

LIFEBRANDZ LTD

(Company Registration No. 200311348E)
(Incorporated in Republic of Singapore)
(the “Company”)

PROPOSED PLACEMENT OF 10,420,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S\$0.048 FOR EACH SUBSCRIPTION SHARE

1. INTRODUCTION

- 1.1 The Board of Directors of the Company wishes to announce that the Company had on 22 June 2017 entered into subscription agreements (“**Subscription Agreements**”) with each of the Subscribers (as defined below), pursuant to which the Subscribers will subscribe for, and the Company will allot and issue to the Subscribers, an aggregate of 10,420,000 new ordinary shares in the capital of the Company (each a “**Subscription Share**” and collectively the “**Subscription Shares**”) at S\$0.048 for each Subscription Share (“**Subscription Price**”) (the “**Placement**”) in the following proportion:

Name of Subscribers	No. of Subscription Shares allotted (as a percentage of the total Subscription Shares)	Subscription Shares expressed as a percentage of the enlarged share capital of the Company (%)
Yoshio Ono	6,250,000 (59.98%)	3.22
Kayoko Francis	4,170,000 (40.02%)	2.15
Total	10,420,000 (100.00%)	5.37

- 1.2 The Subscription Shares will, collectively, represent approximately 5.37% of the Company’s enlarged issued share capital of 194,019,988 shares immediately after completion of the Placement. The Company does not have any treasury shares as at the date of this announcement.
- 1.3 The Subscription Shares shall be allotted and issued free and clear 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).
- 1.4 An application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Subscription Shares on the Catalist Board of the SGX-ST (the “**SGX Catalist**”) in due course.

2. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS

Conditions Precedent

- 2.1 Completion of the Placement under the Subscription Agreements is conditional upon, *inter alia*, the following:
- (a) the approval in-principle from the continuing sponsor of the Company, RHT Capital Pte. Ltd. (the “**Continuing Sponsor**”), and/or the SGX-ST (as the case may be), being obtained for the listing and quotation of the Subscription Shares on the SGX Catalist and, if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Subscribers 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;

- (b) any condition imposed by the Continuing Sponsor and/or the SGX-ST (as the case may be) in giving its approval under Clause 2.1.1 of the respective Subscription Agreement which is required to be fulfilled on or before the Completion Date being fulfilled to the satisfaction of the Continuing Sponsor and/or the SGX-ST (as the case may be) or waived by the Continuing Sponsor and/or the 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.

For the purposes of this paragraph:

"Completion Date" means (unless otherwise agreed between the Company and the relevant Subscriber) 5 Business Days after the fulfilment or waiver, as the case may be, of all the conditions precedent set out in Clause 2.6 of the relevant Subscription Agreement whereat completion of the subscription for the Subscription Shares will take place, or as may be agreed upon by the parties in writing, but shall not be later than the Long Stop Date;

"Business Day" means a day when banks in Singapore are open for banking business (but shall not include Saturdays, Sundays, and gazetted public holidays in Singapore) and **"Business Days"** shall be construed accordingly; and

"Long Stop Date" means the date falling 1 month after the date of the relevant Subscription Agreement or such later date as the relevant parties may agree in writing.

Subscription Price

- 2.2 The Subscription Price of S\$0.048 represents a discount of 9.11% to the weighted average price of S\$0.0527 per share, being the weighted average price of the Company's shares for trades done on the SGX-ST for the full market day on 21 June 2017 (the preceding market day before this announcement).

The Subscription Shares

- 2.3 The Subscription Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to the then existing issued shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of the issue of the Subscription Shares.
- 2.4 The Subscription Shares will only be issued to the Subscribers and will not be issued to any person who is an existing director or substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1)(a) to (d) of Section B: Rules of Catalist of the SGX-ST Listing Manual (the "**Listing Manual**").
- 2.5 The Company will through its Continuing Sponsor, be making an application to the SGX-ST for the listing of and quotation for the Subscription Shares on the Official List of the SGX-ST, and will make the necessary announcement upon receipt of the approval in-principle for the same from the SGX-ST.

3. DETAILS REGARDING THE SUBSCRIBERS

- 3.1 Mr Yoshio Ono, a citizen of Japan, is a director of a company providing consultancy and advisory services, while Mr Kayoko Francis, who is also a citizen of Japan, is a portfolio manager in an investment and advisory company.
- 3.2 The Subscribers are private investors who were introduced to the Company by its Directors, and are subscribing for the Subscription Shares for own investment purposes.

- 3.3 The Subscribers have no connection (including business relationships) with the Company, its directors and substantial shareholders, and is each not a person to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Listing Manual.
- 3.4 Under the terms of the Subscription Agreements, each of the Subscriber has represented, warranted and undertaken to the Company that he is not regarded as a Person Acting In Concert with each other, and is not aware of any reason or circumstance which may result in the Subscriber being regarded as a Person Acting in Concert with each other.

For the purpose of this paragraph, “**Person Acting in Concert**” has the meaning ascribed to it under the Singapore Code of Take-Over and Mergers.

- 3.5 None of the Subscribers will hold directly or indirectly 15% or more of the enlarged issued share capital of the Company upon completion of the Placement and the Placement will not cause a transfer of a controlling interest in the Company in contravention of Rule 803 of the Listing Manual.

