

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	The Group		Increase/ (Decrease) %
	Year ended 31 July		
	2020 S\$'000	2019 S\$'000	
Revenue	3,403	5,573	(39%)
Other operating income	250	129	94%
Expenses			
- Inventories and consumables used	(830)	(1,171)	(29%)
- Travel booking services cost	(696)	(2,005)	(65%)
- Advertising, media and entertainment	(115)	(280)	(59%)
- Employee benefits	(2,235)	(2,725)	(18%)
- Amortisation and depreciation	(1,789)	(515)	>100%
- Finance cost	(214)	(1)	>100%
- Rental on operating lease	-	(788)	N.M.
- Transportation	(10)	(25)	(60%)
- Legal and professional fees	(409)	(557)	(27%)
- Other operating expenses	(4,273)	(1,102)	>100%
- Changes in inventories of finished goods	(21)	22	N.M.
Total expenses	(10,592)	(9,147)	16%
Loss before income tax	(6,939)	(3,445)	>100%
- Income tax expense	(5)	(1)	>100%
Loss for the financial year	(6,944)	(3,446)	>100%
Attributable to:			
Owners of the Company	(6,709)	(3,094)	>100%
Non-controlling interest	(235)	(352)	(33%)
	(6,944)	(3,446)	>100%

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

A statement of comprehensive income (for the group), together with a comprehensive statement for the corresponding period of the immediate preceding financial year.

The Group			
Year ended 31 July			
	2020	2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
Loss for the financial year	(6,944)	(3,446)	>100%
Other comprehensive loss:			
Exchange differences on translating foreign operations	(168)	(188)	(11%)
Total comprehensive loss for the financial year	(7,112)	(3,634)	96%
Attributable to:			
Owners of the Company	(6,877)	(3,282)	>100%
Non-controlling interest	(235)	(352)	(33%)
	(7,112)	(3,634)	96%

1(a)(ii) The Group's loss for the financial year is arrived after charging/(crediting) the following:

The Group			
Year ended 31 July			
	2020	2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
Depreciation on plant and equipment	1,715	441	>100%
Impairment loss on right-of-use assets	2,624	-	N.M.
Write off of plant and equipment	994	-	N.M.
Write off of inventories	19	-	N.M.
Write off of other receivables	10	-	N.M.
Amortisation of intangible asset	74	74	0%
Net foreign exchange gain	(67)	(77)	(13%)
Interest income from fixed deposit	*	*	N.M.
Government grant	(151)	(32)	>100%
Other income	(32)	(20)	60%

*: denotes less than S\$1,000.

N.M.: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	The Group		The Company	
	31/7/2020	31/7/2019	31/7/2020	31/7/2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current assets</u>				
Cash and cash equivalents	85	320	2	73
Trade and other receivables	1,047	905	4,770	4,305
Inventories	6	25	-	-
	1,138	1,250	4,772	4,378
<u>Non-current assets</u>				
Plant and equipment	64	2,051	9	21
Goodwill	194	194	-	-
Intangible asset	15	89	-	-
Guarantee deposit	177	177	-	-
Investment in subsidiaries	-	-	100	100
	450	2,511	109	121
Total assets	1,588	3,761	4,881	4,499
<u>Current liabilities</u>				
Trade and other payables	5,324	3,122	3,163	1,819
Lease liabilities	59	-	-	-
Provision for reinstatement	216	216	-	-
Bank borrowings	164	9	-	-
	5,763	3,347	3,163	1,819
<u>Non-current liabilities</u>				
Lease liabilities	2,099	-	-	-
	2,099	-	-	-
Total liabilities	7,862	3,347	3,163	1,819
Equity				
Share capital	63,074	62,650	63,074	62,650
Foreign currency translation reserve	(405)	(237)	-	-
Accumulated losses	(69,050)	(62,341)	(61,356)	(59,970)
	(6,381)	72	1,718	2,680
Non-controlling interest	107	342	-	-
Total (deficit)/equity	(6,274)	414	1,718	2,680
Total equity and liabilities	1,588	3,761	4,881	4,499

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	The Group			
	As at 31/7/2020		As at 31/7/2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less or on demand	-	2,751	-	1,676
Amount repayable after one year	-	-	-	-

Note:

Total borrowings consist of bank borrowings of approximately S\$164,000 (as at 31 July 2019: approximately S\$9,000), advance of S\$200,000 (as at 31 July 2019: Nil) from substantial shareholder of the Company, Capital Square Co., Ltd. ("**Capital Square**") with interest, and interest-free advances of approximately S\$2,387,000 (as at 31 July 2019: S\$1,667,000) from the controlling shareholder, Bounty Blue Capital Ltd ("**Bounty Blue**"), ultimately owned by Executive Chairman and CEO of the Company, Mr. Saito Hiroyuki.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	The Group	
	Year ended 31 July	
	2020 S\$'000	2019 S\$'000
Cash flows from operating activities		
Loss before income tax	(6,939)	(3,445)
<u>Adjustments for:</u>		
Depreciation of plant and equipment	1,715	441
Impairment loss of right-of-use assets	2,624	-
Amortisation of intangible assets	74	74
Write off of plant and equipment	994	-
Write off of inventories	19	-
Write off of other receivables	10	-
Interest expense	214	-
Operating cash flows before changes in working capital	(1,289)	(2,930)
<u>Changes in working capital</u>		
(Increase)/decrease in trade and other receivables	(152)	639
Increase in inventories	-	(22)
Increase in trade and other payables	2,202	415
Cash flows generated from/(used in) operations	761	(1,898)
Interest paid	(214)	-
Income tax paid	(5)	(1)
Net cash flows generated from/(used in) operating activities	542	(1,899)
Cash flows from investing activities		
Purchase of plant and equipment and right-of-use assets	(3,346)	(2,062)
Exchange realignment	(168)	(188)
Net cash flows used in investing activities	(3,514)	(2,250)

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Cash flows from financing activities

Amount due to related party	-	1,667
Lease liabilities	2,158	-
Proceeds from issuance of shares	450	560
Share issuance expenses	(26)	(175)
Capital contribution from non-controlling interest	-	694
Bank borrowings/(repayment of bank borrowings)	155	(32)
Guarantee deposit	-	(5)
	<hr/>	<hr/>
Net cash flows generated from financing activities	2,737	2,709
Net change in cash and cash equivalents	(235)	(1,440)
Cash and cash equivalents at beginning of the financial year	320	1,760
Cash and cash equivalents at end of the financial year	85	320

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Consolidated statement of changes in equity for the year ended 31 July 2020 - Group

	Share Capital S\$'000	Foreign Currency Translation S\$'000	Accumulated Losses S\$'000	Non- Controlling Interest S\$'000	Total S\$'000
Balance at 1 August 2019	62,650	(237)	(62,341)	342	414
Issuance of shares	450	-	-	-	450
Share issuance expenses	(26)	-	-	-	(26)
Loss for the financial year	-	-	(6,709)	(235)	(6,944)
Other comprehensive income for the financial year	-	(168)	-	-	(168)
Balance at 31 July 2020	63,074	(405)	(69,050)	107	(6,274)
Balance at 1 August 2018	62,265	(49)	(59,247)	-	2,969
Issuance of shares	560	-	-	-	560
Share issuance expenses	(175)	-	-	-	(175)
Capital contribution from non-controlling interest	-	-	-	694	694
Loss for the financial year	-	-	(3,094)	(352)	(3,446)
Other comprehensive income for the financial year	-	(188)	-	-	(188)
Balance at 31 July 2019	62,650	(237)	(62,341)	342	414

(ii) Statement of changes in equity for the year ended 31 July 2020 - Company

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 August 2019	62,650	(59,970)	2,680
Issuance of shares	450	-	450
Share issuance expenses	(26)	-	(26)
Loss for the financial year	-	(1,386)	(1,386)
Balance at 31 July 2020	63,074	(61,356)	1,718
Balance at 1 August 2018	62,265	(58,223)	4,042
Issuance of shares	560	-	560
Share issuance expenses	(175)	-	(175)
Loss for the financial year	-	(1,747)	(1,747)
Balance at 31 July 2019	62,650	(59,970)	2,680

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(A) Changes in share capital of the Company during the financial period

Financial year	Number of ordinary shares	Share capital
		(S\$'000)
As at 31 January 2020	611,670,246	63,074
As at 31 July 2020	611,670,246	63,074

On 17 January 2020, the Company entered into a subscription agreement with Capital Square. Capital Square has agreed to subscribe for an aggregate of 75,000,000 new ordinary shares in the share capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.006 for each Subscription Share amounting to an aggregate cash consideration of S\$450,000 (the "**Proposed Subscription**"). Pursuant to the completion of the Proposed Subscription, 75,000,000 new ordinary shares were allotted and issued on 31 January 2020. There has been no other changes in share capital of the Company since 1 February 2020.

