



LIFEBRANDZ LTD.

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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

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 the Company proposes to undertake a renounceable non-underwritten rights cum warrants issue ("**Proposed Rights cum Warrants Issue**") of up to 1,030,170,246 new ordinary shares in the share capital of the Company (the "**Rights Shares**") at the issue price of S\$0.005 ("**Issue Price**") for each Rights Share, with up to 515,085,123 free detachable and transferable warrants (the "**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the share capital of the Company ("**New Share**") at an exercise price of S\$0.010 for each New Share (the "**Exercise Price**"), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the share capital of the Company ("**Share**") held by the shareholders of the Company ("**Shareholders**") who are eligible to participate in the Proposed Rights cum Warrants Issue ("**Entitled Shareholders**") as at a date and time to be determined by the Directors for the purposes of determining the entitlements of the Entitled Shareholders under the Proposed Rights cum Warrants Issue ("**Record Date**"), with one (1) Warrant for every two (2) Rights Shares subscribed, fractional entitlements to be disregarded.

1.2 The principal terms of the Proposed Rights cum Warrants Issue are summarised below:

Price	Issue Price of S\$0.005 per Rights Share Exercise Price of S\$0.010 per New Share
Discount	The Issue Price of S\$0.005 per Rights Share represents: (a) a discount of approximately 52.4% to the weighted average price (" VWAP ") of S\$0.0105 per Share and a discount of approximately 50.0% to the closing price (" Closing Price ") of S\$0.010 per Share on the Catalist Board of the Singapore Exchange Securities Trading Limited (" SGX-ST ") (" Catalist ") on 10 March 2021, being the last full market day on which the Shares were traded on the Catalist immediately prior to the Company's trading halt on 11 March 2021 and prior to the date of this announcement; and

	<p>(b) a discount of approximately 33.3% to the theoretical ex-rights price ("TERP")¹ of S\$0.0075 per Share.</p> <p>The Exercise Price of S\$0.010 per New Share represents:</p> <p>(a) a discount of approximately 4.8% to the VWAP of S\$0.0105 per Share and is equivalent to the Closing Price of S\$0.010 per Share on the Catalist on 10 March 2021, being the last full Market Day on which the Shares were traded on the Catalist immediately prior to the Company's trading halt on 11 March 2021 and prior to the date of this announcement; and</p> <p>(b) a premium of approximately 33.3% to the TERP¹ of S\$0.0075 per Share.</p> <p>Please refer to paragraph 2.4 of this announcement for further details, including the basis of discounts.</p>
Allotment Ratio	<p>One (1) Rights Share for every one (1) existing Share held by Eligible Shareholders as at the Record Date.</p> <p>One (1) Warrant for every (2) Right Shares subscribed, fractional entitlements to be disregarded.</p>
Use of Proceeds	<p>Please refer to paragraph 7 of this announcement for details on the use of proceeds arising from the Proposed Rights cum Warrants Issue.</p>
Purpose of Issue	<p>Please refer to paragraph 6 of this announcement for details on the use of proceeds arising from the Proposed Rights cum Warrants Issue.</p>

- 1.3 The Company will be seeking the specific approval of the Shareholders at an extraordinary general meeting ("**EGM**") to be convened for, *inter alia*, the Proposed Rights cum Warrants Issue. A circular to Shareholders setting out, amongst other things, the details of, and other relevant information pertaining to the Proposed Rights cum Warrants Issue, together with the notice of EGM, will be despatched or disseminated to the Shareholders in due course.

2. **PRINCIPAL TERMS OF THE RIGHTS CUM WARRANTS ISSUE**

- 2.1 The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the Directors may, in their absolute discretion, deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue will be contained in the offer information statement (the "**Offer Information Statement**") and its accompanying documents to be despatched or disseminated by the Company to the Entitled Shareholders in due course. The principal terms of the Proposed Rights cum Warrants Issue are summarised below.

¹ The TERP is the theoretical market price of each Share assuming the completion of the Proposed Rights cum Warrants Issue, and is calculated based on the Closing Price, and the number of Shares following completion of the Proposed Rights cum Warrants Issue. For avoidance of doubt, the TERP computation does not include the New Shares to be issued from the exercise of Warrants.

