

PROPOSED ACQUISITION OF SHARES

1 INTRODUCTION

The Board of Directors (“**Board**”) of Lifebrandz Limited. (the “**Company**”, and together with its subsidiaries, the “**Group**”), wishes to announce that the Company had, on 15 July 2015, entered into a conditional sale and purchase agreement (the “**SPA**”) with Healthtrends Medical Investments Limited (“**Vendor**”) to acquire ordinary shares of four Target Companies (“**Sale Shares**”) as set out in paragraph 2.2 below (“**Proposed Acquisition**”) as at the date of completion of the Proposed Acquisition (“**Final Completion**”). The Company will acquire the Sale Shares from the Vendor comprising the following proportions in the share capital of the Target Companies set out in paragraph 2.2 below.

The Proposed Acquisition constitutes a “Very Substantial Acquisition” transaction at the stage of First Completion and a “Reverse Take-Over” at the stage of Final Completion pursuant to Chapter 10 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (“**Mainboard Rules**”) and is subject to, *inter alia*, the approval of the SGX-ST and the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened.

2 THE PROPOSED ACQUISITION

2.1 The Purchase Price

The total purchase consideration for the Proposed Acquisition shall be Singapore Dollars One Hundred Million (S\$100,000,000) (“**Purchase Price**”). The Purchase Price was agreed upon after arm’s length negotiation and based on a willing-buyer willing-seller basis, taking into consideration the valuation of S\$100,000,000 accorded in aggregate to the Vendor’s shareholdings in the Target Companies. The valuation was based on a total profit after tax of \$6 million to be delivered by the Target Companies by the Vendor at P E of 16.6 times.

The Purchase Price will be satisfied via the allotment and issuance by the Company for the account of each Vendor and/or its nominees of an aggregate 10,000,000,000 new shares (“**Consideration Shares**”) at the agreed issue price of S\$0.01 per Consideration Share (“**Consideration**”).

In the event that the aggregate net profit after tax (“**NPAT**”) of the Target Companies falls below S\$6,000,000, the Vendor shall have the option to acquire through its own resources a medical (including dental) business with the equivalent NPAT to fulfill the aggregate NPAT at S\$6,000,000 and the aggregate value of the Purchase Price of S\$100,000,000. There will be no adjustment made to the valuation of both the Target Companies and the Purchaser.

2.2 Information on the Target Companies

The Vendor currently owns or intends to own in whole or in part the following businesses (collectively the “**Target Companies**” and each a “**Target Company**”). The Purchaser shall acquire the stated shareholdings in the Target Companies from or through the Vendor.

No.	Name of Company	Place of Incorporation	Issued and Paid-Up Capital	Proportion to be owned upon Completion
1.	Eastlife Pte Ltd and its subsidiaries (Company Registration No. 19930783C) Maxglobe Pte Ltd (Company Registration No. 200300966C) (collectively known as “ Sloane ”)	Singapore Singapore	S\$80,000 S\$160,000	100%
2.	Astique Clinicentral Ltd (Company Registration No. 1107464) (“ ACL ”)	Hong Kong	HK\$1,000	100%
3	Truong Giang Investment and Trading Joint Stock Company (Company Registration No. 0104284733) (“ Beauty Medi ”)	Vietnam	VND 30,000,000,000	51%
4	Green Jade Limited (Company Registration No. 1001746) (“ Green Jade ”)	Hong Kong	HK\$2	75%

The Target Companies are engaged in the business of medical aesthetics clinics in Singapore, Malaysia, Hong Kong, Vietnam and other Asian markets. These companies are currently either the assets of the Vendor or such assets that the

Vendor intends or is already engaged in an agreement to acquire, pending the availability of funds.

For the purposes of the Proposed Acquisition, the Vendor shall have the option to decide the order by which each Target Company is acquired at which stage of the Proposed Acquisition, as well as the option to include other assets that the Vendor identifies or considers relevant to its strategic business plan to transform the Company into a regional healthcare enterprise.

