singapore and Sushi Nagai San Francisco, in Singapore and the United States, respectively. However, the food and beverage retail business is operating in a highly competitive environment, where the Group has to compete with its competitors on, among other things, competitive pricing and the quality of food products. If the Group's competitors are able to offer, for example, better quality food at lower prices, the Group's sales and market share will be adversely affected.

In order to remain price competitive in the market without compromising the quality of its food and beverage, the Group is required to continually source for good quality ingredients at the best price. Through the Proposed Diversification into the New Business, the Group will have the ability to import ingredients such as seafood and beef from the United States, Japan and other countries and then supply these ingredients to the Group's restaurants at a lower cost, resulting in an increase of the Group's gross profit margin of its food and beverage retail business. The lower costs will not only enable the Group to enjoy better profit margins but also allow the Group to have more flexibility in pricing its products.

Additionally, the imported ingredients can also be supplied to various food and beverage retail businesses in the Asian market or any other markets in the future. This way, the Group can also enjoy economies of scale, allowing the Group to continually negotiate for more favourable terms with its suppliers.

3.2.2. Streamlining the Group's processes

Currently, the Group is heavily dependent on the response of its suppliers in supplying the ingredients for its food and beverage retail business. As the Group's high-end food and beverage retail business requires ingredients of a higher quality, the timing of the supply is more variable.

The Proposed Diversification aims to consolidate part of the Group's sources of ingredients through the New Business by allowing the Group to become the supplier of the ingredients needed for its operations. The consolidation of the source of supply will provide the Group with a competitive supply chain structure and a more efficient distribution system. This will not only allow the Group to streamline its operations and processes but also enable the Group to monitor the market conditions and prices of its ingredients.

The Proposed Diversification will also further strengthen the Group's network with food distributors, suppliers and trading companies. The Group's increased interaction with such distributors, suppliers and trading companies will allow the Group to source for ingredients at better cost differentials and at a more efficient supply timing compared to other food and beverage retail businesses.

3.2.3. Establishing an alternative stream of income and complementary to existing core business

Consumers have been increasingly selective in their spending habits. The Group attracts customers by offering high-end food at its restaurants coupled with a high standard of service. In order to continually enhance the services provided to its customers, the Group can, through the Proposed Diversification, import high quality food and beverage products and sell them to its customers at the various restaurants at a competitive price. Such products may include canned or processed food, wines or biscuits. This will provide the Group with an alternative stream of income as a distributor or wholesale supplier of such high quality food and beverage products while complementing its existing core business.

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For example, customers of the Hashida Sushi Singapore restaurant or the Sushi Nagai San Francisco restaurant would have the benefit of enjoying an Omakase meal and simultaneously having the option of purchasing high quality wines or biscuits at a reasonable price.

Apart from selling high quality food and beverage products to the customers at the restaurants, the Group can also import such products and distribute or re-export them to other retail businesses or other countries in Asia or other regions in the future.

3.3. Future Expansion Plans

The Proposed Diversification will pave the way for the Company to invest into various other sub-segments of the food and beverage industry.

The Board believes that, barring any unforeseen circumstances, the Proposed Diversification will provide the following benefits to the Group:

(a) *Reduced reliance on Existing Businesses*

The Group is of the view that the New Business is expected to provide additional revenue streams for the Group which are independent of the sectors in which the Existing Businesses operate in, such as the travel sector, thereby reducing the Group's reliance on its Existing Businesses for its revenue streams. Given the uncertainties prevailing in the current global economic outlook, the Directors believe that it is prudent to take active steps to reduce reliance on the Group's Existing Businesses. The inclusion of the New Business may provide the Group with a more diversified business and income base for future growth and reduce the Group's reliance on its Existing Businesses for its revenue streams.

(b) *Enhanced Shareholders' value*

The Proposed Diversification is part of the Group's corporate strategy to provide the Shareholders with diversified returns and long-term growth. The Directors believe that the profits generated from the New Business may provide the Group with additional funds, which can be channelled towards the enhancement of Shareholder value over the long-term.