2.2 Basis of Provisional Allotment

The Proposed Rights cum Warrants Issue will be made on a renounceable non-underwritten basis to all Entitled Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Record Date, with one (1) Warrant for every two (2) Rights Shares subscribed, fractional entitlements to be disregarded.

2.3 Issue Size

As at the date of this announcement, the Company has in issue 1,030,170,246 Shares ("**Existing Share Capital**"). As at the date of this announcement, the Company does not have any share option or other share incentive schemes for its employees or any other convertible securities in issue.

Assuming that there is no change in the Existing Share Capital before the Record Date, and the Proposed Rights cum Warrants Issue is fully subscribed ("**Maximum Subscription Scenario**"), 1,030,170,246 Rights Shares and 515,085,123 Warrants will be issued, and the enlarged share capital of the Company will increase to:

- (a) 2,060,340,492 Shares upon the allotment and issuance of such number of Rights Shares at completion of the Proposed Rights cum Warrants Issue but before the exercise of the Warrants, and the Rights Shares will represent approximately 100% and 50% respectively of the Existing Share Capital and the enlarged issued share capital of the Company; and
- (b) 2,575,425,615 Shares upon the exercise of such number of Warrants, and the aggregate of such number of Rights Shares and New Shares will represent approximately 150% and 60% respectively of the Existing Share Capital and the enlarged issued share capital of the Company.

Assuming that there is no change in the Existing Share Capital before the Record Date, and none of the Entitled Shareholders other than I Concept Global Growth Fund ("**I Concept**") and Liw Chai Yuk ("**LCY**") or purchasers of the "nil-paid" rights during the "nil-paid" rights trading period subscribe and pay for the Rights Shares with Warrants in accordance with their respective Irrevocable Undertakings (as defined herein) ("**Minimum Subscription Scenario**"), 278,500,000 Rights Shares and 139,250,000 Warrants will be issued, and the enlarged share capital of the Company will increase to:

- (a) 1,308,670,246 Shares upon the allotment and issuance of such number of Rights Shares at completion of the Proposed Rights cum Warrants Issue before the exercise of the Warrants, and the Rights Shares will represent approximately 27.03% and 21.28% respectively of the Existing Share Capital and the enlarged issued share capital of the Company; and
- (b) 1,447,920,246 Shares upon the exercise of such number of Warrants, and the aggregate of such number of Rights Shares and New Shares will represent approximately 40.55% and 28.85% respectively of the Existing Share Capital and the enlarged issued share capital of the Company.

2.4 Price

The Issue Price of S\$0.005 per Rights Share represents:

- (a) a discount of approximately 52.4% to the VWAP of S\$0.0105 per Share and a discount of approximately 50.0% to the Closing Price of S\$0.010 per Share on the Catalist on 10 March 2021, being the last full market day on which the Shares were traded on the Catalist immediately prior to the Company's trading halt on 11 March 2021 and prior to the date of this announcement; and
- (b) a discount of approximately 33.3% to the TERP of S\$0.0075 per Share.

The Exercise Price of S\$0.010 per New Share represents:

- (a) a discount of approximately 4.8% to the VWAP of S\$0.0105 per Share and is equivalent to the Closing Price of S\$0.010 per Share on the Catalist on 10 March 2021, being the last full Market Day on which the Shares were traded on the Catalist immediately prior to the Company's trading halt on 11 March 2021 and prior to the date of this announcement; and
- (b) a premium of approximately 33.3% to the TERP of S\$0.0075 per Share.

In arriving at the discounts for the Issue Price and the Exercise Price, the Board took into consideration the following factors:

- (a) the prevailing market conditions and the discount rates of recent rights issue transactions on the Catalist for the past twelve (12) months;
- (b) the historical prices of the Company's Shares in the past twelve (12) months, the issue prices of the Company's placement exercises in the past twelve (12) months, and the discount rates and subscription rates of the Company's historical rights issue exercises;
- (c) the expected value of the nil-paid rights of S\$0.0025 based on the TERP;
- (d) the historical financial performance and position of the Group for the financial year ended 31 July 2020 ("FY2020") and for the 6-month financial period ended 31 January 2021 ("HY2021"), and its current state of affairs as described in paragraph 6 of this announcement; and
- (e) the discussions with the Undertaking Shareholders (as defined herein).

