



LIFEBRANDZ LTD.

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

INVESTMENT AGREEMENT BETWEEN LB F&B PTE. LTD. AND KAJI MITSUYOSHI IN RELATION TO AN INCORPORATION OF COMPANY TO CONDUCT A HIGH-END JAPANESE RESTAURANT BUSINESS IN SINGAPORE

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of LifeBrandz Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that its wholly-owned subsidiary, LB F&B Pte. Ltd. (“**LB F&B**”), has, on 28 February 2020, entered into an investment agreement (the “**Agreement**”) with Mr Kaji Mitsuyoshi (“**Mr. Kaji**”, together with LB F&B, the “**Investors**”) in relation to a proposed investment into Kaji F&B Pte. Ltd. (“**Kaji F&B**”) (the “**Investment**”).

2. INFORMATION ON MR. KAJI

Mr. Kaji is a Japanese citizen who has more than 15 years of experience in Japanese cuisine. He has honed his culinary skills in Kyoto, Japan, as a sous-chef, before becoming a head-chef in 2013. He is now an assistant head-chef for a one (1) Michelin Star omakase restaurant in Singapore, Shinji by Kanesaka.

Mr. Kaji does not hold any shares in the Company and is not related to the Group, the Directors, substantial shareholders and controlling shareholders of the Company, and their respective associates.

3. INFORMATION ON KAJI F&B

The principal business of Kaji F&B is to engage in food and beverage business with a particular focus in high-end Japanese restaurants business.

For a start, Kaji F&B will set up and operate a high-end Japanese restaurant which provides Kappo-style omakase. “Kappo” is a multi-course meal that is left entirely up to the chef to decide the menu. “Kappo” simply means “to cut and to cook”, an all-encompassing word for a less formal cuisine that emphasizes the proximity between the diner and the chef who is cutting and cooking the food.

Mr. Kaji will be the head-chef of Kaji F&B. He will oversee, develop and manage Kaji F&B’s restaurant.

Barring unforeseen circumstances, the Group expects the setup of the aforementioned restaurant to be completed within the calendar year 2020.

4. SALIENT TERMS OF THE AGREEMENT

4.1 Incorporation of Kaji F&B

Pursuant to the terms of the Agreement, LB F&B and Mr. Kaji will incorporate a company in Singapore, Kaji F&B, within three (3) months from the date of the Agreement.

4.2 Prepayment and initial shareholding structure

Mr. Kaji will deposit SGD 200,000 into the bank account of LB F&B as a prepayment (the "**Prepayment**") within seven (7) days after the execution of the Agreement and the shareholding structure of Kaji F&B upon incorporation will be as follows:

| | <u>Number of Shares</u> | <u>Amount (SGD)</u> | <u>%</u> |
|---------------|-------------------------|---------------------|------------|
| LB F&B | 8,000 | 8,000 | 80 |
| Mr. Kaji | 2,000 | 2,000 | 20 |
| Total: | 10,000 | 10,000 | 100 |

4.3 Further subscription

After the incorporation of Kaji F&B, LB F&B and Mr. Kaji are opted to subscribe ("**Further Subscription**") SGD 792,000 and SGD 198,000 respectively into Kaji F&B for further expansion and development which the shareholding structure will remain as follows:

| | <u>Initial setup</u> | | <u>After Further Subscription (allotment of shares)</u> | | <u>Percentage of shares</u> |
|---------------|-----------------------------|-------------------------|-------------------------------------------------------------|-------------------------|---------------------------------|
| | <u>Number of Shares</u> | <u>Amount (SGD)</u> | <u>Number of Shares</u> | <u>Amount (SGD)</u> | <u>%</u> |
| LB F&B | 8,000 | 8,000 | 800,000 | 800,000 | 80 |
| Kaji | 2,000 | 2,000 | 200,000 | 200,000 | 20 |
| Total: | 10,000 | 10,000 | 1,000,000 | 1,000,000 | 100 |

The aforesaid further subscription is required to be completed within one (1) year after the signing date of the Agreement. The Prepayment after deducting the initial share capital will be refunded if the Further Subscription is not executed within the mentioned timeline.

On completion of the Further Subscription, Kaji F&B shall have an issued and paid-up share capital of SGD 1,000,000, comprising 1,000,000 shares. LB F&B shall own 80% of the shares and Mr. Kaji shall own 20% of the shares.

4.4 Board of directors of Kaji F&B

The day-to-day management, operation and affairs of the business shall be managed by such persons whose appointment shall be approved by the board of directors of Kaji F&B. The board of directors of Kaji F&B shall comprise of a maximum of three (3) directors. Both LB F&B and Mr. Kaji shall have the right to appoint directors, where (i) LB F&B is entitled to nominate, appoint, and maintain up to two (2) persons as directors, and (ii) Mr. Kaji is entitled to nominate, appoint, and maintain up to (1) person as director.

4.5 Investors' loan

In the event that the Kaji F&B's financial resources are at any stage insufficient to satisfy the working capital or other requirements as determined by the board of directors of Kaji F&B, the Investors shall co-operate to obtain financing. The Investors shall finance through the following methods: (i) the Investors' loan in accordance with the proportions of shareholding in Kaji F&B; (ii) share capital contribution in accordance with the proportions of shareholding in Kaji F&B; and/or (iii) any other methods to be agreed by Investors.

Where Kaji F&B has surplus cash, each Investor shall procure Kaji F&B to repay the then outstanding Investors' loan to its Investors on a pro rata basis.

4.6 Transfer of Shares

In general, any Investor who wishes to sell, transfer or otherwise dispose of all or any of its shareholding in Kaji F&B shall be entitled to do so only with the consent of the other Investor.

5. **RATIONALE OF THE INVESTMENT**

The Investment is in the ordinary course of expansion of the Group's business and is in line with the Group's strategic plans of acquiring new and varied food and beverage businesses and pursuing new revenue streams.

The Board believes that the Investment is beneficial to the Company and its shareholders as it will enable the Group to tap on the expertise of Mr. Kaji and provide an additional income stream to the Group.

6. **SOURCE OF FUNDS AND FINANCIAL EFFECTS OF THE AGREEMENT**

The initial investment at incorporation of Kaji F&B will be financed by internal resources and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 July 2020.

The Further Subscription is expected to be financed by internal resources or through funds raised from corporate exercises and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 July 2020.

7. **DIRECTORS' INTEREST, SUBSTANTIAL SHAREHOLDERS AND CONTROLLING SHAREHOLDERS**

None of the Directors, substantial shareholders or the controlling shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the Agreement, other than through their respective shareholdings in the Company (if any).

8. 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 Agreement, 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 this announcement in its proper form and context.

9. DOCUMENT FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Saito Hiroyuki
Executive Chairman and Chief Executive Officer

28 February 2020

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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