4. AUTHORITY FOR ISSUE OF SHARES

- 4.1 The Subscription Shares will be issued under the general share issue mandate approved by shareholders of the Company at the annual general meeting of the Company held on 21 November 2016 (the “**General Mandate**”). As at 21 November 2016, the Company had 3,060,000,000 shares in issue. Under the General Mandate, the limits approved were for up to 100% of the total number of issued shares (excluding treasury shares) as at 21 November 2016, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) as at 21 November 2016.
- 4.2 The Company had undertaken a rights cum warrants issue, which had been approved by shareholders of the Company during the extraordinary general meeting convened on 13 April 2017 (the “**Rights cum Warrants Issue**”). Accordingly, the 122,399,992 rights shares and 122,399,992 warrants under the Rights cum Warrants Issue had not been issued under the General Mandate.
- 4.3 The Company has not issued any new shares under the General Mandate prior to the Placement and as such, the total number of shares that may be issued pursuant to the General Mandate is 3,060,000,000 shares, of which the maximum number of shares to be issued other than on a pro-rata basis is 1,530,000,000 shares.
- 4.4 As at the date of this announcement, the Company has 183,599,988 issued shares (following the share consolidation exercise undertaken by the Company, also approved by the shareholders of the Company during the extraordinary general meeting convened on 13 April 2017 (the “**Share Consolidation**”). The Subscription Shares, when allotted and issued in full, will represent approximately 5.68% of the existing issued shares of the Company, and approximately 5.37% of the enlarged issued share capital of the Company on completion of the Placement.

5. RATIONALE AND USE OF PROCEEDS

- 5.1 The Company intends to use 100% of the net proceeds from this Placement for its working capital requirements which would include, *inter alia*, corporate advisory fees, legal and independent accountant fees, payment of employee salaries, usage for the Company's business operations, and all additional fees, as the Company wishes to strengthen its cash position. Assuming completion, the net proceeds from the Placement, after deducting expenses of approximately S\$17,500.00, will be approximately S\$482,660.00, of which 100% will be applied for working capital.

- 5.2 The Company will make periodic announcements as and when net proceeds from the Placement are materially disbursed and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 5.3 Pending deployment of the proceeds from the Placement, such proceeds may be placed as short term deposits with financial institutions and/or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit, from time to time.
- 5.4 The Directors are of the opinion that after taking into consideration present banking facilities, the working capital available to the after taking into consideration the Company and its subsidiaries (collectively the “**Group**”) is sufficient to meet its present requirements; and

6. FINANCIAL EFFECTS

- 6.1 The financial effects of the Placement are set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Group following the Placement.
- 6.2 As at the date of this announcement, the issued and paid-up share capital of the Company is S\$58,016,003.00, comprising 183,599,988 shares. On completion, the issued and paid-up share capital will increase to approximately S\$58,498,663.00 comprising 194,019,988 shares.
- 6.3 Based on the audited consolidated financial statements of the Group for the previous financial year ending 31 July 2016 (“**FY2016**”):
- (a) assuming the Placement was completed on 1 August 2015 with all the Subscription Shares being in issue during the period, the net loss per share of the Group of S\$0.03 remains significantly unchanged after adjusting for the Subscription Shares; and
 - (b) assuming the placement was completed on 31 July 2016, the net asset value (“**NAV**”) per share of the Group after adjusting for the Subscription Shares and net proceeds of the Placement will improve from a net liability per share of S\$0.01 to a NAV per share of S\$0.01.
- 6.4 The financial effects of the Placement detailed in paragraph 6.3 above however do not take into consideration the Rights cum Warrants Issue and the Share Consolidation. The Company is accordingly of the view that the Company’s unaudited *pro forma* financial statements for the quarter ended 30 April 2017 (“**3Q2017**”), which takes into account the Share Consolidation, would be a more accurate representation of the Company’s financial position, and accordingly provide the following financial effects.

Based on the audited consolidated financial statements of the Group for 3Q2017:

- (a) assuming the Placement was completed on 1 February 2017 with all the Subscription Shares being in issue during the period, the net loss per share of the Group after adjusting for the Subscription Shares will decrease from S\$0.0042 to S\$0.0036; and
- (b) assuming the placement was completed on 30 April 2017, the NAV per share of the Group after adjusting for the Subscription Shares and net proceeds of the Placement will improve, and this will decrease the net liability per share of S\$1.62 to S\$0.71.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Placement.

8. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

9. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update shareholders as and when appropriate. In the meantime, shareholders of the Company and potential investors should exercise caution when trading in the shares, and where in doubt as to the action they should take, they should consult their financial, tax, legal or other professional advisers.

10. DOCUMENTS FOR INSPECTION

Copies of the Subscription Agreements are available for inspection during the normal business hours at the registered office of the Company at 80 Raffles Place, #41-02, UOB Plaza 1, Singapore 048624 for a period of 3 months from the date of this announcement.

11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquires, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription Agreements, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in 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 the announcement in its proper form and context.

BY ORDER OF THE BOARD

Saito Hiroyuki
Executive Chairman / Chief Executive Officer

22 June 2017

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 (the "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 6757*