2.5 Status and Ranking

The Rights Shares with Warrants will be payable in full upon acceptance and/or application, and when allotted and issued, the Rights Shares will rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

The New Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or

after the date of issue of the New Shares, save as may be otherwise provided in a deed poll to be executed by the Company for the purposes of constituting the Warrants (the “**Deed Poll**”).

For this purpose, “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Central Depository (Pte) Limited (“**CDP**”) or the Company, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.6 Option to Scale Down Subscription

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription for the Rights Shares with Warrants and/or excess applications for the excess Rights Shares with Warrants by any Shareholder (if such Shareholder chooses to subscribe for its *pro rata* Rights Shares with Warrants entitlement and/or apply for excess Rights Shares with Warrants) to avoid placing the relevant Shareholder and parties acting in concert with him in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers (“**Code**”) as a result of other Shareholders not taking up their Rights Shares with Warrants entitlement fully; or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”), unless prior approval of Shareholders is obtained in a general meeting.

2.7 Warrants

The Warrants will be issued free with the Rights Shares on the basis of one (1) Warrant for every two (2) Rights Shares successfully subscribed for.

Each Warrant will entitle the holder to subscribe for a New Share at the Exercise Price at any time during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the day immediately preceding the third (3rd) anniversary of such date of issue (“**Exercise Period**”) and Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any and all purposes, subject to the terms and conditions of the Warrants as set out in the Deed Poll.

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on Catalist under the book-entry (scripless) settlement system, subject to there being a sufficient spread of holdings of the Warrants to provide an orderly market for the Warrants.

The Exercise Price and the number of Warrants to be held by each holder of the Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company. Any material amendment to the terms of the Warrants after issue to the advantage of the holders of such Warrants shall be approved by Shareholders, except where the amendment is made pursuant to the terms of the Warrants.

The Company shall, not later than one (1) month before the expiry of the Exercise Period (the "**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one (1) month before the Expiry Date, take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).

2.8 Non-Underwritten Basis

In view of the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees, the Irrevocable Undertakings provided by the Undertaking Shareholders and there being no minimum amount that must be raised from the Proposed Rights cum Warrants Issue, the Company has decided to proceed with the Proposed Rights cum Warrants Issue on a non-underwritten basis. The Proposed Rights cum Warrants Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Catalist Rules.

3. **CONDITIONS OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE**

- 3.1 The Proposed Rights cum Warrants Issue is subject to and conditional upon, *inter alia*:
- (a) the approval of the Shareholders for the Proposed Rights cum Warrants Issue being obtained at the EGM;
 - (b) 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 Proposed Rights cum Warrants Issue) for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
 - (c) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Proposed Rights cum Warrants Issue with the SGX-ST, acting as an agent on behalf of the MAS; and
 - (d) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights cum Warrants Issue and to give effect to the Proposed Rights cum Warrants Issue, being obtained and not having been withdrawn or revoked before the completion of the Proposed Rights cum Warrants Issue.
- 3.2 The Company will be making an application to the SGX-ST, through the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for dealing, listing and quotation, of the Rights Shares, the Warrants and the New Shares on the Catalist.
- 3.3 The Company intends to convene the EGM to seek Shareholders' approval for, *inter alia*, the Proposed Rights cum Warrants Issue. The circular containing, *inter alia*, details relating to the Proposed Rights cum Warrants Issue and the notice of the EGM will be despatched or disseminated to Shareholders in due course.

- 3.4 Appropriate announcements in relation to, *inter alia*, the above application, despatch of the circular, and lodgement and despatch of the Offer Information Statement will be made in due course.

4. VOTING, SUBSCRIPTION AND IRREVOCABLE UNDERTAKINGS

4.1 Voting Undertaking

As at the date of this announcement, Capital Square Co., Ltd. ("**Capital Square**") holds an aggregate of 6,352,200 Shares representing approximately 0.62% of the Existing Share Capital. Based on the terms of the Proposed Rights cum Warrants Issue and its existing shareholding, Capital Square shall be entitled to subscribe for up to 6,352,200 Rights Shares with 3,176,100 Warrants.

The Company had previously informed Capital Square that the Company intends to undertake a rights cum warrants issue exercise on such terms and subject to such conditions as the Board may determine. Capital Square indicated that it will not be participating in the Proposed Rights cum Warrants Issue as it has other financial commitments and may sell its Shares in the open market. However, to demonstrate its support for the Proposed Rights cum Warrants Issue, Capital Square has agreed to give certain undertakings as set out in the deed of undertaking dated 8 February 2021 ("**Voting Undertaking**").

