

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

PROPOSED PLACEMENT OF 167,000,000 NEW ORDINARY SHARES BY THE COMPANY

1. INTRODUCTION

The board of directors (the “**Board**”) of Lifebrandz Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement by the Company dated 18 November 2016 (“**Proposed Acquisition Announcement**”), wherein the Company announced that it had entered into a binding term sheet with Thomas Family Trust, and Forestor Hill International Limited pursuant to which the Company and/or its nominee shall acquire the entire issued and paid-up capital of Natural Essence Group SPV (“**Target Company**”)(“**Proposed Acquisition**”). Paragraph 3.2 of the Proposed Acquisition Announcement further stated that the Target Company and/or its nominees shall procure and fund an aggregate amount of S\$2.0 million by way of placement into the Company (“**Pre-Completion Funding**”) to fund the Proposed Acquisition and the funds as such shall be used to fund working capital requirements and all corporate advisory fees, lawyers, independent accountant and all additional fees.

Further to the Proposed Acquisition Announcement, the Board wishes to announce that in connection with the Pre-Completion Funding, the Company has on 15 November 2016 entered into a conditional share subscription agreement (the “**Subscription Agreement**”) with Pramana Capital Pty Ltd (and/or its nominee) (“**Subscriber**”) pursuant to which the Company has agreed to allot and issue an aggregate of 167,000,000 new ordinary shares in the capital of the Company (“**Subscription Shares**”) to the Subscriber, and the Subscriber has agreed to subscribe for the Subscription Shares, at the subscription price of S\$0.003 per Subscription Share (“**Subscription Price**”), for an aggregate amount of S\$501,000.00 (“**Proposed Placement**”).

The Subscription Shares shall be allotted and issued free from all liens, claims and encumbrances and with all rights, benefits and entitlements attaching thereto as at the Completion Date (as defined below) (save in respect of rights, benefits and entitlements the record date for which is on or prior to the Completion Date).

An application will be made to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Subscription Shares on the Catalist Board of the SGX-ST (“**Catalist**”) in due course.

2. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

2.1 Conditions Precedent

The completion of the Proposed Placement is conditional upon the following conditions (“**Conditions Precedent**”):

- (a) the approval in-principle having been obtained from the continuing sponsor of the Company, RHT Capital Pte. Ltd. (“**Sponsor**”) or the SGX-ST (as the case may be) for the listing and quotation of the Subscription Shares on Catalist, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Subscriber and to the Company, and such approval in-principle not having been revoked or amended, and the same being in full force and effect, as at the Completion Date (as defined below);
- (b) any condition imposed by the Sponsor and/or the SGX-ST (as the case may be), in giving its approval under paragraph 2.1(a) of this announcement which is required to be fulfilled on or before the Completion Date being fulfilled to the satisfaction of the Sponsor and/or the SGX-ST (as the case may be) or waived by the Sponsor and/or SGX-ST (as the case may be); and
- (c) the Subscription Agreement and the transactions contemplated therein not being prohibited by any law, statute, regulation or governmental authority.

If any of the Conditions Precedent set forth is not satisfied on or before the date falling one (1) month after the date of the Subscription Agreement (or such later date as the Company and the Subscriber may agree in writing) (“**Long Stop Date**”), the Subscription Agreement shall *ipso facto* cease and determine and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise, save for antecedent breaches by any party.

2.2 Subscription Price

The Subscription Price of S\$0.003 represents a premium of 20.0% to the volume-weighted average price of S\$0.0025 or each share, based on the trades done on the SGX-ST on 15 November 2016, being the full market day on which the Shares were traded on the SGX-ST prior to the signing of the Subscription Agreement.

2.3 Completion

Completion of the Proposed Placement shall take place on the date falling five (5) business days after the fulfilment or waiver, as the case may be, of all the Conditions Precedent or as may be agreed upon by the parties in writing, but shall not be later than the Long Stop Date (“**Completion Date**”).

3. **DETAILS OF SUBSCRIBER AND ARRANGER**

The Subscriber is a private registered company incorporated in Australia.

The Subscriber was introduced to the Company by Gan Cheng Siong (“**Mr Gan**”). Mr. Gan is a private business broker and has no relationship with the Board and Company. For his role in introducing the Subscriber to the Company, Gan shall be paid a fee in the amount of S\$25,050, which constitutes five per cent. (5%) of the Gross Proceeds (as defined below). The Subscription Shares are placed to the Subscriber as it has indicated an interest to invest in the Company, and the Subscription Shares are issued purely for investment purposes.