4. RISKS ASSOCIATED WITH THE NEW BUSINESS

In undertaking the Proposed Diversification, the Group could be affected by a number of risks which relate to the industries and countries in which the Company intends to operate as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Circular.

To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Diversification, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time, and it is not possible for the Board to predict all risk factors, nor can the Board assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Diversification. There may also be other risks associated with entry into the Proposed Diversification which are not presently known to the Company, or that the Company may currently deem immaterial and as such have not been included in the discussion below.

LETTER TO SHAREHOLDERS

4.1. Risks relating to the New Business

The following is an identified but by no means exhaustive list of risk factors which are associated with the New Business:

- (a) *The Group has limited prior experience in the New Business and the current management may not have the relevant expertise to ensure success*

The Proposed Diversification is in an area that is new to the Group. As such, the Company will face the usual risks, uncertainties and problems associated with the entry into any new business which it has no prior track record in.

In addition, the Company's current management team may not have the relevant expertise to ensure success in the New Business. While Ms. Onuki has experience in managing food-related business and distribution business, and Mr. Saito has a wide network with food distributors, suppliers and trading companies, there is no guarantee that their experience and network will necessarily result in success in the New Business. If the New Business has different requirements from what Mr. Saito and Ms. Onuki have to offer, there may be an adverse impact on the prospects, operations and financial performance of the Group. As such, the Company is always on the lookout for suitable personnel to develop and grow the New Business, and is not merely seeking to be reliant on the existing key personnel.

Additionally, the Company intends to, where necessary, employ new employees and engage professionals with the relevant expertise and experience to manage, support and assist with the New Business. However, there is no assurance that the Company will be able to attract and retain the right persons for the New Business. If the Company is unable to attract and retain a sufficient number of suitably skilled and qualified personnel, the Group's business, results of operations and financial condition may be adversely affected.

Delays in integration or unforeseen or unresolved issues may divert the Company's management attention and resources, delay the commencement of or prevent revenue growth in the New Business, which may materially and adversely affect the results of operations or financial position of the Group.

The Company intends to devote time and management attention to setting up the New Business, including but not limited to applying for the requisite registrations and/or licences, hiring skilled professionals and employees, providing the necessary training, know-how, business support, creating new incentive structures for management and staff, establishing the operating infrastructure and internal controls, brand development, and establishing clientele. Nevertheless, there can be no assurance that the Company will be successful in the New Business, or that such measures will result in the seamless integration of the New Business into the Group's existing operations.

- (b) *The New Business is subject to competition risks*

The success of the New Business will depend to a large extent on the Company's ability to establish itself in the food and beverage and lifestyle, health and wellness products distribution industry on an economically viable scale and in line with the Group's business objectives. The Company will have to compete with other distribution companies in the same industry, some of which may be larger, better capitalised, offer a wider range of services, have access to greater human resources, and have both a stronger presence as well as a longer operating history in these markets.

The product categories of the New Business are highly competitive. There are numerous brands and products that compete for sales, with competition based primarily upon brand recognition and loyalty, product packaging, quality and innovation, taste, nutrition, breadth of product line, price and convenience. Furthermore, the high-end products in the New Business will face strong competition from private label products that are generally sold at lower prices, imports, other national and regional brands and fresh and frozen alternatives.

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The impact of price gaps between the Company's products and private label products may be particularly acute, where significant price gaps may result in share erosion and harm the New Business.

Some of the Company's competitors may have broader product lines, substantially greater financial and other resources and/or lower fixed costs. Such competitors may succeed in developing new or enhanced products that are more attractive to customers or consumers than the Company's. These competitors may also prove to be more successful in marketing and selling their products, and may be better able to increase prices to reflect cost pressures.