In connection with the Proposed Acquisition, the Target Companies shall if required, carry out a restructuring exercise (“**Target Companies’ Restructuring**”) pursuant to which the Vendor will be registered and recognised under the laws of the respective countries of incorporation of the Target Companies as the shareholder of the shareholding percentage on Final Completion (as defined in paragraph 2.6 below).

2.3 Information on the Vendor

Prior to the Completion, Healthtrends Medical Investments Limited is or will be the legal and beneficial owners of ordinary shares in the share capital of the Target Companies. Upon Completion it intends to distribute the Consideration Shares in specie to all its shareholders and convertible loan investors.

HealthTrends Medical Investments Limited is a Singapore incorporated investment holding company in the healthcare and wellness lifestyle domain. It has existing shareholdings and planned acquisitions in four separate healthcare companies offering patients a comprehensive range of medical aesthetics, cosmetic surgery and specialist services through twelve (12) medical clinics in Singapore, Malaysia and Hong Kong and Vietnam. The current shareholders of HealthTrends Investments Limited comprise mainly local and foreign high net worth individual investors, doctors and corporate investors.

2.4 The Proposed Acquisition as a “Very Substantial Acquisition”

Based on the latest available unaudited management accounts of the Group for the 9 months ended 30 April 2015, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Mainboard Rules are as follows:

1.	Rule 1006(a)	
	Net asset value of the asset to be disposed of	Not applicable to an acquisition of assets.
	Net asset value of the Group	
	Relative figure	
2.	Rule 1006(b)	
	Net profits attributable to the Target Companies	5,989,000
	Net loss attributable to the Group based on the unaudited consolidated net loss for 3 rd quarter FY2015 ended 30 April 2015	(S\$2,450,000)
	Relative figure	-40.9%

3.	Rule 1006(c)	
	Aggregate value of consideration given	S\$100,000,000
	Market capitalisation of the Company as at 14 July 2015 (based on 3,060,000,000 shares in issue times the weighted average price of S\$0.007 on 14 July 2015), being the last full day immediately preceding the date of the SPA on which Shares were traded.	S\$21,420,000
	Relative figure	466.9%
4.		
4.	Rule 1006(d)	
	Number of Shares to be issued by the Company as consideration for the Proposed Acquisition after Share Consolidation	10,000,000,000
	Number of Shares in issue as at this date of this announcement before the Compliance Share Placement	3,060,000,000
	Relative figure	326.8%
5.		
5.	Rule 1006(e)	Not applicable to an acquisition of non-MOG assets.
	Aggregate volume or amount of proven and probable reserves to be disposed of	
	Aggregate volume or amount of the Group's proven and probable reserves	
	Relative figure	

The shareholders and convertible loan investors of the Vendor will collectively hold an aggregate interest of approximately 76.6% of the enlarged issued and paid-up share capital of the Company upon Final Completion as a result of the allotment and issue of the Consideration Shares by the Company to the Vendor that will be distributed in specie to them. As a result of the issue and in specie distribution of the Consideration Shares, no single shareholder will be a controlling Shareholder of the Company upon Final Completion.

As the relative figure calculated under the base set out in Rule 1006(c) and 1006(d) of the Mainboard Rules above exceed 100%, the Proposed Acquisition constitutes a "Very Substantial Acquisition" at the stage of First Completion and a "Reverse Take-Over" at the stage of Final Completion under Rule 1015(1) of the Mainboard Rules. Accordingly, the Proposed Acquisition shall be conditional upon, *inter alia*, the approval of Shareholders at an extraordinary general meeting ("**EGM**") to be convened, and the approval of the SGX-ST (or such relevant regulatory authority, as the case may be).

As relative number under Rule 1006(b) is a negative figure, Rule 1007 provides that the Company should consult the SGX-ST.