Pursuant to the Voting Undertaking given by Capital Square:

- (a) from the date of the Voting Undertaking until the completion of the Proposed Rights cum Warrants Issue, Capital Square has undertaken to not, whether directly or indirectly (which for the avoidance of doubt, shall include without limitation, through related parties, including the related parties of its shareholders and directors, their respective associates, friends, family whether immediate or not or any corporation controlled by any of them (collectively, the "**Relevant Parties**")) acquire any further Shares in the capital of the Company;
- (b) from the date of the Voting Undertaking until the completion of the Proposed Rights cum Warrants Issue, Capital Square has undertaken not (i) dispose of, sell, transact in any manner any Shares it holds in the capital of the Company, whether directly or indirectly, to or with a Relevant Party, or (ii) create encumbrance over any Shares it holds in the capital of the Company, whether directly or indirectly in favour of a Relevant Party;
- (c) if at the point of the EGM, Capital Square holds any Shares, Capital Square will vote and/or procure the voting of those Shares in favour of all resolutions relating to the Proposed Rights cum Warrants Issue at the EGM; and
- (d) Capital Square will not participate in the Rights cum Warrants Issue and, without prejudice to the generality of the foregoing, not subscribe for any of its provisional allotments of Rights Shares with Warrants under the Proposed Rights cum Warrants Issue.

4.2 Subscription Undertaking

As at the date of this announcement, Bounty Blue Capital Ltd ("**Bounty Blue**") holds 152,825,530 Shares, representing approximately 14.83% of the Existing Share Capital. Based on the terms of the Proposed Rights cum Warrants Issue and its existing shareholding, Bounty Blue shall be entitled to subscribe for up to 152,825,530 Rights Shares with 76,412,765 Warrants.

The Company had previously informed Bounty Blue that the Company intends to undertake a rights cum warrants issue exercise on such terms and subject to such conditions as the Board may determine. To demonstrate its support for the Proposed Rights cum Warrants Issue, Bounty Blue has agreed to give certain undertakings as set out in the deed of undertaking dated 8 February 2021 ("**Subscription Undertaking**").

Pursuant to the Subscription Undertaking given by Bounty Blue:

- (a) from the date of the Subscription Undertaking until the completion of the Proposed Rights cum Warrants Issue, Bounty Blue has undertaken to not, whether directly or indirectly (which for the avoidance of doubt, shall include without limitation, through Relevant Parties) acquire any further Shares in the capital of the Company;
- (b) if at the point of the EGM, Bounty Blue holds any Shares, Bounty Blue will vote and/or procure the voting of those Shares in favour of all resolutions relating to the Proposed Rights cum Warrants Issue at the EGM; and
- (c) if at the Record Date, Bounty Blue holds any Shares in the Company, Bounty Blue may subscribe for its *pro rata* entitlement of Rights Shares based on its shareholding in the Company as at the Record Date, provided always that the Company may scale down Bounty Blue's subscription and the resultant Rights Shares in such manner so that Bounty Blue's resultant shareholding in the Company does not exceed 15% of the enlarged issued and paid-up share capital of the Company following the completion of the Proposed Rights cum Warrants Issue.

4.3 Irrevocable Undertakings

As at the date of this announcement:

- (a) I Concept holds 101,000,000 Shares representing approximately 9.80% of the Existing Share Capital. Based on the terms of the Proposed Rights cum Warrants Issue and its existing shareholding, I Concept shall be entitled to subscribe for up to 101,000,000 Rights Shares with 50,500,000 Warrants; and
- (b) LCY (and together with I Concept, the "**Undertaking Shareholders**") holds 12,500,000 Shares representing approximately 1.21% of the Existing Share Capital. Based on the terms of the Proposed Rights cum Warrants Issue and its existing shareholding, LCY shall be entitled to subscribe for up to 12,500,000 Rights Shares with 6,250,000 Warrants.