There can be no assurance that the Company's plan to penetrate these markets will be commercially successful. The Company cannot predict the pricing or promotional activities of its competitors or whether they will have a negative effect on the New Business. If the Company fails to compete effectively in this environment, the Group may lose clients and/or investee companies, and the opportunity to gain new clients and/or investee companies.

The Company will need to increase its marketing activities to develop market awareness and relationships with potential clients and/or investee companies. Additionally, the Company may, from time to time, change its marketing strategies, including the timing or nature of its related promotional programmes. The sufficiency and effectiveness of the Company's marketing activities is important to its ability to retain or improve its market share or margins. Such activities will increase the Company's expenses, and such expenditure without a corresponding increase in revenue may have an adverse impact on the Group's growth prospects and financial performance.

- (c) *The Group's success in the New Business depends on the Company's ability to import and distribute commercially viable products which adapt to changes in consumer preferences and dietary habits*

The Company conducts its market research and business strategy in anticipation of importing and distributing products that it believes have good prospects. However, there can be no assurance that the Company's market research efforts and business strategy will yield its desired results. The success of the New Business is dependent on the Company's ability to constantly import products which suit the tastes of consumers, reposition existing products, and anticipate and offer products that appeal to the changing tastes, dietary habits and trends and product packaging preferences of consumers.

Demand for the Company's high-end products also depends on demographic factors, consumer preferences and trends, as well as factors relating to discretionary consumer spending, including the general condition of the economy, general level of consumer confidence and seasonal factors such as holidays and festivities. Consumer preferences and dietary habits may shift away from high-end products, and there may be a corresponding decrease in demand for the Company's products. Furthermore, successfully launching and selling high-end products puts pressure on the Company's sales and marketing resources. If consumers do not accept a new product, then the introduction of the new product can reduce the Group's operating income as introduction costs may exceed revenues.

If the Company is not able to anticipate, identify or market and distribute products that respond to changes in consumer preferences and dietary habits, the New Business may not grow as anticipated, and the financial performance, profitability and prospects of the Group will be adversely affected.

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- (d) *Demand for high-end products may be negatively affected by the economy*

The economy may have a negative impact on demand for and the selling prices of the Company's high-end products. Continued concerns about the systemic impact of potential long-term and wide-spread recession, geopolitical issues, continued market volatility and the availability and cost of credit have contributed to increased market volatility and diminished expectations for economic growth around the world. The Company cannot predict whether these adverse conditions will continue and the extent to which the New Business may be affected. Any deterioration in economic conditions could have a material adverse effect on the New Business by decreasing the demand for and the selling prices of premium products. This may adversely affect the Group's business, prospects, cash flows, financial condition and results of operations.

- (e) *The New Business is subject to general risks associated with doing businesses overseas*

There are risks inherent in doing business overseas, which include but are not limited to unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, potentially adverse tax consequences, legal uncertainties regarding liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations in respect of the New Businesses and consequently, the Group's financial performance and financial condition.

- (f) *The New Business may be subject to risks due to fluctuations in foreign exchange rates*

To the extent that the New Business involves operations in a different geographic jurisdiction (such as in the United States, Japan and Asia) and the Company's revenue and purchases are not naturally matched in the same currency, and to the extent that there are timing differences between invoicing and receipt of funds from its customers or payment to its suppliers, the Group is exposed to foreign exchange rate fluctuations which may result in foreign exchange losses that may adversely affect its financial results. Furthermore, such fluctuations may be unpredictable.

- (g) *The New Business may be affected by any outbreak of food-related diseases*

The products in the New Business may be subject to environmental hazards and epidemic diseases. Although the Company will implement measures to comply with relevant health and food safety regulations and requirements in relation to the supply and distribution of the products, any outbreak of food-related diseases may render the products unsafe for consumption, affecting the level of general public consumption of such products and may have a material adverse impact on the Group's business. The Company is unable to predict future occurrences of such outbreaks, or whether it will affect the quality of the products to be distributed. In the event of any outbreak or contamination, efforts to source for alternative sources for the products may be costly and will have a negative impact on the financial results of the Group.