2.5 Conditions Precedent for the Proposed Acquisition

The SPA will be subject to, but not limited to, the fulfillment and satisfaction of the following conditions precedent ("**Conditions Precedent**") which shall be defined

below. These Conditions Precedent shall be fulfilled and satisfied on or prior to each Completion (as defined in paragraph 2.6 below), where applicable.

2.5.1 Satisfactory Due Diligence

- (i) The results of such legal and financial due diligence investigations on the Target Companies conducted by the Company and its advisors over the Target Companies' businesses, affairs, operations, assets and liabilities, financial condition (including the adequacy of cash flow for the operations of the Target Companies subsequent to the relevant Completion), prospects and records of the Target Companies, being reasonably satisfactory to the Company and are in compliance with the requirements of the Mainboard Rules.
- (ii) The results of such legal and financial due diligence investigations on the Company conducted by the Vendor and its advisors over the Company's business, affairs, operations, assets and liabilities, financial condition, prospects and records of the Company, being reasonably satisfactory to the Vendor.

2.5.2 Audited Accounts

The Audited Accounts of the Target Companies by the Vendor to the Company following the completion of a financial audit on the Target Companies conducted by a public accounting firm acceptable to the Company in accordance with the International Financial Reporting Standards and such other applicable legislation and regulations of Singapore in connection with the Proposed Acquisition.

2.5.3 Completion of Target Companies' Restructuring

The completion of the Target Companies' Restructuring (if required), namely, the Vendor being registered and recognised under the laws of the respective countries of incorporation of the Target Companies as the shareholder of the shareholding percentages, as set out in paragraph 2.2 above.

2.5.4 Compliance with Permits

- (i) Such permits as are necessary for the Target Companies' operations having been obtained and remaining valid and subsisting; and
- (ii) The Target Companies are not in material breach of the terms and conditions of such permits.

2.5.5 Representations and Covenants

The Vendor and Target Company Warranties and the Company Warranties contained in this Agreement shall be true in all material respects on and as of each Completion Date with the same force and effect as though made on and as of each respective Completion Date. The Parties shall have performed and complied with all covenants and agreements required by this Agreement

to be performed or complied with by the Parties on, or prior to, each Completion Date.

2.5.6 Consents and Approvals

All required consents shall have been obtained without restrictions or limitations whatsoever unacceptable to the Company and the Vendor, and be in full force and effect, and the Company and the Vendor shall have been furnished with evidence reasonably satisfactory to it of the granting of such required consents, in particular, and without limitation:

- (i) the approval of the Company's shareholders at the EGM and its board of directors (as appropriate) in respect of:
 - (a) the acquisition by the Company of the Sale Shares;
 - (b) the issue of the Consideration Shares to the Vendor and/or the Designated Holders in consideration therefor;
 - (c) the appointment of such persons, as may be nominated by the Vendor in writing to the Company not less than seven (7) Business Days after the First Completion Date, as directors of the New Board (which shall be defined below), with effect from the First Completion Date;
 - (d) the name of the Post-Acquisition Company to such name as may be agreed by the Parties, where applicable; and
 - (e) the change in the core business of the Company;
- (ii) the irrevocable undertaking in writing by the substantial shareholder, namely Chng Weng Wah of the Company to vote in favour of the Proposed Acquisition;
- (iii) the receipt and non-withdrawal of the approval-in-principle (the "**Listing Approval**") of the SGX-ST for, inter alia, the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST;
- (iv) any conditions attached to the Listing Approval which is required to be fulfilled on or before the Subsequent/Final Completion having been fulfilled on or before the Subsequent/Final Completion to the satisfaction of SGX-ST or otherwise waived by SGX-ST;
- (v) the receipt and non-withdrawal of the approval of the Securities Industry Council ("**SIC**") granted to the Vendor and their concert parties (the "**SIC Approval**") to dispense with the requirements of Rule 14 of the Singapore Code on Take-overs and Mergers ("**Rule 14**") to make a mandatory general offer to the shareholders of the Purchaser arising from the allotment and issue of the Consideration Shares to the Vendor and/or its Designated Holders, subject to the conditions set out in the SIC Approval, or in the event Rule 14 is not

applicable, a written confirmation from the SIC that each of the Parties and their concert parties does not need to make a mandatory general offer for all the Consideration Shares;