To demonstrate their confidence in the Proposed Rights cum Warrants Issue and their commitment and support to the Company, each of the Undertaking Shareholders has

separately executed irrevocable deeds of undertaking dated 15 March 2021 ("**Irrevocable Undertakings**"), pursuant to which:

- (a) each of the Undertaking Shareholders has undertaken to ensure that none of the Shares in which it currently has an interest (directly or indirectly), are (i) sold, transferred or otherwise disposed of from the date of the Irrevocable Undertakings until the Record Date, and (ii) subject to any encumbrances from the date of the Irrevocable Undertakings until the close of the Proposed Rights cum Warrants Issue;
- (b) the Undertaking Shareholders will vote and/or procure the voting of, all their shareholding, whether held directly or indirectly, in favour of the resolutions relating to the Proposed Rights cum Warrants Issue at the EGM;
- (c) the Undertaking Shareholders shall subscribe and pay for (or procure the subscription and payment for) their respective *pro rata* entitlement of Rights Shares pursuant to the Proposed Rights cum Warrants Issue, as follows:

Undertaking Shareholders	Number of Rights Shares	Subscription Amount (S\$)
I Concept	101,000,000	505,000
LCY	12,500,000	62,500

- (d) I Concept shall subscribe and pay for (or procure the subscription and payment for) up to 165,000,000 additional Rights Shares (at additional subscription amount of S\$825,000) in excess of its provisional allotments under the Proposed Rights cum Warrants Issue which remain unsubscribed for by other Entitled Shareholders or their renounees at the closing date of the Proposed Rights cum Warrants Issue after satisfying all applications and excess applications (if any) for the Rights Shares, on the basis that it will rank last in priority in the rounding of odd lots and allot of excess Rights Shares with Warrants which are not taken up by other Entitled Shareholders.

The Undertaking Shareholders have not been offered additional terms or benefits in connection with the giving of the Irrevocable Undertakings set out above.

To demonstrate that they have sufficient financial resources to fulfil the Irrevocable Undertakings, the Undertaking Shareholders will procure a confirmation from a financial institution and/or deposit the committed subscription sum pursuant to the Irrevocable Undertakings to the Company's bank account in advance.

4.4 Approvals and Conditions

The Irrevocable Undertakings are subject to and conditional upon, *inter alia*:

- (a) the approval of the Shareholders for the Proposed Rights cum Warrants Issue being obtained at the EGM;
- (b) 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 Proposed Rights cum Warrants Issue) for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist and, if

such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;

- (c) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Proposed Rights cum Warrants Issue with the SGX-ST, acting as an agent on behalf of MAS; and
- (d) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights cum Warrants Issue and to give effect to the Proposed Rights cum Warrants Issue, being obtained and not having been withdrawn or revoked before the completion of the Proposed Rights cum Warrants Issue.

As the Irrevocable Undertaking by I Concept may result in the transfer of a controlling interest in the Company to I Concept ("**Proposed Transfer of Controlling Interest**"), the specific approval of the Shareholders is required under Rule 803 of the Catalist Rules. The Company will seek the approval of the Shareholders for the Proposed Transfer of Controlling Interest at the EGM to be convened for, *inter alia*, the Proposed Rights cum Warrants Issue. If Shareholders' approval is not obtained for the Proposed Transfer of Controlling Interest, the Company will scale down I Concept's subscription for the Rights Shares to avoid the transfer of a controlling interest in the Company.

5. ELIGIBILITY TO PARTICIPATE IN THE PROPOSED RIGHTS CUM WARRANTS ISSUE

5.1 Eligibility of Shareholders to Participate in the Proposed Rights cum Warrants Issue

The Company proposes to provisionally allot the Rights Shares with Warrants to the Entitled Shareholders, comprising the Entitled Depositors and the Entitled Scripholders (each as defined below), on the basis of their shareholdings as at the Record Date. Entitled Shareholders will be entitled to participate in the Proposed Rights cum Warrants Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Registrar, as the case may be.

5.2 Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Accounts**") and whose registered addresses with CDP are in Singapore as at the Record Date or who have, no later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents ("**Entitled Depositors**").

Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Record Date.

5.3 Entitled Scripholders

Entitled Scripholders are Shareholders whose (i) share certificates are not deposited with CDP, (ii) Shares are registered in their own names, and (iii) registered addresses with the Share Registrar are in Singapore as at the Record Date or who have provided the Share Registrar with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days prior to the Record Date, and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date (the "**Entitled Scripholders**").

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares with Warrants.

5.4 Foreign Shareholders

The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and accordingly, the Rights Shares with Warrants will NOT be offered to Foreign Shareholders.