The Company confirms that none of the Directors or substantial shareholders of the Company have, to the best of their knowledge, any connection (including business relationship) with the Subscriber.

4. RATIONALE FOR PROPOSED PLACEMENT AND USE OF PROCEEDS

When allotted and issued in full, the estimated gross proceeds from the Proposed Placement due to the Company is expected to amount to S\$501,000.00 (“**Gross Proceeds**”), and after deducting estimated expenses incurred in connection with the Proposed Placement of S\$33,050.00 or 6.6% of the Gross Proceeds, is expected to amount to S\$467,950.00 (“**Net Proceeds**”).

As stated in paragraph 1 of this announcement, the Net Proceeds will be utilised to fund the Proposed Acquisition and the funds as such shall be used to fund working capital requirements and all corporate advisory fees, lawyers, independent accountant and all additional fees.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the funds will be placed in short-term deposits with financial institutions and/or used to invest in short-term money market instruments as the Directors may in their absolute discretion deem fit.

The Directors are of the opinion that, after taking into consideration:

- (i) the present bank facilities and shareholder’s funds, the working capital available to the Group is sufficient to meet its present requirements. As the Group currently requires short-term advances from a Shareholder to meet its working capital requirements, the Directors are of the view that the Proposed Placement should be undertaken to improve financial flexibility and strengthen the financial position of the Group; and
- (ii) the present bank facilities, shareholder’s funds and Net Proceeds from the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcements as and when the Net Proceeds are materially disbursed. A status report on the use of such proceeds will also be provided in the Company’s annual report.

5. MANDATE FOR THE ISSUE OF THE SUBSCRIPTION SHARES

The Subscription Shares will be issued pursuant to the general mandate (“**General Mandate**”) given by the shareholders of the Company at an extraordinary general meeting of the Company held on 30 November 2015 for the Company to issue shares and convertible securities.

No Shares had previously been issued pursuant to the General Mandate or otherwise. The issued share capital of the Company on 30 November 2015 comprised 3,060,000,000 Shares. Fifty per cent. (50%) of the Company’s total number of issued Shares as at 30 November 2015 is equivalent to 1,530,000,000 Shares.

The Subscription Shares, when allotted and issued in full, will represent approximately 5.46% of the issued share capital of the Company as at 30 November 2015, or approximately 5.18 % of the enlarged issued and paid-up share capital upon completion of the Proposed Placement.

The offer of the Subscription Shares is made pursuant to the exemption under Section 275 of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

6. FINANCIAL EFFECTS

- 6.1 As at the date of this announcement, the issued and paid-up share capital of the Company is S\$55,086,003, comprising 3,060,000,000 shares. On completion, the issued and paid-up share capital will increase to approximately S\$55,553,953 comprising 3,227,000,000 Shares.
- 6.2 Based on the audited consolidated financial statements of the Group for the financial year ended 31 July 2016:
- (a) assuming the Proposed Placement was completed on 31 July 2016 with all the Subscription Shares being issued during the period, the net loss per share of the Group after adjusting for the Subscription Shares will decrease from 0.035¢ to 0.033¢; and
 - (b) assuming the Proposed Placement was completed on 31 July 2016, the net asset value per share of the Group, after adjusting for the Subscription Shares and the Net Proceeds, will increase from (0.005)¢ to 0.01¢.

7. GENERAL

None of the Subscription Shares will be placed with any person or groups of persons disallowed by the SGX-ST as set out under Rule 812 of the SGX-ST's Listing Manual Section B: Rules of Catalyst.

None of the Subscription Shares will be placed with the Directors or substantial shareholders of the Company or any of their respective associates and related parties.

The Proposed Placement will not result in any transfer of controlling interest in the Company.

Save as disclosed in this announcement, none of the Directors of the Company have any interest, direct or indirect in the Proposed Placement. Save as disclosed in this announcement, the Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Proposed Placement and have not received any notification of any interest in this transaction from any substantial shareholder.

The Directors are of the opinion that, after taking into consideration the present facilities, internal resources and operating cashflow, the working capital available to the Group is sufficient to meet its present requirements.

8. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of

this announcement that the Proposed Placement 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. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Chng Weng Wah
Chief Executive Officer / Executive Director

Date: 18 November 2016

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The details of the contact person for the Sponsor is: -
Name: Mr. Nathaniel C.V. (Registered Professional, RHT Capital Pte. Ltd.)
Address: Six Battery Road, #10-01, Singapore 049909
Tel: 6381 6946*