- (vi) the approval of independent shareholders of the Company to waive their rights to receive a mandatory general offer from the Vendors and their concert parties (the “**Whitewash Resolution**”), where applicable,
- (vii) all such other approvals from the Company’s shareholders required under the Mainboard Rules and any other laws and regulations in Singapore; and
- (viii) the Parties not having received notice of any injunction or other order, directive or notice having the eventual effect of restraining or prohibiting the consummation of the Proposed Acquisition and there being no action seeking to permanently restrain or prohibit the consummation thereof, which is pending or any such injunction, order or directive which is threatened.

2.5.7 Company remaining listed on SGX-ST

- (i) The Company must remain listed on the SGX-ST from the date of the SPA until the date of the transfer of the Sale Shares to the Company and the allotment and issue of the Consideration Shares; and
- (ii) The Company and the Vendor having secured such number of places for such number of shares of the Company pursuant to the Compliance Share Placement (as defined below) as is necessary to satisfy the Company’s shareholdings spread and distribution so as to maintain the Company’s listing status after the Subsequent/Final Completion.

2.5.8 Appoint IFA

An IFA appointed by the Company and the IFA is of the opinion that the acquisition of the Sale Shares and the Whitewash Resolution are not prejudicial to the interests of the Company and its minority shareholders.

2.5.9 Substantial Shareholder’s Undertakings

The Company shall within (seven) 7 days from the date of this Agreement procure written undertakings by way of deed in the agreed form from Mr. Chng Weng Wah, the following undertaking (the “**Substantial Shareholder’s Undertakings**”):

- (i) as at the date of the EGM, he will be a shareholder holding (directly or indirectly) not less than 290,000,000 shares representing not less than 9.477% of the issued and paid-up share capital of the Company based on issued share capital of 3,060,000,000 shares of the Company;

- (ii) there is no existing lien or encumbrance over or in respect of his interests in the Company and he will not sell, transfer, give or otherwise dispose of, or grant any option, right or warrant to purchase, or enter into any swap, share lending or other arrangement other arrangement that transfers to another, in whole or in part, any of such legal or beneficial interests, before the First Completion and the Subsequent/Final Completion;
- (iii) he will vote in favour of all the resolutions seeking approval of the shareholders of the Company at the EGM;
- (iv) that he will undertake a voluntary moratorium on the sale of his shares for a period of twelve (12) months from date of EGM should that be required by the SGX-ST ; and
- (v) that the Substantial Shareholder shall ensure on a best efforts basis that the Company's businesses that are currently being wound up, or to be wound up are wound up as soon as possible. In the event that these businesses are not wound up by the EGM date, the Company shall make adequate accruals for the liability and losses before the EGM date.

2.5.10 Independent Valuation of the Target Companies

An independent valuation of the Target Companies shall be performed by the independent valuer as required under Rule 1015 of the Mainboard Rules which shall be provided in a written report addressed to the Company (the "**Independent Valuation**").

2.5.11 No Breach of Warranties

There being no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the Vendors and Target Company Warranties and the Company's Warranties if they were repeated on and as of the date of each Completion.

2.5.12 No Material Adverse Change

There being no material adverse change which has an adverse financial impact of more than 5% of the net asset value based on the latest audited accounts for the financial year ending 31 July 2014 in the existing or prospective legal, financial, operational, contractual, business, tax and other positions of the Company and Target Companies (as the case may be) occurring on or before each Completion.

