



LIFE BRANDZ LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200311348E)

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- (A) **PROPOSED SUBSCRIPTION OF 125,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.004 PER SHARE;**
 - (B) **SETTLEMENT OF LOANS PROVIDED BY BOUNTY BLUE CAPITAL LTD; AND**
 - (C) **WAIVER OF LOANS PROVIDED BY CAPITAL SQUARE CO., LTD**
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- (A) **PROPOSED SUBSCRIPTION OF 125,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.004 PER SHARE**

1. INTRODUCTION

1.1. The board of directors (the "**Board**" or "**Directors**") of LifeBrandz Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that, on 26 November 2020, the Company had entered into a subscription agreement (the "**Subscription Agreement**") with I Concept Global Growth Fund ("**I Concept**") and Liw Chai Yuk ("**LCY**", and collectively with I Concept, the "**Subscribers**").

1.2. Pursuant to the Subscription Agreement, the Subscribers have agreed to subscribe for an aggregate of 125,000,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.004 (the "**Issue Price**") for each Subscription Share amounting to an aggregate cash consideration of S\$500,000 (the "**Aggregate Consideration**"), subject to and upon the terms and conditions of the Subscription Agreement (the "**Proposed Subscription**"). Please refer to paragraph 3 of this announcement for more information on the Proposed Subscription.

1.3. Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, SAC Capital Private Limited ("**Sponsor**"), for the dealing in, listing of and quotation for the Subscription Shares on the Catalist board of the SGX-ST (the "**Catalist**"). The Company will make the necessary announcement upon receipt of the listing and quotation notice ("**LQN**") from the SGX-ST.

1.4. Exemption from Prospectus Requirement

The Proposed Subscription is not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscription. The offer and allotment and issue of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2. INFORMATION RELATING TO THE SUBSCRIBERS

Shareholders should note that information relating to the Subscribers in this paragraph and elsewhere in this announcement was provided by the Subscribers. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

2.1. Details on the Subscribers are as set out in the table below.

Name of Subscriber	Background of Subscriber
I Concept	<p>I Concept is a company incorporated with limited liability in the Cayman Islands and its principal business is investment holding. The investment objective of I Concept is to achieve long-term capital appreciation by investing and trading in financial instruments and derivatives in global markets, with the main focus being in Asia markets.</p> <p>I Concept's authorised share capital is US\$50,000 which is made up of two (2) non-participating voting shares of par value US\$1.00 in the capital of I Concept ("Management Shares") and 4,999,800 participating non-voting shares of par value US\$0.01 in the capital of I Concept ("Participating Shares"). The two (2) Management Shares are held by Michael Marcus Liew ("Mr Liew"), a private investor who has experience in the private equity financial investments arena, and has extensive interests in the medical, agricultural, bio-medical as well as tech industries.</p> <p>The directors of I Concept are Mr Liew and Chi Yin Stefanie Chan, who have overall responsibility for the management of I Concept. I Concept has appointed Asia Cornerstone Asset Management Company Limited, a company incorporated with limited liability in Hong Kong, to provide asset management services in respect of I Concept.</p>
LCY	LCY is a private investor has experience in financial investment in private and public companies in various countries including Malaysia and Singapore. Her subscription is for investment purposes.

- 2.2. As at the date of this announcement, the Subscribers do not hold, directly or indirectly, any shares in the capital of the Company ("**Shares**").
- 2.3. As at the date of this announcement, the Company owed Mr Liew an aggregate of S\$45,675 pursuant to short-term interest-free loans granted for the Company's working capital purposes ("**ML Loans**").
- 2.3. Each Subscriber has confirmed that it is subscribing for the Subscription Shares as principal and for its own benefit and is not acting in concert with any parties to obtain or consolidate control of the Company.
- 2.4. The Subscribers approached the Company after conducting their own investment due diligence. No introducer fee or commission is paid or payable by the Company in connection with the Proposed Subscription.
- 2.5. To the best of knowledge of the Directors and save as disclosed above, the Subscribers do not have any other connections (including business relationships) with the Company, the Group, the Directors and substantial shareholders of the Company. The Subscribers do not fall into the class of restricted persons as specified under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

3. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

3.1. Subscription Shares

Pursuant to the terms of the Subscription Agreement, the Subscribers shall subscribe for such number of Subscription Shares at the Issue Price per Subscription Share in such manner and in such proportions as set out against each Subscriber's name in the table below:

Subscriber	Number of Subscription Shares	Percentage of Enlarged Share Capital ⁽¹⁾	Proportion of Aggregate Consideration (S\$) payable on Completion
I Concept	100,000,000	13.57%	S\$400,000
LCY	25,000,000	3.39%	S\$100,000
TOTAL	125,000,000	16.97%	S\$500,000

Note:

(1) Based on the Enlarged Share Capital (as defined below) of the Company comprising 736,670,246 Shares subsequent to the completion of the Proposed Subscription.