(B) Warrants

All outstanding warrants of the Company has expired on 4 June 2019.

Save as disclosed above, there were no other outstanding convertibles, treasury shares and subsidiary holdings held or issued as at 31 July 2019 and 31 July 2020.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group	
	31/7/2020	31/7/2019
Total number of issued shares excluding treasury shares	611,670,246	536,670,246

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial year reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial year reported on.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors of the Company.

3. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

a) **Updates on the efforts taken to resolve each outstanding audit issue.**

b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 July 2019 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements of the Group for the current financial year ended 31 July 2020 compared to the most recently audited financial statements of the Group for the financial year ended 31 July 2019.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Singapore listed companies are required to apply a new financial reporting framework - Singapore Financial Reporting Framework (International) ("**SFRS(I)**") that is identical to the International Financial Reporting Standards with effect from 1 January 2018. The Group has adopted SFRS(I) on 1 August 2018, including Interpretations of SFRS(I). In addition, the Group has adopted the applicable new / revised SFRS(I) and Interpretations of SFRS(I), including SFRS(I) 16. Save for the adoption of SFRS(I) 16, the adoption of these new / revised SFRS(I) and Interpretations of SFRS(I) did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results for the current financial period.

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 elected 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 elected 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 applied the practical expedient to use hindsight for contracts which contains options to extend or terminate the lease. The effects of adopting SFRS(I) 16 resulted in the recognition of right-of-use assets of S\$56,000 (after impairment) and corresponding lease liabilities of S\$2.2 million as at 31 July 2020 for the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Year ended 31 July	
	2020	2019
Loss per share ("LPS") for the financial year attributable to the owners of the Company:		
Weighted average number of ordinary shares	574,067,506	498,087,804
Based on the weighted average number of ordinary shares	(1.17)	(0.62)
- Basic & Diluted (cents)		

Diluted LPS is the same as basic LPS as the outstanding warrants have not been included in the calculation given that they are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/7/2020	31/07/2019	31/7/2020	31/07/2019
Net (liabilities)/assets value (attributable to the owners of the Company) per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the year reported on (cents)	(1.04)	0.01	0.28	0.50

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Income Statement

Revenue

The Group recorded a revenue of S\$3.4 million for the financial year ended 31 July 2020 ("FY2020"), which represents a decrease of S\$2.2 million or 39% as compared to the prior financial year ended 31 July 2019 ("FY2019").

Revenue	FY2020	Contribution	Group	Contribution	Increase /
	S\$'000	%	FY2019	%	(Decrease)
			S\$'000		%
Food and beverage revenue	2,579	76%	3,539	64%	(27%)
Miscellaneous revenue	-	0%	6	<1%	N.M.
Travel booking service revenue	824	24%	2,028	36%	(59%)
	<u>3,403</u>	<u>100%</u>	<u>5,573</u>	<u>100%</u>	<u>(39%)</u>

The Group's revenue decreased as a result of loss of revenue caused by the Covid-19 pandemic.

The decrease in food and beverage ("F&B") revenue was mainly due to ceased operations of Hashida Sushi in Singapore ("Hashida Sushi") and Sushi Nagai in the United States ("Sushi Nagai") in April and May 2020, respectively.

The decrease in travel booking service revenue was mainly due to shutdown of the global travel due to boarder control of countries and measures taken by the local government in controlling the spread of the Covid-19.

Cost & expenses

Inventories and consumables used expenses saw a decrease of S\$0.3 million, consistent with the decrease in the Group's revenue, mainly contributed by the loss of business of Hashida Sushi and Sushi Nagai in FY2020.

Travel booking services cost saw a decrease of S\$1.3 million, consistent with the decrease in revenue of FY2020.

Advertising, media and entertainment expenses decreased by S\$0.2 million mainly due to the decreased advertising activities as a result of ceased operation of Hashida Sushi and Sushi Nagai and implementation of cost control measures.

Employee benefits decreased by S\$0.5 million mainly due to staff dismissal after the ceased operation of Hashida Sushi and Sushi Nagai.

The increase in amortisation and depreciation charges of S\$1.3 million was mainly due to the recognition of depreciation charge for right-of-use ("ROU") assets of Hashida Sushi and Sushi Nagai arising from the adoption of the new SFRS(I) 16 in FY2020 and the amortisation of intangible asset arising from the acquisition of e-Holidays Co., Ltd.