2.6 Completion

Subject to all the Conditions Precedent being satisfied, fulfilled or waived (as the case may be), Completion shall take place in stages as and when the Vendor is able to deliver the Sale Shares of the respective Target Companies to the Company in consideration of which the Company shall issue the proportionate number of

Consideration Shares (“**N**”) (the “**Transaction**”) in accordance with the following formula (the “**Formula**”):

$$N = V / \$0.01$$

Where:

- N** : is the number of proportionate Consideration Shares to be issued in each Transaction;
- V** : is the Value of the Target Company calculated based on the formula of the price earnings ratio of 16.6 multiplied by the NPAT of the relevant Target Company.

And after the Purchaser receives the approval of its shareholders and/or the relevant authorities to issue the Consideration Shares.

For the purposes of the Proposed Acquisition, the following stages of Completion are set out below:

2.6.1 First Completion

On First Completion:

- (i) The Company shall have obtained the approval of its shareholders to issue the Consideration Shares;
- (ii) The Vendor shall deliver the Sale Shares (“**First Completion Sale Shares**”) of a Target Company listed in paragraph 2.2 (“**First Completion Target Company**”) to the Company; and
- (iii) The Company shall issue the proportionate number of Consideration Shares (“**First Completion Consideration Shares**”) in accordance with a formula provided in the SPA.

Upon the completion of the first Transaction of the First Completion Target Company, the Parties shall take all reasonable steps to ensure that the new board of directors (the “**New Board**”) will be finalised as soon as practicable. The New Board shall comprise at least five (5) members, subject to the terms of the investors who may require non-executive board seats. The New Board will comprise an executive chairman, group chief executive officer appointed by the Vendor and three (3) independent Directors who shall be nominated by the Vendor. The New Board shall determine the remuneration of all Executive Directors.

2.6.2 Subsequent/Final Completion

On the satisfaction of the First Completion, the Parties shall consummate the remaining transactions involving the remaining Target Companies listed in paragraph 2.2 or as replaced by the Vendor (“**Subsequent/Final Completion Target Companies**”) on a date that is within [14] days from the date of First Completion as may be agreed between the Parties. Subsequent/Final Completion shall occur at the registered office of the Purchaser, or such other place as may be agreed between the Parties.

To effect the remaining Transactions:

- (i) The Vendor shall deliver the Sale Shares (“**Subsequent/Final Completion Sale Shares**”) of the remaining Target Companies listed in paragraph 2.2 (“**Subsequent /Final Completion Target Companies**”) to the Company; and
- (ii) The Company shall issue the proportionate number of Consideration Shares (“**Subsequent/Final Completion Consideration Shares**”), in accordance with the Formula.

In the event that the aggregate NPAT of the Target Companies (as applied in the computation of “V” in the Formula above) falls below S\$6,000,000, the Vendors shall have the option to acquire through its own resources a medical (including dental) business with equivalent NPAT to fulfil the aggregate NPAT at S\$6,000,000. No adjustments shall be made to the Purchase Price in the event the aggregate NPAT of the Target Companies falls below S\$6,000,000.

As of the Final Completion date (“**Final Completion Date**”), (including issue of the Consideration Shares) but before the Compliance Share Placement, the enlarged shareholding structure of the Company shall be as follows:

	Number of Shares (‘000)	%
Total number of Consideration Shares	10,000,000	76.6%
Existing shareholders of the Purchaser	3,060,000	23.4%
Treasury Shares		
Total	13,060,000	100.0%

2.7 Additional Completion

In the event of an Additional Completion, the Company shall enter into separate sale and purchase agreements with the relevant parties.

2.8 Transfer to Catalist

In the event that the First Completion is not completed by 31 January 2016, the Company shall appoint a sponsor to apply to transfer the Company to the Catalist of the SGX-ST.

2.9 Share Consolidation

Subject to the approval of the shareholders of the Purchaser at the EGM, the Purchaser shall, as soon as practicable prior to the Final Completion Date, undertake a share consolidation exercise to meet the SGX Minimum Trading Price requirement. (“**Share Consolidation**”).

