

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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 325,862,071 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

- **IRREVOCABLE UNDERTAKING FROM THE CONTROLLING SHAREHOLDER**
 - **CHANGE IN THE INTENDED USE OF NET PROCEEDS FROM THE RIGHTS ISSUE**
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*Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the announcements made on 14 and 19 December 2018 ("**Earlier Announcements**").*

The board of directors ("**Board**") of LifeBrandz Ltd. ("**Company**") refers to the Earlier Announcements in relation to the Rights Issue.

1. SHAREHOLDER'S COMMITMENT TO THE RIGHTS ISSUE

1.1 **Irrevocable Undertaking.** The Board wishes to announce that the Company has today received an irrevocable undertaking ("**Irrevocable Undertaking**") from its controlling shareholder, Bounty Blue Capital Ltd ("**Undertaking Shareholder**"), holding 103,432,020 Shares (representing approximately 22.65% of the Existing Share Capital) as at the date of this announcement that, among others:

- (a) it shall subscribe and pay for, and/or procure the subscription of and payment for, its *pro rata* entitlement of at least 42,857,142 Rights Shares under the Rights Issue ("**Undertaking Shares**"), provided that its shareholdings in the Company shall not increase to 30.00% or more of the enlarged share capital of the Company immediately following completion of the Rights Issue and that it will not be placed in a position of incurring a mandatory general offer obligation under Rule 14 of the Singapore Code on Take-overs and Mergers due to other Shareholders not taking up their Rights Shares entitlement fully; and
- (b) as at the Books Closure Date, the Undertaking Shareholder's registered shareholdings in the Company shall not be less than 85,714,284 Shares.

1.2 **Offsetting Arrangement.** The Undertaking Shareholder has extended interest-free advances of an aggregate sum of S\$300,000 ("**Advances**") to the Company for general working capital and business expansion purposes and it has agreed that the subscription monies payable by it for the 42,857,142 Undertaking Shares will be fully offset against the Advances.

1.3 **Confirmation of Financial Resources.** As the subscription monies payable by the Undertaking Shareholder for the 42,857,142 Undertaking Shares will be fully offset against the Advances, the Undertaking Shareholder will not be required to provide any letter of confirmation of financial resources to pay for such subscription monies.

1.4 The Undertaking Shareholder confirms that it has not been offered additional terms or benefits in connection with the giving of the Irrevocable Undertaking set out above.

1.5 Based on the Minimum Base Scenario and assuming that (i) the Undertaking Shareholder subscribes for the 42,857,142 Undertaking Shares pursuant to the Irrevocable Undertaking, (ii) the Undertaking Shareholder's shareholdings remain at

103,432,020 Shares on the Books Closure Date, and (iii) none of the other Shareholders subscribes for its/his entitlement to the Rights Shares ("**Minimum Subscription Scenario**"), only 42,857,142 Rights Shares will be issued, resulting in the Undertaking Shareholder holding 146,289,162 Shares or 29.29% in the enlarged issued share capital of the Company after the Rights Issue. Upon the allotment and issuance of the Undertaking Shares, the Company will have an enlarged issued share capital comprising 499,512,664 Shares. The Undertaking Shares would represent approximately 9.39% of the Existing Share Capital and approximately 8.58% of the enlarged issued share capital of the Company after the Rights Issue.

1.6 The Undertaking Shareholder's obligations under the Irrevocable Undertaking are subject to and conditional upon, *inter alia*, the following:

- (a) the receipt of the listing and quotation notice from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Rights Issue) for the dealing in, listing of and quotation for the Rights Shares on Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (b) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Rights Issue with the SGX-ST, acting as an agent on behalf of the MAS.

2. CHANGE IN THE INTENDED USE OF NET PROCEEDS FROM THE RIGHTS ISSUE

2.1 The Board wishes to announce a change in the intended use of the Net Proceeds from the Rights Issue as previously disclosed in the Earlier Announcements. The Company will reallocate S\$300,000 of the Net Proceeds ("**Reallocated Proceeds**") from the Rights Issue initially allocated for the Group's general working capital purposes towards repayment of the Advances from the Undertaking Shareholder ("**Reallocation**").

2.2 As the Company has no immediate and definite plans to use a significant portion of the initially allocated Net Proceeds for the Group's general working capital, the Company is of the view that the Reallocated Proceeds would be better utilised for the repayment of the Advances.

2.3 Subsequent to the Reallocation, the Company intends to use the Net Proceeds in the following manner:

Intended Use of Net Proceeds	Minimum Base Maximum Subscription Scenario		Maximum Base Maximum Subscription Scenario	
	Allocation of the Net Proceeds (S\$' million)	Approximate Allocation of the Net Proceeds (%)	Allocation of the Net Proceeds (S\$' million)	Approximate Allocation of the Net Proceeds (%)
Repayment of the Advances by the Undertaking Shareholder by way of setting it off against the Undertaking Shareholder's subscription monies for the Undertaking Shares	0.30	20	0.30	14

Intended Use of Net Proceeds	Minimum Base Maximum Subscription Scenario		Maximum Base Maximum Subscription Scenario	
	Allocation of the Net Proceeds (S\$' million)	Approximate Allocation of the Net Proceeds (%)	Allocation of the Net Proceeds (S\$' million)	Approximate Allocation of the Net Proceeds (%)
Funding for expansion of F&B Business	0.90	60	0.90	41
General working capital purposes	0.30	20	0.98	45
Total	1.50	100	2.18	100

In the Minimum Subscription Scenario, where only the Undertaking Shareholder subscribes for the Rights Shares, the gross proceeds from the Rights Issue will be used purely to set-off against the Advances. Professional fees and expenses relating to the Rights Issue will be paid out of the Company's existing resources as no fresh funds will be raised from the Rights Shares.

- 2.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and will provide a status report on such use in its annual reports.

BY ORDER OF THE BOARD

Saito Hiroyuki
Executive Chairman / Chief Executive Officer
28 December 2018

This announcement has been prepared by the Company and reviewed by the Company's sponsor, SAC Capital Private Limited (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.

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