The Subscription Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares except that the Subscription Shares will not rank for any dividends, rights, allotments, or other distributions, the record date for which falls on or before the date of the allotment and issue of the Subscription Shares.

The Subscription Shares represent approximately 20.44% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company of 611,670,246 Shares as at the date of this announcement ("**Existing Share Capital**") and approximately 16.97% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company 736,670,246 Shares following the completion of the Proposed Subscription ("**Enlarged Share Capital**"), assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Proposed Subscription.

3.2. Issue Price

The Issue Price of S\$0.004 per Subscription Share is equivalent to the volume weighted average price ("**VWAP**") of S\$0.004 per Share for trades done on the SGX-ST on 25 November 2020, being the last full market day on which the Shares were traded prior to the Company's trading halt on 26 November 2020 and prior to the date of the Subscription Agreement.

The Issue Price was commercially agreed between the Company and the Subscriber after arm's length negotiations and taking into account historical trading performance of the Company and prevailing market conditions.

3.3. General Mandate

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company ("**Shareholders**") by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 27 November 2019 ("**2019 AGM**"). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). As at the date of the 2019 AGM, the Company had 536,670,246 Shares in issue.

On 31 January 2020, the Company had issued and allotted 75,000,000 Shares to Capital Square Co., Ltd. pursuant to a proposed subscription of Shares as announced by the Company on 20 January 2020. Hence, the maximum number of Shares that may be issued other than on a *pro-rata* basis pursuant to the General Mandate is 193,335,123 Shares. Accordingly, the proposed allotment and issue of the Subscription Shares falls within the limit of the General Mandate.

3.4. Right to appoint Director

Under the Subscription Agreement, I Concept has the right to nominate one (1) executive Director to the Board, subject to the clearance of the Board (such clearance not to be unreasonably withheld) and the Sponsor on the suitability of the person nominated in accordance with the Catalist Rules.

3.5. Compliance with Catalist Rules

The Subscription Shares (i) will not be placed to any person who is a Director or a substantial Shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalist Rules, and (ii) will not result in any transfer of controlling interest in the Company.

3.6. Conditions Precedent

Under the Subscription Agreement, the completion of the Proposed Subscription is conditional upon the satisfaction or waiver of, *inter alia*, the following conditions ("**Conditions Precedent**"):

- (a) the LQN being obtained from the SGX-ST and not having been revoked or amended and, where the LQN is subject to conditions, to the extent that any conditions of the LQN are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
- (b) the exemption under Section 272B of the SFA being applicable to the allotment and issue of Subscription Shares under the Subscription Agreement;
- (c) the allotment and issue of Subscription Shares to the Subscribers not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction which is applicable to the Company or any of the Subscribers;
- (d) there not having occurred, in the opinion of any Subscriber, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Subscription Agreement which, in the opinion of any Subscriber, is or is reasonably likely to be materially adverse in the context of the subscription of Subscription Shares or is reasonably likely to prejudice materially the success of the subscription of Subscription Shares or dealings in the Subscription Shares in the secondary market. Material adverse change means any circumstance, development or event that has or is likely to have, an effect on the assets, business, financial condition, liabilities or prospects of the Group or results of operations of the Group that could reasonably result in or could reasonably be expected to: (i) adversely affect the rights, powers and remedies of the Subscribers under the Subscription Agreement; or (ii) result in the inability of the Company to perform any of its obligations or undertakings under the Subscription Agreement; and
- (e) the warranties and undertakings given by the Subscribers and the Company as set out in the Subscription Agreement remaining true and correct in all material respects as at the Completion Date.

3.7. Long-Stop Date

Under the Subscription Agreement, if the Conditions Precedent are not satisfied (or, where applicable, are not waived) on the date falling not later than four (4) weeks from the date of the Subscription Agreement (or such later date as the parties may mutually agree) (the "**Long-Stop Date**"), the Subscription Agreement shall terminate and be of no further effect and no party shall

be under any liability to the other in respect of the Subscription Agreement.

3.8. Completion

Completion of the Proposed Subscription under the Subscription Agreement shall take place on the date falling five (5) market days from the date on which the SGX-ST issues the LQN (or other such date as the Company and the Subscribers may agree) ("**Completion Date**").

(B) SETTLEMENT OF LOANS PROVIDED BY BOUNTY BLUE CAPITAL LTD

4. INTRODUCTION

4.1. The Board of the Company also wishes to announce that, on 26 November 2020, the Company had entered into a deed of settlement with Bounty Blue Capital Ltd ("**Bounty Blue**") and Mr. Saito Hiroyuki ("**Mr Saito**"), the Executive Chairman and CEO of the Company ("**Settlement Deed**") for the settlement of certain interest-free loans in the aggregate sum of S\$2,918,923 ("**BB Loan Amount**") extended by Bounty Blue to the Company for working capital and business expansion purposes.