2.10 Compliance Share Placement

Upon the Completion of the Proposed Acquisition, in the event the percentage of the shares of the Company that are held in public hands falls below the minimum free float requirements under the rules of the SGX-ST, the Vendor (or the Designated Holders) and/or the Company shall carry out a compliance placement in the form of the Vendor's sales of the then existing issued shares of the Company and/or allotment of new shares of the Company to public investors (together, the "**Compliance Share Placement**") to enable the Company to comply with the shareholding spread and distribution requirements set out in the rules of the SGX-ST.

The terms of the Compliance Share Placement may be determined by the Company in consultation with the Vendor (as the case may be) as they deem fit and will be subject to placement agreement(s) to be entered into by the Company in consultation with the Vendor (as the case may be) and the public investors.

The Company and the Vendor shall ensure that the public investors for the Compliance Share Placement shall be such institutional investors, retail investors and/or existing shareholders of the Company as may be acceptable to the SGX-ST for the purposes of fulfilling the free float requirements.

3 **PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

3.1 Bases and assumptions

Bases. The pro forma financial effects of the Proposed Acquisition on the share capital, earnings and net tangible assets ("**NTA**") have been prepared based on:

- (a) the audited management accounts of the Group for the 12-month period ended 31 July 2014; and
- (b) the audited accounts or unaudited management accounts of each of the Target Companies for the financial year ended 31 December 2014, whichever may be available.

Assumptions. For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects of the Proposed Acquisition have been prepared based on, *inter alia*, the following assumptions:

- (a) the *pro forma* financial effects of the Proposed Acquisition on the earnings and earnings per Share of the Group for the 12-month period ended 31 July 2014 on a *pro forma* basis are computed assuming the Proposed Acquisition was completed on 1 August 2013;
- (b) the *pro forma* financial effects of the Proposed Acquisition on the NTA and the NTA per Share of the Group as at 31 July 2014 are computed assuming the Proposed Acquisition was completed on 31 July 2014;
- (c) the Share Consolidation is not completed;

- (d) the transactional costs and expenses in connection with the Proposed Acquisition are disregarded for the purpose of calculating the financial effects; and
- (e) the fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Acquisition, if any, have not been considered except for the fair values of the intangible assets arising from the business combinations being amortised over a period ranging from five (5) to ten (10) years, and will be determined on the Final Completion Date. As the final goodwill will have to be determined at Final Completion, the actual goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company.
- (f) The financial information on the Target Companies are from the source and confirmations as furnished by the Vendors. The Company has not verified the figures and would disclaim any responsibility and liability for the accuracy of the financial information of the Target Companies. The Company will be conducting financial due diligence on the Target Companies in due course.

3.2 Effect on share capital

	Number of Shares	S\$'000
Share capital as at 30 April 2015	3,060,000,000	55,086
Add: Issue of the Consideration Shares	10,000,000,000	100,000
Share capital of Company after issue of the Consideration Shares	13,060,000,000	155,086

3.3 Effects on earnings

	Before the Proposed Acquisition	After the Proposed Acquisition
(Loss)/Profit attributable to Shareholders for financial year ended 31 July 2014 (S\$'000)	(5,751)	238 ⁽¹⁾
Number of Shares ('000)	3,060,000	13,060,000
(Loss)/Earnings per Share (S\$ cents)	(0.25)	0.01

Notes:

- (1) The profit represents the *pro forma* net profit of the Group for the financial year ended 31 July 2014 and the audited accounts or unaudited management accounts of each of the management accounts of the Target Companies for the financial year ended 31 December 2014, whichever may be available.

