

LIFEBRANDZ LTD.

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

PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS INTO OTHER NEW BUSINESSES

Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Earlier Announcement (as defined below).

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**”) of LifeBrandz Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcement released on 28 July 2017 (the “**Earlier Announcement**”) in relation to:
- (1) that subject to the approval of Shareholders at the EGM, the Company intends to diversify into the Travel Business; and
 - (2) in connection therewith, the Company further announced that its wholly-owned subsidiary Takumi Holiday Pte. Ltd. (the “**Purchaser**”) had entered into a conditional sale and purchase agreement with the Vendors, pursuant to which the Purchaser has agreed to acquire the Share Capital of the Target Company from the Vendors.
- 1.2. Notwithstanding that the Proposed Acquisition constitutes a disclosable transaction under Rule 1010 of the Listing Manual and as such would not require Shareholders’ approval, the Company will also be seeking Shareholders’ approval for the Proposed Travel Business Acquisition at the EGM.

2. PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS INTO OTHER NEW BUSINESSES

- 2.1. Further to the Earlier Announcement, the Company wishes to announce that subject to the approval of Shareholders and in addition to the Travel Business, the Company also intends to further diversify into the following new businesses:
- (1) the provision of financial technology (“**Fintech**”) to financial and non-financial institutions which will enable these institutions to provide automated financial advice to their clients, including information technology support services (the “**Fintech Business**”); and
 - (2) the provision of fund management services, such as undertaking on behalf of customers the management of a portfolio of securities or futures contracts, or foreign exchange trading and leveraged foreign exchange trading for the purpose of managing the customer’s funds (the “**Fund Management Business**”),
- (the Travel Business, Fintech Business, and the Fund Management Business shall collectively hereinafter be referred to as the “**New Businesses**”, and the proposed diversification into the New Businesses shall hereinafter be referred to as the “**Proposed Diversification**”).
- 2.2. Upon Shareholders’ approval of the Proposed Diversification:
- (1) the Company intends to take the necessary steps, including but not limited to setting up new subsidiaries, exploring joint ventures or strategic alliances (in relation to the Fund Management Business, and/or applying for the relevant licenses from the Monetary Authority of Singapore and/or other relevant authorities) in order to undertake the New Businesses; and

- (2) the Group may employ other experienced professionals possessing relevant and appropriate expertise to assist with operations for the New Businesses, who will report directly to the Board.
- 2.3. The Group may fund the New Businesses through a combination of internal resources of funds, project financing, and borrowings from financial institutions. The Board will determine the optimal mix of internal funding and external funding, taking into account the cash flow of the Group and prevailing bank borrowing costs. In addition, the Company may consider tapping the capital markets in various ways including but not limited to issuance of securities for cash by way of rights issues and placements and issuance of debt instruments as and when necessary and deemed appropriate.
- 2.4. The Company intends to seek Shareholders' approval for *inter alia* the Proposed Diversification at the EGM. The EGM will allow Shareholders the opportunity to communicate their views on the New Businesses, and consider, if thought fit, to approve the Proposed Diversification.

3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

- 3.1. As previously mentioned in the Earlier Announcement, the Company has been consistently sourcing for new business opportunities that will introduce additional income streams for the Group, enhance the Group's business sustainability, and increase Shareholders' value. In addition to the Travel Business, the Company has also identified the Fintech Business and the Fund Management to be viable business options for the Group.
- 3.2. The Company's proposed diversification into the Fintech Business is a recognition that technology in the financial industry has entered into an era of accelerated growth, both on a domestic and international scale. The Board believes that the new developments in the Fintech industry create new markets for the Fintech segment. It is intended that the Fintech Business will also encompass an information technology solutions component, which will predominantly entail the provision of necessary maintenance required for the efficient running of the various platforms of the Fintech Business.
- 3.3. Further, the proposed diversification into the Fintech and Fund Management Businesses is in line with the Company's aim of reducing the Group's reliance on its existing core business, offering new business opportunities, providing the Group with additional and recurrent revenue streams and improving its prospects, so as to enhance Shareholders' value for the Company. The directors are of the view that the Proposed Diversification is in the best interest of the Company.
- 3.4. Once the Shareholders approve the Proposed Diversification, the Group may enter into transactions under the New Businesses without having to seek Shareholders' approval for the sole reason of such transactions not being in the ordinary course of business. This will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval, allowing the Group greater flexibility to pursue business opportunities which may be time sensitive in nature. An added benefit would be a substantial reduction of the costs associated with the convening of general meetings from time to time.
- 3.5. As per the Earlier Announcement, the Company will continue to look for new business opportunities that will introduce more / alternate income streams for the Group, enhance the Group's business sustainability, and increase Shareholders' value.

4. SHAREHOLDERS' APPROVAL

- 4.1. The Proposed Diversification, being a diversification into the travel, Fintech, and fund management sectors, may also result in an expansion of the Group's business to new geographical market(s). This is envisaged to represent a diversification of the existing business scope and alteration of the current risk profile of the Group. As such, the Company intends to seek Shareholders' approval for the Proposed Diversification at the EGM.

- 4.2. Upon the approval by Shareholders of the Proposed Diversification, the Group may in the ordinary course of business, enter into transactions relating to the New Businesses without having to seek Shareholders' approval.
- 4.3. For the avoidance of doubt, the Group will continue to comply with the Listing Manual, particularly the provisions of Chapter 10 in the event it undertakes any acquisition, joint venture, investment, or other transaction in connection with the aforementioned businesses. In particular, notwithstanding the Proposed Diversification, in respect of transactions:
- (1) which fall within the definition of Rule 1002(1) of the Listing Manual, Rules 1010 and 1014 of the Listing Manual will still apply;
 - (2) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 100% or results in a change in control of the issuer, Rule 1015 of the Listing Manual will still apply to such transactions and such transactions will be, among others, made conditional upon approval by Shareholders at a general meeting;
 - (3) which constitute "interested person transactions" as defined in Chapter 9 of the Listing Manual will apply to such transactions and the Company will comply with the provisions of Chapter 9 of the Listing Manual; and
 - (4) which involve the expansion of the New Businesses into other countries beyond Singapore and Japan resulting in a consequential change in the risk profile of the Group, the Company will make the relevant announcement(s) and seek the approval of the Shareholders at a general meeting before venturing into countries other than in Singapore and Japan.

5. CIRCULAR TO SHAREHOLDERS

The circular containing further details of the Proposed Acquisition and the Proposed Diversification, together with a notice of the EGM in connection therewith, will be despatched to Shareholders in due course.

6. DIRECTORS' 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 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 Proposed Diversification, the New Businesses, 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 the 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.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Acquisition and the Proposed Diversification as appropriate or when there are further developments on the same.

8. CAUTION IN TRADING

Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. In particular, Shareholders and potential investors of the Company are reminded that there is no assurance that any transactions mentioned in this announcement will materialise. Persons who are in doubt to the action they should take should consult their stockbrokers, bank managers, solicitors, or other professional advisors.

BY ORDER OF THE BOARD

Saito Hiroyuki
Executive Chairman / Chief Executive Officer

3 August 2017

*This announcement has been prepared by the Company and its contents have 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.

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