- (h) *The New Business may be subject to exposure to complaints, product recall and product liability claims as well as litigation associated with such claims*

The New Business may, from time to time, be the subject of complaints from consumers of its products with regard to the product quality which will in turn affect its reputation as a high-end product distributor.

If the Company's products are alleged to cause injury or illness, or if the Company is alleged to have mislabelled or misbranded its products or otherwise violated any regulations, the Company may be exposed to product recalls and adverse public relations. The Company may also voluntarily recall or withdraw products that the Company considers below standards, whether for quality, taste, appearance or otherwise, in order to protect its brand reputation. A product recall or withdrawal could result in substantial and unexpected expenditures, destruction of product inventory, and lost sales due to the unavailability of the product for a period of time, which could reduce profitability and cash flow.

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Any complaints on the Company's products which escalate to become lawsuits against the Company, even where unsuccessful, would require the Group to divert resources to address these claims. A successful product liability claim or series of claims brought against the Group could result in judgments, fines, damages and liabilities that could have a material adverse effect on the Group's business, financial condition and/or result of operations.

Furthermore, the New Business may be adversely affected by negative publicity resulting from the publication of industry findings, research reports or health concerns in relation to products such as canned or processed food and health supplements. Any such negative publicity, regardless of their validity, may result in lower demand for the Company's products and hence a decline in the number of orders which the Company would otherwise receive from its customers.

Product recalls (even if voluntary), product liability claims (even if unmerited or unsuccessful) or negative publicity may cause consumers to no longer associate the Company's products with high quality and safe products, thereby hurting the value of the Group's brands, leading to a decline in consumer confidence in and demand for the Group's products. These could have a material adverse effect on the Group's brands, business, results of operations and financial condition. Additionally, such matters could be costly, time-consuming and may require the diversion of significant management attention to address them.

In the event that the Company is found liable under any such liability claims, there is no assurance that the Company will have adequate or sufficient liability insurance to cover the amount of damages payable in respect of such claims. Any claims in excess of any liability insurance coverage that may be obtained by the Company may have a material adverse effect on the Group's business, financial conditions and results of operations. In the event that the liability incurred by the Company under such claims is substantial, the Group's business may be significantly affected.

(i) *The New Business is exposed to risks associated with the Company's counterparties*

The Company faces the risk that its counterparties, such as customers, suppliers and service providers, may fail to honour their contractual obligations to the Company. This may result in the Group facing stress on its cash flow and a material increase in bad debts. The non-execution of contracts by counterparties may also lead to the Company in turn not being able to honour its contractual obligations to third parties. This may subject the Group to, among others, legal claims and penalties. As a result, the Group's business, results of operations and financial position may be adversely affected.

The Company's counterparties may default on credit which the Company may grant to them. Credit default may arise due to the failure of the Company's internal credit exposure monitoring system or mechanism, improper judgment or incomplete information on the trading risks of the Company's counterparties. In the countries from which the Company procures its products, the Company may make advances to farmers, agents, co-operatives and other suppliers. These advances may not be recoverable in the event of volatile price movements, disruptions or a sudden end to the crop season. The Company may also make advances to established suppliers or sell on credit to established customers, where it is commercially advantageous to do so. In all these situations, default on advances by the counterparty will adversely affect the Group's financial performance. Where loans are secured with collateral, the Company may not be able to recover the full value of the loan by liquidating the collateral. As a result, the Group's business, results of operations and financial position may be adversely affected.