Finance cost incurred in FY2020 was due to the adoption of the new SFRS(I) 16 on the lease accounting.

There was no operating lease expense in FY2020 due to the reclassification of short-term rental payment of two subsidiaries, e-Holidays Co., Ltd. and Mulligan's Co., Ltd., arising from the adoption of the new SFRS(I) 16.

Legal and professional fees saw a decrease of S\$0.2 million mainly due to reduce in business activities in FY2020.

Other operating expenses in FY2020 saw an increase of S\$3.2 million mainly due to the impairment of ROU assets and written off of fixed assets as result of ceased operation of Hashida Sushi and Sushi Nagai.

The Group registered a net loss of S\$6.9 million in FY2020 as compared to a net loss of S\$3.4 million in FY2019 as a result of loss of revenue due to Covid-19 pandemic, impairment of ROU assets and written off of fixed assets a result of ceased operation of Hashida Sushi and Sushi Nagai.

Review of Statement of Financial Position

Current assets

The Group's current assets decreased by S\$0.1 million, from S\$1.2 million as at 31 July 2019 to S\$1.1 million as at 31 July 2020. This was mainly due to the decrease in cash and cash equivalents of S\$0.2 million, partially offset by an increase in trade and other receivables of S\$0.1 million.

Non-current assets

The Group's non-current assets decreased by S\$2.0 million, from S\$2.5 million as at 31 July 2019 to S\$0.5 million as at 31 July 2020. This was mainly due to impairment of ROU assets and written off of fixed assets for Hashida Sushi and Sushi Nagai which have ceased operation in April and May 2020, respectively.

Current liabilities

The Group's current liabilities increased by S\$2.4 million, from S\$3.4 million as at 31 July 2019 to S\$5.8 million as at 31 July 2020 mainly due to an increase in trade and other payables of S\$2.2 million, which consist of increase of S\$0.9 million loan from Bounty Blue and Capital Square, and trade payable balance owing to vendors and suppliers incurred from business activities of F&B and travel business segments. The existing bank borrowing amounted to approximately S\$0.2 million is attributed to the travel business.

Non-current liabilities

The Group recorded non-current lease liabilities of S\$2.1 million arising from the property lease in the United States as a result of the adoption of the new SFRS(I) 16.

Equity

The Group's equity decreased by S\$6.7 million, from S\$0.4 million as at 31 July 2019 to a deficit of S\$6.3 million as at 31 July 2020. The decrease was due to the net loss of S\$6.9 million recorded by the Group, a decrease in foreign currency translation reserve of S\$0.2 million and a decrease in non-controlling interest of S\$0.2 million, partially offset by an increase in share capital of S\$0.4 million arising from the placement exercise completed in January 2020.

Working capital and going concern statement

The Group is in a net current liabilities position of S\$4.6 million and a net liabilities position of S\$6.3 million as at 31 July 2020. The Company expects that the non-current lease liabilities of S\$2.1 million arising from the property lease in the United States to be de-recognised post FY2020 as the Company has terminated the said lease as of the date of this announcement.

The Company is working on restructuring of its debts and in negotiation with various trading stakeholders on debt deferments. In November 2020, the Company has signed (i) a deed of settlement with Bounty Blue for reducing the outstanding loans owed to Bounty Blue from S\$2.9 million as at the date of the deed to S\$1.0 million and (ii) a deed of waiver with Capital Square for a full waiver of outstanding loan of S\$0.2 million and the relevant interests. In addition, pursuant to the deed of settlement with Bounty Blue, Mr. Saito Hiroyuki has agreed to the Company ceasing all payments of his monthly salary under his service agreement with the Company from 31 October 2020. In addition, the Company has completed a placement exercise on 10 December 2020 which raised gross proceeds of S\$450,000 for repayment of the Group's existing and outstanding liabilities to external creditors. Further, the Company is performing a strategic review of its businesses to try to remove the underperforming entities/businesses within its business portfolio, looking for new business opportunities within its current scope of business and realign its cost base. Post-FY2020, the Company has been engaged in discussion with various parties for potential disposal of its subsidiaries in Japan and in the United States. No firm agreement has been reached as at the date of this announcement. The Company is also striving to reach out to potential investors for fundraising. Subject to the foregoing, the Group is expected to be able to operate as a going concern.