3.4 Effect on NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group as at 31 July 2014	2,120	18,203 ⁽¹⁾

(S\$'000)		
Number of Shares ('000)	3,060,000	13,060,000
NTA per Share (S\$ cents)	0.07	0.14

Notes:

- (1) The NTA represents the *pro forma* NTA of the Group as at 31 July 2014 and the Target Companies as at 31 December 2014.

4 FINANCIAL INFORMATION ON THE TARGET COMPANIES

A summary of the audited or unaudited management accounts of the Target Companies for the last two (2) financial years ended 31 December 2013 and 31 December 2014, whichever may be available. The pro forma financial information of the pro forma Group after the Proposed Acquisition based on the Group audited accounts for FY2014 and the above audited or unaudited management accounts of the Target Companies for the financial year ended 31 December 2014 are set out below. The Target Companies accounts for the year ended 31 December 2012 will be disclosed in the circular to be issued to the shareholders.

Combined Income Statement (Proforma) (S\$'000)	Target Companies (Proforma)		Enlarged Group (Proforma)
	FY2013⁽¹⁾ (Unaudited) (S'000)	FY2014⁽¹⁾ (Unaudited) (S'000)	FY2014 (Unaudited) (S'000)
	Revenue	33,642	38,435
Profit/(loss) before tax	5,491	6,845	76
Profit/(loss) after tax	4,364	5,989	(783)

Balance Sheet (S\$'000)	Target Companies		Enlarged Group (Pro forma)
	As at 31 December 2013⁽¹⁾ (Unaudited) (S'000)	As at 31 December 2014⁽¹⁾ (Unaudited) (S'000)	As at 31 July 2014 (Unaudited) (S'000)
	Non-current assets	7,095	7,526
Current assets	14,463	17,317	19,804
Non-current liabilities	7,556	204	1,338
Current liabilities	99	8,556	11,888
Non-controlling interest	-	-	(2,369)
Equity	13,903	16,083	20,572

Notes:

- (1) The reporting currency of the Target Companies includes Singapore dollars, Malaysian Ringgit, Vietnamese Dong and Hong Kong dollars.

5 SHAREHOLDING EFFECTS

As there will be First Completion, subsequent and Final Completion, the Company is unable to confirm the changes in shareholders at the date of this announcement. The Company will update the information in the circular to be issued to the shareholders.

6 RATIONALE FOR THE PROPOSED ACQUISITION

The Directors are of the view that the Proposed Acquisition present an opportunity for the Company to acquire a profitable business in the provision of healthcare services which would likely enhance Shareholder value and improve the prospects of the Company. In addition, the Proposed Acquisition would have the potential to significantly increase the market capitalization of the Company and potentially widen the investor base (for its Shares), thereby leading to a possible increase in investor interest and trading.

The objective of the Proposed Acquisition is to facilitate the transformation of the business of the new company ("**Post-Acquisition Company**") into healthcare services including but not limited to (i) medical aesthetics and wellness clinics in Singapore, Malaysia, Hong Kong, Vietnam and other Asian markets, (ii) with business growth and expansion into ownership, development, operations and management of medical centres and hospitals and (iii) innovative medical technology businesses.

The investment and growth strategies of the Post-Acquisition Company in:

- (a) Acquiring the profit generating aesthetics and medical services businesses of the Vendors, as set out in paragraph 2.2;
- (b) Acquiring operating hospitals and developing and operating medical centres in collaboration with established property developers; and
- (c) Collaborating with established domain experts to implement medical technology business opportunities;

collectively will establish the Post-Acquisition Company as a premier regional healthcare enterprise characterized by the three core business segments of (i) sustainable healthcare and medical lifestyle services, (ii) specialist healthcare facilities and (iii) innovative medical technologies.

7 FUNDRAISING

7.1 Fundraising

The Parties agree to raise funds as follows:

- (i) a pre-listing investment of S\$10 – 20 million that would form part of the Consideration Shares for purpose of completing the acquisition of the Target Companies as set out in paragraph 2.2 and transactions contemplated by the SPA;
- (ii) through the issue of new Shares of the Company to acquire or invest in medical facilities or hospital opportunities in South East Asia and China identified by the Vendor;
- (iii) through the issue of new Shares of the Company to invest in implementation of identified innovative medical technologies.