(j) *The success of the New Business depends on the Group's ability to maintain a working relationship with its suppliers and customers*

The Company relies on a distribution network in relation to a significant portion of the New Business. Although the Group has maintained a healthy relationship with distributors, suppliers and trading companies through Mr. Saito's established network, there can be no

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assurance that the Group will be able to maintain its existing relationships with these parties or to develop relationships with replacement parties on favourable terms. In addition, as the Group seeks to expand into new regions and new product categories and to increase its market penetration in its existing regions and product categories, there can be no assurance that the Group will be successful in establishing relationships with new suppliers and customers in these regions on favourable terms or at all. If the Group is unable to form new relationships and maintain the present relationships with the distributors, suppliers and trading companies, there may be a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

- (k) *The success of the New Business depends on third-party suppliers meeting the Group's quality standards*

The Company buys ingredients, commodities and other raw materials from third-party suppliers which it then distributes to its customers. If these products are alleged or proved to be of an inferior quality or include contaminants affecting the safety or quality of the Company's products, the Company may need to find alternative products, or discard or otherwise dispose of its products, which could adversely affect its results of operations. Additionally, if the quality of the products or the presence of such contaminants are not alleged or discovered until after the affected products have been distributed, the Company may need to withdraw or recall the affected products and the Group may experience adverse publicity or product liability claims. In either case, the Group's results of operations could be adversely affected.

- (l) *The New Business may be exposed to liquidity risks which are caused by a mismatch of credit periods for sales and purchases*

The Company faces liquidity risks due to the timing difference between the purchase of raw ingredients or products and the eventual sale of its products. The Company's purchase of raw ingredients or products will require a high initial working capital, especially during purchasing periods. Due to the nature of the New Business, the Company's cash conversion cycle, from the purchase of raw ingredients or products to the collection of receivables from its customers may require a long period, depending on whether it involves domestic sales or export sales.

In the event that the Company is not able to maintain its sales or if the Company is unable to collect its trade receivables on a timely basis, within the credit terms granted by the Company or at all, the Company's working capital and ability to purchase products for its operations will be affected.

- (m) *The New Business may require additional funding for future capital expenditure and working capital to implement long term business strategies*

The New Business may require additional funding for future capital expenditure and working capital. It is likely that the Group will need to access the capital markets for debt or equity financing to fund future capital may need significant external financing to fund its growth. The Group's ability to obtain additional financing depends on a number of factors, such as market conditions, its operating performance and the commercial viability of its products and/or services. There is no assurance that the Group will be able to obtain additional financing in a timely manner and on terms that are acceptable to the Group or at all.

- (n) *The Group's performance following the Proposed Diversification will be subject to exposure to macro-economic risks*

The markets in which the Company will operate the New Business are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Company operates:

- (i) legal and regulatory changes;

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- (ii) economic and political conditions;
 - (iii) the level and volatility of liquidity and risk aversion;
 - (iv) concerns about natural disasters, terrorism and war;
 - (v) the level and volatility of equity, debt, property, commodity and other financial markets;
 - (vi) the level and volatility of interest rates and foreign currency exchange rates; and
 - (vii) concerns over inflation.
- (o) *The New Business may be subject to disruptions in supply or distribution networks and store operations*

The New Business involves sourcing products from a large number of domestic and international suppliers. As multiple forms of transportation are used to bring the Company's products to the market, logistics and other transportation related costs have a significant impact on the Company's results of operations.

Disruption to the timely supply of these services or increases in the cost of these services for any reason, including availability or cost of fuel, regulations affecting the industry, service failures by the Company's third-party logistics service providers, availability of various modes of transportation, or natural disasters (which may impact the transportation infrastructure or demand for transportation services), could have an adverse effect on the Company's ability to distribute the products to its customers, and this could have a material adverse effect on the Group's financial performance.

Furthermore, various external factors, including political or economic instability and severe weather conditions or natural disasters such as floods, earthquakes or typhoons, in the areas in which the Company has supply or distribution networks, may result in closure of such areas, disruption of the Company's supply or distribution networks, delivery delays, decreases in the availability or selection of products and costs increases. Severe weather conditions and natural disasters may also affect the growing conditions, quantity and quality of crops yielded by food producers and adversely affect the availability or cost of certain products. Such disruptions to the Company's supply or distribution network may adversely affect the Group's business operations and financial performance.

The failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, particularly when a product is sourced from a single supplier or location or if such events impact its seasonal packing, could adversely affect business and results of operations.

Furthermore, the Company is subject to fluctuations in the prices of shipping and logistics costs. Shipping and logistics costs for commodities are usually market-driven and are highly cyclical. Shipping rates fluctuate in response to the level of demand for vessels and the availability of vessels to satisfy that demand. The level of demand is influenced by many factors, including general economic conditions, global trading volumes and port usage. Shipping rates are the most variable element of expense in relation to a particular shipment and are relevant to the Company's results to the extent that they will affect the pricing and profit margin of the products distributed by the Company.

- (p) *The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance*

While the Company will, where appropriate, obtain insurance policies to cover losses in respect of its products and certain eventualities arising from the Company's business operations, the insurance obtained may not be sufficient to cover all potential losses, including losses arising from risks which are generally not insurable. These include losses

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arising from acts of God, earthquakes, war, civil disorder and acts of terrorism. Losses arising out of damage to or loss of the Group's product not covered by insurance policies in excess of the amount it is insured may affect the Group's profitability.

- (q) *The Company may be affected if it fails to obtain the necessary licences, permits or approvals, or if any of its licences, permits or approvals are revoked, not renewed or not extended*

The New Business is subject to extensive legal and regulatory requirements, including but not limited to food safety requirements, such as regular government inspections and governmental food processing controls, in the countries in which it operates. In accordance with the applicable laws and regulations in the various jurisdictions, the Company is required to maintain various licences, permits or approvals in order to operate the New Business.

Loss of or failure to obtain necessary licenses, permits or approvals could delay or prevent the Company from meeting current product demand, introducing new products, exporting its products to certain countries, building new facilities, or acquiring new businesses and could adversely affect its operating results. If the Company is found not to be in compliance with applicable laws and regulations, particularly if it relates to or compromises food safety, it could be subject to civil remedies, including fines, injunctions, recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, future material changes in food safety regulations could result in increased operating costs or affect the Company's ordinary operations, which could also have a material adverse effect on the Group's operations and its financial results.

- (r) *The commercial success of the New Business depends on the adequate protection of the Group's intellectual property rights and other proprietary rights*

The New Business may involve products which require the protection of intellectual property rights. The Group's registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. The Group may not be able to protect its rights to these trademarks and trade names, which the Group needs to build name recognition by potential partners or customers in the Group's markets of interest. Furthermore, it can be difficult and costly to defend trademarks from encroachment or misappropriation outside of the jurisdictions which the New Business operates in. Over the long term, if the Group is unable to establish name recognition based on its trademarks and trade names, the Group may not be able to compete effectively and its business, results of operations and financial condition may be materially and adversely affected.

The coverage of registered intellectual property rights is subject to interpretation by the courts, and the interpretation is not always uniform or predictable. Where a competitor infringes on its trademarks and other proprietary rights, the Group intends to enforce its intellectual property rights against infringers when it determines that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If the Group chooses to enforce its intellectual property rights against a party, then that individual or company has the right to ask the court to rule that such intellectual property rights are invalid and should not be enforced. These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of the Group's managerial and scientific personnel even if the Group were successful in stopping the infringement of such intellectual property rights. In addition, there is a risk that the court will decide that such intellectual property rights are not valid and that the Group does not have the right to stop the other party from using the trademarks. There is also the risk that, even if the validity of such intellectual property rights is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe the Group's intellectual property rights. Any failure to enforce the Group's intellectual property rights or to defend any legal proceedings regarding its intellectual property rights may materially and adversely affect the Group's business, results of operations and financial condition.