Review of Statement of Cash Flows

The Group's net cash flows generated from operating activities in FY2020 was S\$0.5 million, mainly due to working capital inflow of S\$2.1 million due mainly to the deferment of payments for trade and other payables, partially offset by negative operating cash flows before working capital of S\$1.3 million and payments made for interest and income tax of S\$0.2 million.

The Group's net cash flows used in investing activities in FY2020 was S\$3.5 million, mainly due to the purchase of plant and equipment and recognition of ROU assets for the two restaurants in Singapore and San Francisco of S\$3.3 million, and exchange realignment of S\$0.2 million.

The net cash flows generated from financing activities in FY2020 was S\$2.7 million, mainly due to lease liabilities S\$2.2 million, the net proceeds from the placement S\$0.4 million and bank borrowings of \$0.2 million.

As a result, cash and cash equivalents stood at approximately S\$85,000 as at 31 July 2020.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's financial results for FY2020 is generally in line with the Company's profit guidance announced on 15 December 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The F&B industry is currently fraught with challenges brought about by the Covid-19 outbreak, which impacted the business in Singapore, the United States, Japan and Thailand. The Board expects the business and financial performance of the Group to continue to be adversely affected depending on the duration of the Covid-19 pandemic, when borders will re-open for general travel and also the lifting of social distancing measures to boost dining-in capacity and demand. While the Group is unable to predict when the operational environment will improve, the management has implemented appropriate cost and risk management measures. The Company will continue to work on the restructuring of its businesses and debts and explore fundraising exercises as detailed in paragraph 8 above.

On 31 January 2020, the Company proposed consolidation of every fifty (50) existing ordinary shares in the capital of the Company into one (1) ordinary share in the capital of the Company ("**Consolidation Share**") ("**Proposed Share Consolidation**"). The Company also proposed renounceable non-underwritten rights issue of up to 305,835,100 new ordinary shares in the capital of the Company ("**Rights Shares**") on the basis of twenty-five (25) Rights Shares for every one (1) Consolidated Share ("**Rights Issue**"). The Company has decided not to continue with the Proposed Share Consolidation and the Rights Issue in view of volatility of the Company's share price and the ongoing strategic review of its business portfolio.

11. **Dividend**

(a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommendeded for the financial period under review in view of the negative earnings.

13. **If the group has obtained mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate for interested person transactions. There were no interested person transactions which amounted to more than S\$100,000 during FY2020.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14 **Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

By geographical segment:

	The Group			
	Sales revenue		Segment loss	
	Year ended 31 July		Year ended 31 July	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	1,695	2,613	(4,375)	(2,143)
USA	567	340	(2,365)	(685)
Japan	824	2,028	(21)	(594)
Thailand	317	592	(183)	(23)
	<u>3,403</u>	<u>5,573</u>	<u>(6,944)</u>	<u>(3,445)</u>

15. **In the review of performance, the factors leading to any changes in contribution to turnover and earnings by the business or geographical segments.**

For discussion on material changes, please refer to paragraph 8.

16. **A breakdown of sales**

	The Group		
	Year ended 31 July		Increase/ (Decrease) %
	2020 S\$'000	2019 S\$'000	
Revenue reported for the first half year	2,642	2,659	(1%)
Operating loss after tax reported for the first half year	(1,528)	(1,741)	(12%)
Revenue reported for the second half year	761	2,914	(74%)
Operating loss after tax reported for the second half year	(5,416)	(1,705)	>100%

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

No dividend has been declared for FY2020 and FY2019.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules. If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

19. **Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Catalist Rules.**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers, in the format as set out in Appendix 7H pursuant to Rule 720(1) of the Catalist Rules.

20. **Use of Proceeds**

The Company, on 10 December 2020, allotted and issued 112,500,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**") to 2 subscribers at an issue price of S\$0.004 per Subscription Share. The Company raised net cash proceeds (after deducting expenses of approximately S\$42,000) amounting to S\$408,000 (the "**Net Proceeds**"). As at the date of this announcement, the Net Proceeds of S\$408,000 have been fully utilised to repay the Group's existing and outstanding liabilities to external creditors, which is in line with the intended use as disclosed in the Company's announcement dated 10 December 2020.

ON BEHALF OF THE BOARD OF DIRECTORS

Saito Hiroyuki
Executive Chairman / CEO

29 December 2020

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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