4.2. Pursuant to the Settlement Deed:

- (a) with effect from 31 October 2020, the Company shall cease all payments to Mr Saito of his monthly salary payable to him under his service agreement with the Company dated 21 April 2017 in order to support the working capital sufficiency of the Company;
- (b) the BB Loan Amount, being S\$2,918,923, shall be fully settled and satisfied by the payment by the Company to Bounty Blue of S\$1,000,000 in cash ("**Settlement Sum**"), in the following manner:
 - (i) S\$200,000 on or before 31 December 2020;
 - (ii) S\$100,000 on or before 31 January 2021; and
 - (iii) S\$700,000 on or before 12 February 2021, provided always that the Company shall have the right to deduct from this amount any liabilities (whether contingent or otherwise) which arose before 30 November 2020 and which are not specifically catered for in the books of the Company as at the date of the Settlement Deed as certified by the Chief Finance Officer of the Company; and
- (c) upon payment of the Settlement Sum by the Company to Bounty Blue in accordance with the terms of the Settlement Deed, the BB Loan Amount shall be deemed to be repaid to Bounty Blue and shall be considered fully and finally settled,

(collectively, the "**Proposed Settlement**").

5. INFORMATION RELATING TO BOUNTY BLUE

Shareholders should note that information relating to Bounty Blue in this paragraph and elsewhere in this announcement was provided by Bounty Blue. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

5.1. Bounty Blue is a company incorporated under the laws of the British Virgin Islands engaged in the business of investment holding. Bounty Blue is wholly-owned by Rockwills Trustee Ltd, being the trustee of Blue Bay Trust ("**Trust**"). The beneficiary and settlor of the Trust is Mr Saito who is the Executive Chairman and CEO of the Company. Accordingly, Mr Saito is deemed the beneficial owner of Bounty Blue.

5.2. As at the date of this announcement, Bounty Blue is a controlling shareholder of the Company holding an aggregate of 155,148,030 Shares in the Company, representing 25.36% of the Existing Share Capital of the Company.

(C) WAIVER OF LOANS PROVIDED BY CAPITAL SQUARE CO., LTD

6. INTRODUCTION

- 6.1. The Board of the Company further wishes to announce that, on 26 November 2020, the Company had entered into a deed of waiver with Capital Square Co., Ltd ("**Capital Square**") ("**Deed of Waiver**") for the waiver of a loan in the principal sum of S\$200,000 ("**Principal Sum**") bearing an interest of five per cent. (5%) per annum extended by Capital Square to the Company. As at 31 October 2020, the Company owes to Capital Square an aggregate sum of S\$207,708.82 (inclusive of interest expenses) ("**CS Debt**").
- 6.2. Pursuant to the Deed of Waiver, Capital Square has agreed to waive the CS Debt and subsequent interest expenses chargeable on the Principal Sum up to the date of the Deed of Waiver in its entirety, and no further sums are due and owing and/or payable by the Company to Capital Square ("**Proposed Waiver**", and collectively with the Proposed Subscription and the Proposed Settlement, the "**Proposed Transactions**").

7. INFORMATION RELATING TO CAPITAL SQUARE CO., LTD

Shareholders should note that information relating to Capital Square in this paragraph and elsewhere in this announcement was provided by Capital Square. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

- 7.1. Capital Square is a company incorporated under the laws of Japan engaged in the business of investment holding. The sole shareholder of Capital Square is Mr Fujiyoshi Daiki.
- 7.2. As at the date of this announcement, Capital Square is a substantial shareholder of the Company holding an aggregate of 75,000,000 Shares in the Company, representing 12.26% of the Existing Share Capital of the Company.

8. RATIONALE FOR THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

The Board is of the view that the Proposed Transactions are in the best interests of the Company. Due to the current ongoing COVID-19 crisis, the global economic outlook is uncertain, and with numerous travel bans, social distancing measures and dine-in restrictions in place, the Group faces heightened difficulties in managing its costs in its operations. The Company has therefore taken a decision to restructure the Group's business and raise funds from new investors with a view to ensure that the Company has sufficient working capital to remain a going concern. The Proposed Transactions represent the steps taken by the Company on this front.

Based on the latest announced unaudited financial results of the Group for the 6-month financial period ended 31 January 2020, the Group is in a net current liabilities position of S\$3.8 million and a net liabilities position of S\$0.7 million.

The Proposed Subscription will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimated expenses of approximately S\$41,000) of approximately S\$459,000 ("**Net Proceeds**"). The Company intends to utilise the entire Net Proceeds in the following manner:

Usage of Net Proceeds	S\$'000	% of Net Proceeds
(1) Repayment of the Group's existing and outstanding liabilities to external creditors	375	82%
(2) Repayment of the ML Loans	46	10%
(3) Working capital	38	8%
TOTAL	459	100%

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. As the Net Proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of Net Proceeds in the Company's interim and full year financial statements issued under Rule 705 of the Catalist Rules and its annual report(s).