The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights cum Warrants Issue and no provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders. No purported acceptance thereof or application for any excess Rights Shares with Warrants therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute

discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith.

Where the provisional allotments of Rights Shares with Warrants are sold "nil-paid" on the Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith. If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for excess Rights Shares with Warrants or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE PROPOSED RIGHTS CUM WARRANTS ISSUE SHOULD PROVIDE (I) CDP AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 OR (II) THE SHARE REGISTRAR AT 30 CECIL STREET, #19-08 PRUDENTIAL TOWER, SINGAPORE 049712, AS THE CASE MAY BE, IN WRITING, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RIGHTS RECORD DATE.

5.5 Provisional Allotments and Excess Application

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares with Warrants and will also be eligible to apply for Rights Shares with Warrants in excess of their provisional allotments under the Proposed Rights cum Warrants Issue.

Entitlements which are not allotted or taken up for any reason will be aggregated and issued to satisfy applications, if any, for excess Rights Shares with Warrants or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or

influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants.

The Company will also not make any allotment and issue of any Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares with Warrants and for the applications for excess Rights Shares with Warrants, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

5.6 Trading of Odd Lots

Shareholders who hold odd lots of the Rights Shares and the New Shares, and who wish to trade in odd lots on Catalist should note that they will be able to do so on the Unit Share Market.

6. **RATIONALE**

6.1 Industry Context and Background

As disclosed by the Company in its announcement dated 9 February 2021 and circular to shareholders dated 9 February 2021 ("**Disposal and Subscription Circular**") in respect of (i) the proposed subscription by Franz Elieo Narcis, Irene Ng Ai Chen, Tan Lay Keim, Yu Wei Ting, Patrick John Lim Kuoh Weih, Tan Ou Seng, Ang Peng Khoon, Mohaamad Shamin Bin Mohaamad Sahafi, and Grace How Pei Yen (collectively, the "**Subscribers**") at an issue price of S\$0.005 per Share (the "**February 2021 Subscription**"); and (ii) the disposal of the Company's wholly-owned subsidiaries, SYNC Co., Ltd., LB KOH Co., Ltd., e-Holidays Co., Ltd., and the Company's 50%-owned subsidiary, LifeBrandz USA Inc. ("**Disposal**"), 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 sustaining its businesses and managing its costs in its operations. Please refer to the Disposal and Subscription Circular for further details on the difficulties faced by the Group in sustaining its businesses and managing its costs in its operations.

The Board expects the business and financial performance of the Group to continue to be adversely affected depending on the duration of the COVID-19 pandemic, when borders will re-open for general travel and also the lifting of social distancing measures to boost dining-in capacity and demand.

The Group has taken steps to right-size its resources in response to the business outlook and is working on restructuring of its business and debts. The Group has also raised net proceeds of S\$1.53 million through the February 2021 Subscription. However, the Group's cash flow and financial flexibility continue to be impacted by the worsening market dynamics and outlook. The Group urgently needs to address liquidity requirements and strengthen its balance sheet.

6.2 Strengthening Liquidity and Balance Sheet

Based on the unaudited consolidated financial statements of the Group for HY2021, the Group was in a net current liabilities position of S\$2.2 million and a net liabilities position of S\$2.1 million as at 31 January 2021. The February 2021 Subscription has helped the Group to reduce its liabilities substantially. However, more needs to be done to further strengthen the liquidity and balance sheet of the Group.

The Board has considered various financing options and believes that an equity rights issue at this point is critically needed to maintain sufficient liquidity to ride out the current industry downturn. The key aims of the Proposed Rights cum Warrants Issue are to strengthen the Group's balance sheet and improve its liquidity position raising additional cash to repay the Group's outstanding debts and liabilities, to support its working capital needs and to fund its business expansion. To ensure deal certainty, the Proposed Rights cum Warrants Issue is supported by the Undertaking Shareholders with the undertakings to subscribe for up to S\$1.39 million worth of rights entitlements.

In summary, if approved, the Proposed Rights cum Warrants Issue will reduce the Group's liabilities and strengthen its balance sheet, improve the Group's cash position, fund ongoing commitments, help its business expansion and ensure long-term viability and value to Shareholders.

6.3 Strategic Business Plans

As disclosed in the Company's financial results announcement dated 29 December 2020, the Company is performing a strategic review of its businesses to try to remove the underperforming entities/businesses within its business portfolio, looking for new business opportunities within its current scope of business and realign its cost base.