Funds are to be raised through:

- (i) placement of the Company's shares directly to investors and/or through convertible instruments of the Company to the S\$30 million valuation accorded to the Company, to be determined by the Company;
- (ii) convertible instruments of the Vendor that would be converted into the Vendor's shares to be eligible for the in-specie distribution of the Company's shares upon Completion at a conversion price of S\$0.01 per share; and
- (iii) bank loans or other debt instruments that accrues directly to the Company.

The Company's Shareholders shall undertake on a best effort basis to assist in the fundraising to complete the Proposed Acquisition and other transactions contemplated in the SPA. All proceeds arising from the fund-raising activities involving the issuance of the Company's shares in accordance with this paragraph 6 shall be applied in accordance with the investment objectives of the Post-Acquisition Company (as set out in paragraph 5 above) and costs and expenses incurred in the transactions contemplated in the SPA.

8 MORATORIUM

The Vendor covenants and undertakes and, if necessary, shall procure the relevant shareholders and convertible loan investors to undertake, not to sell, realise, transfer or otherwise dispose of (i) any part of its shareholdings in the Company immediately upon receipt of their in specie share allocation (as required under Rule 1015(3)(c) of the Mainboard Rules unless the same is not required by the SGX-ST or as may be otherwise imposed by the SGX-ST) for a period of twelve (12) months commencing from the listing of the Consideration Shares on the Mainboard of the SGX-ST, and (ii) more than 50% of its shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision). The Vendor further undertake and, if necessary, shall procure its relevant shareholders to undertake that it shall abide by such other conditions as may be imposed by the SGX-ST for the

transactions under the SPA, Provided That such conditions are not onerous and shall be reasonably acceptable to such Vendor.

If so required by SGX-ST, the Substantial Shareholder shall undertake and, if necessary, shall procure its Designated Holders to undertake, not to sell, realise, transfer or otherwise dispose of (i) any part of his/its shareholdings in the Purchaser immediately after Completion for a period of 12 months from the date of this Agreement, and Provided That the Moratorium shall not apply to the Compliance Share Placement. The Substantial Shareholder further undertakes and shall procure his Designated Holder(s) to undertake that he/she shall abide by such other conditions as may be imposed by the SGX-ST for the Contemplated Transactions, Provided That such conditions are not onerous and shall be reasonably acceptable to such Purchaser.

9 CIRCULAR

The Company will in due course despatch a circular to its Shareholders, containing further information on, inter alia, the Proposed Acquisition and notice of EGM to approve, inter alia, the Proposed Acquisition and the allotment and issue of the Consideration Shares (“Circular”).

10 FINANCIAL ADVISERS

The financial advisers to the Company in respect of the Proposed Acquisition will be announced in due course. .

11 LEGAL ADVISER

The Company has appointed RHTLaw Taylor Wessing LLP as the legal adviser to the Company in respect of the Proposed Acquisition.

12 DIRECTORS’ SERVICE CONTRACTS

As at the date of this announcement, the Company has not entered into any service contract with any Director or any person proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition.

13 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors, controlling Shareholders or their associates has any interest, direct or indirect, in the Proposed Acquisition, or the SPA.

14 RESPONSIBILITY STATEMENT

The Directors collectively and individually accepts full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this

announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

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

15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA are available for inspection during normal business hours from 9 am to 5 pm at the registered office of the Company at 1001 Jalan Bukit Merah, #06-11, Singapore 159455 for a period of three (3) months from the date of this announcement.

16 CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further due diligence by the Company. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board of Directors
LIFEBRANDZ LIMITED

Chng Weng Wah
Executive Director and Chief Executive Officer
16 July 2015