After negotiations with Bounty Blue, the Company was able to reach a settlement for the outstanding BB Loan Amount due and owing to Bounty Blue via the Proposed Settlement. The Company was also able to negotiate for a full waiver of the CS Debt with Capital Square. Both the Proposed Settlement and the Proposed Waiver represent parts of the overall debt restructuring exercise undertaken by the Company to conserve cash for its remaining business activities and relieve pressure on the working capital needs of the Group.

9. DIRECTOR'S CONFIRMATION

The Directors are of the opinion that:

- (i) after taking into consideration the operating cash flows of the Group, the financial support from Bounty Blue and Capital Square, the Proposed Settlement and the Proposed Waiver, the working capital available to the Group is sufficient to meet its present requirements; and
- (ii) after taking into consideration the operating cash flows of the Group, the financial support from Bounty Blue and Capital Square, the Proposed Settlement, the Proposed Waiver and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors are of the opinion that the Proposed Subscription is beneficial to the Group for such reasons as set out in paragraph 8 of this announcement.

10. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

10.1. Bases and assumptions

The financial effects of the Proposed Transactions on (a) the consolidated net tangible liabilities ("**NTL**") per Share and (b) the consolidated loss per Share ("**LPS**") of the Group, have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 July 2019 ("**FY2019**"). The *pro forma* financial effects of the Proposed Transactions are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Transactions.

The financial effects are based on the following assumptions:

- (a) the financial effects of the Proposed Transactions on the NTL per Share of the Group are computed based on the assumption that the Proposed Transactions had taken place on 31 July 2019;
- (b) the financial effects of the Proposed Transactions on the LPS is computed based on the assumption that the Proposed Transactions were completed on 1 August 2018; and
- (c) the expenses incurred in connection with the Proposed Transactions amount to approximately S\$41,000.

For avoidance of doubt, the financial effects of the Proposed Transactions do not take into account (i) any other corporate actions announced and undertaken by the Group; and (ii) any issuance of new Shares, on or after 1 August 2019.

10.2. Share Capital

The illustrative financial effects of the Proposed Transactions on the share capital of the Company as at 31 July 2019 are as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Issued and paid-up share capital (S\$'000)	62,650	63,109
Total number of issued Shares (excluding treasury shares) ⁽¹⁾ ('000)	536,670	661,670

Note:

(1) As at the date of this announcement, the Company does not hold any treasury shares.

10.3. Net Tangible Assets ("NTA") or NTL per Share

The illustrative financial effects of the Proposed Transactions on the NTA or NTL per Share of the Group as at 31 July 2019 are as follows:

	Before the Proposed Transactions	After the Proposed Transactions
(NTL)/NTA attributable to the owners of the Company ⁽¹⁾ (S\$'000)	(221)	915
Total number of issued Shares (excluding treasury shares) ⁽²⁾ ('000)	536,670	661,670
(NTL)/NTA per Share (S\$ cents)	(0.04)	0.14

Notes:

(1) NTA/NTL attributable to the owners of the Company means total assets less the sum of total liabilities, non-controlling interests and intangible assets.

(2) As at the date of this announcement, the Company does not hold any treasury shares.

10.4. LPS

The illustrative financial effects of the Proposed Transactions on the LPS of the Group for FY2019 are as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Loss for the financial year (S\$'000)	(3,446)	(2,779)
Net loss attributable to owners of the Company (S\$'000)	(3,094)	(2,427)
Weighted average number of Shares ('000)	498,088	661,670
LPS (S\$ cents)	(0.62)	(0.37)

10.5. Gearing

The illustrative financial effects of the Proposed Transactions on the gearing ratio of the Group as at 31 July 2019 are as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Total borrowings ⁽¹⁾ (S\$'000)	1,676	1,009
Total equity (S\$'000)	414	1,081
Gearing ratio ⁽³⁾ (times)	4.05	0.93

Notes:

- (1) Total borrowings include loans from Bounty Blue, Capital Square, I Concept and bank borrowings.
- (2) Gearing ratio is defined as total borrowings divided by total equity.

11. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed above, none of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Transactions, other than in their capacity as Director or Shareholder of the Company.

12. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 46 Kim Yam Road, #03-06, Singapore 239351 for three (3) months from the date of this announcement:

- (a) the Subscription Agreement;
- (b) the Settlement Deed; and
- (c) the Deed of Waiver.

13. DIRECTOR'S 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 Transactions, and 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 this announcement in its proper form and context.

14. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Subscription is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Subscription 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 should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Saito Hiroyuki
Executive Chairman and Chief Executive Officer
27 November 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.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.