As part of this strategic review, the Company announced on 10 March 2021 the completion of the February 2021 Subscription and the Disposal.

As disclosed in the Disposal and Subscription Circular, the Group has identified certain business opportunities and is in discussion with potential third-party business partners for its food and beverage ("F&B") business expansion or investment plans in Singapore, as well as performing feasibility studies on other F&B related opportunities for its medium to long term business plans. In addition, the Company is also on the look out for other business or investment opportunities available with a view of building long-term value to Shareholders. These opportunities, as and when materialized, will require significant capital investment on the part of the Group.

There is no certainty or assurance as at the date of this announcement that these opportunities will be materialized. The Company will make the necessary announcements as and when required.

6.4 Other Considerations

The Board is of the view that the Issue Price of the Rights Shares is priced at a sufficiently attractive rate to encourage the subscription of the Rights Shares by the Entitled Shareholders, after taking into account the factors set out in paragraph 2.4 above. Given the theoretical ex-rights price of S\$0.0075, the expected value of the nil-

paid rights is S\$0.0025. Even if Shareholders do not take up their entitlements, they will be able to realize value by monetizing their nil-paid rights.

In addition to the proceeds to be received upon the completion of the Proposed Rights cum Warrants Issue, the Company will also receive further proceeds as and when the Warrants are exercised, and the Group's financial position will be improved. The offering of free Warrants will also help the Company to save costs for conducting additional round of fundraising if the exercise rate is high.

Furthermore, the Undertaking Shareholders, in demonstrating their support for the Company, have agreed to provide the Irrevocable Undertakings respectively for the purposes of the Proposed Rights cum Warrants Issue. In providing the Irrevocable Undertakings, the Undertaking Shareholders respectively have demonstrated faith and trust in the Group and its future prospects.

7. USE OF PROCEEDS

The Company intends to utilize the proceeds from the Proposed Rights cum Warrants Issue, for the repayment of debts and liabilities, general working capital purposes and business expansion purposes. The amount and percentage allocation of the use of proceeds for these purposes will depend on the level of subscription of the Proposed Rights cum Warrants Issue.

7.1 Maximum Subscription Scenario

In the Maximum Subscription Scenario, where all Entitled Shareholders subscribe for their respective *pro rata* entitlement of Rights Shares with Warrants (i.e. assuming no change in shareholdings for all Entitled Shareholders following the completion of the Proposed Rights cum Warrants Issue), the estimated net proceeds from the Proposed Rights cum Warrants Issue ("**Net Proceeds**") (after deducting estimated expenses of approximately S\$0.18 million) is S\$4.97 million.

The Company intends to use the Net Proceeds raised from the Proposed Rights cum Warrants Issue based on the Maximum Subscription Scenario in the following manner and in this order of priority:

Use of Net Proceeds	Allocation of the Net Proceeds (S\$' million)	Approximate Allocation of the Net Proceeds (%)
Repayment of the Group's existing and outstanding liabilities to external creditors	0.93	18.7
General working capital purposes	2.11	42.5
Business expansion	1.93	38.8
Total	4.97	100.0

7.2 Minimum Subscription Scenario

In the Minimum Subscription Scenario, where only the Undertaking Shareholders subscribe for the Rights Shares with Warrants in accordance with the Irrevocable Undertakings, the estimated Net Proceeds from the Proposed Rights cum Warrants Issue (after deducting estimated expenses of approximately S\$0.18 million) are S\$1.21 million.

The Company intends to use the Net Proceeds raised from the Proposed Rights cum Warrants Issue based on the Minimum Subscription Scenario in the following manner and in this order of priority:

Use of Net Proceeds	Allocation of the Net Proceeds (S\$' million)	Approximate Allocation of the Net Proceeds (%)
Repayment of the Group's existing and outstanding liabilities to external creditors	0.93	76.9
General working capital purposes	0.28	23.1
Total	1.21	100.0

In relation to the Net Proceeds to be utilized for general working capital purposes, it includes but not limited to, payments of operating costs, continuing listing expenses, staff salaries and other administrative expenses.

The Company has some funds from the February 2021 Subscription for working capital purposes. In addition, the Company is expecting additional funding from the exercise of Warrants in the future and its operating cash flows. The Company is also committed to continue sourcing other financing alternatives as and when required.