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The Group may also be subject, in the ordinary course of the New Business, to legal proceedings and claims from time to time relating to the intellectual property of others, which could have a material adverse effect on the Group's business, results of operations and financial condition. The Group cannot be sure that the products, services, technologies and advertising it employs in the New Business do not or will not infringe valid patents, trademarks, copyrights or other intellectual property rights held by third parties. In addition, the Group's collaboration and joint venture partners may not properly maintain or defend the Group's intellectual property rights or may use the Group's proprietary information in such a way as to invite litigation that could jeopardise or invalidate the Group's intellectual property or proprietary information or expose the Group to potential litigation. They may also infringe the intellectual property rights of third parties, which may expose the Group to litigation and potential liability. Any legal action against the Group claiming damages or seeking to enjoin commercial activities relating to the affected products or its methods or processes may:

- (i) require the Group, or its partners, to obtain a licence to continue to use, manufacture or market the affected products, methods or processes, and such a licence may not be available on commercially reasonable terms, if at all;
- (ii) prevent the Group from making, using or selling the subject matter claimed in patents held by others and subject the Group to potential liability for damages;
- (iii) consume a substantial portion of the Group's managerial and financial resources; or
- (iv) result in litigation or administrative proceedings that may be costly, whether the Group wins or loses.

Any such event could have a material adverse effect on the New Business, results of operations and financial condition.

(s) *The Group will incur costs to maintain its intellectual property rights*

Periodic maintenance fees, renewal fees, annual fees and various other governmental fees on trademarks and/or applications will be due to the various intellectual property offices at various points over the lifetime of the Group's trademarks. Additionally, there may be various procedural and documentary fees payable and other similar provisions during the maintenance or renewal process. The Group employs reputable law firms and other professionals to help the Group comply with the application and maintenance processes, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which non-compliance may result in the abandonment or lapse of the trademark, resulting in partial or complete loss of intellectual property or proprietary rights in the relevant jurisdiction. If such an event were to occur, it may have a material and adverse effect on the New Business, results of operations and financial condition.

(t) *Electronic commerce may change the competitive landscape of the New Business*

In light of the rapid development of electronic commerce, there can be no assurance that the Company's suppliers' current distribution model and the Company's customers' current purchasing methods will not change. The Company's suppliers may change their business model, which may include choosing to undertake direct distribution of their products to consumers. The Company's customers may also choose to shop for the high-end products and general merchandise online instead of shopping at the Group's restaurants in person. While the Group will consider providing online retailing services for the high-end products, any material changes in the Company's suppliers' current distribution model may continue to adversely affect the Company's business and the Group's financial performance.

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4.2 Potential Impact of Risks

Any of the above-mentioned risk factors, if crystallised, could adversely impact the performance of the New Business, which in turn may affect the net profits and/or financial position of the Group.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are set out below:

	Number of Shares			Total Percentage of Interest (%) ⁽¹⁾
	Direct	Deemed	Total	
Directors				
Mr. Saito Hiroyuki	—	155,148,030 ⁽²⁾	155,148,030	28.91
Mr. Yoshio Ono	—	—	—	—
Mr. Kurokawa Shingo	—	—	—	—
Mr. Lim Yit Keong	—	—	—	—
Substantial Shareholders (other than Directors)				
Bounty Blue Capital Ltd	—	155,148,030 ⁽³⁾	155,148,030	28.91
Rockwills Trustee Ltd	—	155,148,030 ⁽²⁾	155,148,030	28.91
Blue Bay Trust	—	155,148,030 ⁽²⁾	155,148,030	28.91
Mr. Low Poh Kuan	23,746,500	14,160,000 ⁽⁴⁾	37,906,500	7.06

Notes:

- (1) The percentage of interest is computed based on the issued and paid up share capital of the Company comprising 536,670,246 Shares (excluding treasury shares).
- (2) 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.
- (3) Bounty Blue Capital Ltd is deemed to be interested in the 155,148,030 Shares held through UOB Kay Hian Private Limited.
- (4) Mr. Low Poh Kuan is deemed to be interested in 14,160,000 Shares held under his nominee account with DBS Nominees (Private) Limited.

None of the Directors, Controlling Shareholders or Substantial Shareholders of the Company or their respective Associates has any interest, whether direct or indirect, in the Proposed Diversification (other than through their shareholdings (if any) in the Company).

6. DIRECTORS' RECOMMENDATIONS

Having considered and reviewed, amongst others, the rationale of the Proposed Diversification, and all other relevant facts set out in this Circular, the Directors are of the opinion that the Proposed Diversification are both in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour thereof.

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7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held on 27 November 2019 at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution set out in the aforementioned notice.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

A Shareholder who is unable to attend the EGM and who wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the proxy form enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, not less than 48 hours before the time appointed for holding the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in place of his proxy should he subsequently wish to do so. A proxy need not be a member of the Company.

A Depositor with Shares credited to his Securities Account shall not be entitled to attend the EGM and to speak and vote there at or appoint a proxy unless his name appears on the Depository Register maintained by the CDP as at 72 hours before the time appointed for holding the EGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents will be made available for inspection by Shareholders during normal business hours from 9:00 a.m. to 5:00 p.m. at the Company's registered office at 80 Raffles Place, #41-02, UOB Plaza 1, Singapore 048624, for a period of three (3) months from the date of this Circular:

- (a) the annual report of the Company for FY2019; and
- (b) the Constitution of the Company.

Yours faithfully
For and on behalf of the Board of
LIFEBRANDZ LTD.

Saito Hiroyuki
Executive Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

LIFEBRANDZ LTD.

(Company Registration Number: 200311348E)
(Incorporated in the Republic of Singapore on 7 November 2003)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of LifeBrandz Ltd. (the “**Company**”) will be held at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835 on 27 November 2019 at 4:00 p.m. (or as soon as practicable following the conclusion or adjournment of the Company’s annual general meeting to be held on the same day and at the same venue at 3:00 p.m.) for the purpose of considering and, if thought fit, passing (with or without modifications) the following ordinary resolution:

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular to the Shareholders of the Company dated 12 November 2019 (the “**Circular**”).*

ORDINARY RESOLUTION – PROPOSED DIVERSIFICATION TO INCLUDE THE NEW BUSINESS

That:

- (1) approval be and is hereby given for the Company and its subsidiaries to carry out and implement the Proposed Diversification, and any other transactions and activities necessary or desirable in connection therewith; and
- (2) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Diversification as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

BY ORDER OF THE BOARD
LIFEBRANDZ LTD.

Saito Hiroyuki
Executive Chairman and Chief Executive Officer
12 November 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. 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 EGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead.
2. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM, 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 (1) proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy.
3. A proxy need not be a member of the Company.
4. 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.
5. 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 EGM.
6. 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 EGM in order for the Depositor to be entitled to attend and vote at the EGM.

Personal Data Protection:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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 EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. 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 EGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

*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.

PROXY FORM

LIFEBRANDZ LTD.

(Company Registration Number: 200311348E)
(Incorporated in the Republic of Singapore on 7 November 2003)

EXTRAORDINARY GENERAL MEETING PROXY FORM

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 Circular 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 EGM 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..

*I/We, _____ (Name), *NRIC/Passport/Company Number _____ of _____ (Address)

being *a member/members of **LIFEBRANDZ LTD.** (the "**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 which, the Chairman of the extraordinary general meeting of the Company (the "**EGM**"), as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the EGM to be convened at 4:00 p.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day and at the same venue at 3:00 p.m.) on 27 November 2019 at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835, and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the ordinary resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

* Delete accordingly

No.	Ordinary Resolution	For**	Against**
1.	To approve the Proposed Diversification		

** 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)/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF.



PROXY FORM

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 EGM 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 EGM, 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 EGM, 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 EGM.
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 EGM 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 EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the EGM.
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 EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

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 EGM dated 12 November 2019.