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

The Company will make periodic announcements on the utilization of Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement, and provide a status report on the use of the Net Proceeds in the Company's annual reports until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Proceeds in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

8. WORKING CAPITAL CONFIRMATIONS

The Directors are of the opinion that after taking into consideration the operating cash flows of the Group, the working capital available to the Group is not sufficient to meet its present requirements for the next twelve (12) months.

The Directors are of the opinion that after taking into consideration the operating cash flows of the Group and the Net Proceeds from the Proposed Rights cum Warrants Issue under the Maximum Subscription Scenario, the working capital available to the Group is sufficient to meet its present requirements for the next twelve (12) months.

9. FUNDRAISING EXERCISES UNDERTAKEN IN THE PAST TWENTY FOUR (24) MONTHS

The Company announced four (4) fundraising exercises in the past twenty four (24) months, the details of which are set out below:

(a) Subscription of Shares by Capital Square

The Company had on 20 January 2020 announced a proposed subscription by Capital Square (the "**CS Subscription**") of 75,000,000 new Shares at an issue price of S\$0.006 per Share. The CS Subscription was completed on 31 January 2020 and 75,000,000 new Shares were issued and allotted to Capital Square.

The gross and net proceeds of the CS Subscription were S\$0.45 million and S\$0.42 million respectively. The Company had on 5 February 2020 announced that the net proceeds have been fully utilized for general working capital purposes.

(b) Uncompleted Proposed Share Consolidation cum Rights Issue

On 31 January 2020, the Company announced a proposed consolidation of every fifty (50) existing Shares into one (1) ordinary share in the capital of the Company ("**Consolidated Share**") and a renounceable non-underwritten rights issue of up to 305,835,100 new Shares on the basis of twenty-five (25) rights shares for every one (1) Consolidated Share ("**Proposed Share Consolidation and Rights Issue**"). The Company decided not to continue with the Proposed Share Consolidation and Rights Issue in view of volatility of the Company's share price and in consideration of the ongoing strategic review of its business portfolio, and no proceeds were raised in the exercise.

(c) November 2020 Subscription

The Company had on 27 November 2020 announced a proposed subscription by I Concept and LCY (the "**November 2020 Subscription**") at an issue price of S\$0.004 per Share. The November 2020 Subscription was completed on 10 December 2020 and 100,000,000 and 12,500,000 new Shares were issued and allotted to I Concept and LCY, respectively.

The gross and net proceeds of the November 2020 Subscription were S\$0.45 million and S\$0.41 million respectively. The net proceeds have been fully used

to repay the Group's existing and outstanding liabilities to external creditors as disclosed in the Company's financial results announcement dated 29 December 2020.

(d) February 2021 Subscription

The Company had on 9 February 2021 announced the February 2021 Subscription. The February 2021 Subscription was completed on 9 March 2021 and an aggregate of 306,000,000 new Shares were issued to the Subscribers.

The gross and net proceeds of the February 2021 Subscription was S\$1.53 million. The net proceeds have been partially offset against the bridging loan amounts and used to repay the remaining settlement sum to Bounty Blue. Please refer to the Company's announcement dated 15 March 2021 for the latest status update on the use of proceeds from the February 2021 Subscription.

10. OFFER INFORMATION STATEMENT

The Offer Information Statement will be despatched or disseminated by the Company, together with the application forms for the Rights Shares with Warrants and excess Rights Shares with Warrants or the provisional allotment letter, as the case may be, to the Entitled Shareholders in due course.

11. CIRCULAR TO SHAREHOLDERS

The circular containing further details of, *inter alia*, the Proposed Rights cum Warrants Issue, together with the notice of the EGM in connection therewith, will be despatched or disseminated to the Shareholders in due course.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Save as disclosed in this announcement, none of the Directors or substantial Shareholders of the Company, as well as their respective associates, have any interests, direct or indirect, in the Proposed Rights cum Warrants Issue (other than through their respective shareholdings in the Company, if any).

13. 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 Rights cum Warrants Issue, 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. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Proposed Rights cum Warrants Issue as and when appropriate.

15. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that either of the Proposed Rights cum Warrants Issue will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax, legal or other professional adviser(s) immediately.

BY ORDER OF THE BOARD

Lam Siew Kee
Executive Chairman and Chief Executive Officer
15 March 2021

*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.