



# LifeBrandz

*Annual Report 2021*

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This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This annual report 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 annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

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

# CORPORATE PROFILE

LifeBrandz Ltd. (“**LifeBrandz**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) was established in 2001 and has been listed in Singapore since 2004. LifeBrandz is a brand development and management Group with interests in sectors related to lifestyle and entertainment, leveraging on its core competency to set up brands. Since the financial year ended 31 July (“**FY**”) 2006, LifeBrandz focused on developing the lifestyle business, catering to hip and trend-setting crowds in Singapore, quickly establishing itself amongst the most dynamic lifestyle players in both the country and the region.

Since FY2017, the Group initiated its transformation and diversification into comprehensive services and multi-faceted solutions – including, *inter alia*, brand development and management, travel, food and beverages (“**F&B**”) and trading.

In FY2021, LifeBrandz embarked on corporate actions and successfully raised funds to strengthen its financial position, enabling LifeBrandz to search for and to evaluate potential deals that will generate revenue and growth to provide a viable and sustainable business for the Group.

# CHAIRMAN AND CEO STATEMENT

## DEAR SHAREHOLDERS,

The financial year ended 31 July 2021 (“**FY2021**”) was an eventful year for LifeBrandz Ltd. (“**LifeBrandz**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), as the Group performed a strategic review in December 2020 and subsequently carried it out by disposing and/or ceasing a number of underperforming entities/businesses within its business portfolio in February 2021.

Thereafter, efforts were made to streamline and strengthen internal processes and its existing operations. The current operation of the Group is the Mulligan’s Irish Pub in Pattaya, Thailand. The restructuring of non-performing entities/businesses and the above efforts taken, coupled with cost management, has enabled the Group to post a profit before tax of S\$0.7 million for FY2021, as compared to a loss of S\$2.8 million in FY2020 (excluding discontinued operations).

## Healthy Balance Sheet

In FY2021, the Company completed two placement exercises, one in December 2020 and another in March 2021, raising gross proceeds of S\$0.45 million and S\$1.53 million respectively. The Company also completed a rights cum warrants issue exercise in end June 2021 and successfully raised the maximum gross proceeds of S\$5.15 million. In total, the Company raised net proceeds of S\$6.88 million in FY2021 (after netting off share issuance expenses of S\$0.25 million), which together with the restructuring of certain debts and the abovementioned efforts, helped turn around its net liability position of S\$7.7 million as at 31 July 2020 to a net asset position of S\$3.6 million as at 31 July 2021. Further, the improved balance sheet is mainly backed by cash.

With a healthier balance sheet, it can also facilitate discussions with potential business

partners as we explore opportunities within our current scope of business as well as new opportunities.

## Outlook and Strategies

During the past 22 months, the COVID-19 pandemic has affected many economies and businesses around the world, even crippling some. However, as we see vaccination programmes worldwide being rolled out and gaining momentum, there appears to be light at the end of the tunnel. The gradual easing of restrictions has just begun, and with more countries opening and the resumption of air travel, it bodes well for the recovery of the global economy. There could be other risks arising from the geopolitical tensions, potential emergence of new variants and/or rising commodity prices. But if COVID-19 can be contained with the resumption of pre-COVID-19 lifestyles and regular activities, then we believe there are already reasons to be optimistic, albeit cautiously.

While the Group sets its sight on positioning LifeBrandz for the pending recovery and building sustainable businesses, we are conscious of its limited resources in its re-building strategy. Thus, in evaluating opportunities, we must not be overly aggressive and compulsive in committing the Group. We will continue to evaluate and assess opportunities carefully with a view of building long-term value to shareholders.

On behalf of the Group, I would like to thank our shareholders, fellow Board members, employees, and stakeholders for your continued support as we work towards rebuilding LifeBrandz.

## LAM SIEW KEE

*Executive Chairman & CEO*

# BOARD OF DIRECTORS

## LAM SIEW KEE

*Executive Chairman / Chief Executive Officer*

Appointed on 11 March 2021

Mr. Lam is our Executive Chairman and Chief Executive Officer, and is responsible for setting the strategic direction of our Group together with the Board. He oversees the overall management of our Group, including steering the business and operations for future growth and expansion. Mr. Lam has more than 18 years of corporate finance experience in advising both public and private companies in his previous employments, including UBS and PricewaterhouseCoopers Corporate Finance Pte. Ltd., where he was involved in initial public offerings, equity and debt fund raising exercises as well as divestments, merger and acquisition and corporate restructuring exercises. Mr. Lam graduated from the Nanyang Technological University with a Bachelor of Accountancy in 1992 and he is currently a member of the Institute of Singapore Chartered Accountants.

## ANG PUAH HUEN

*Executive Director / Chief Operating Officer*

Appointed on 10 February 2021

Ms. Ang is our Executive Director and Chief Operating Officer, and is responsible for designing and implementing business strategies, plans and procedures of the Company. She oversees the day-to-day operations of the Company and participates in all business activities and corporate matters. Ms. Ang has more than 10 years' experience and exposure in project management, operational management and stakeholder management.

## LIM YIT KEONG

*Lead Independent Director*

Appointed on 30 April 2019

Mr. Lim is the Chairman of the Audit Committee and is also a member of the Nominating and Remuneration Committees. Mr. Lim is currently an independent director of China Kunda Technology Holdings Limited and a management consultant with Capital Consulting Pte Ltd. He founded Capital Consulting Pte Ltd in 2000. He has over 35 years' of experience in finance with Global Knowledge Network Pte Ltd, KPMG, Dornier Asia Medical Systems Pte. Ltd., Bena Consultancy Services, Braun GmbH and Wearnes Technology Pte. Ltd., holding various senior financial positions. He is a Fellow Member of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

## WANG XIAOLAN

*Independent Director*

Appointed on 10 February 2021

Ms. Wang is the Chairman of the Nominating Committee and is also a member of the Audit and Remuneration Committees. Ms. Wang is currently the Corporate Development Manager of Totm Technologies Limited who focuses on the corporate development of the company. Prior to this, Ms. Wang has wide exposure in operation, project management and human resource, with more than 10 years' experience in the telecommunication, and the oil and gas industries. Ms. Wang graduated with Bachelor of Science in Management with Accounting from Royal Holloway, University of London.

# BOARD OF DIRECTORS

## **LIM U WEI RALPH HOWARD**

*Independent Director*

Appointed on 10 June 2021

Mr. Lim is the Chairman of the Remuneration Committee and is also a member of the Audit and the Nominating Committees. Mr. Lim is currently a Director with Prolegis LLC, a Singapore law firm. He has more than 25 years' experience advising corporates ranging from start-ups to listed companies and MNCs on a wide range of corporate and commercial matters including capital market transactions as well as private and public mergers and acquisitions. Mr. Lim previously headed the corporate practice in the Singapore office of an international law practice. Mr. Lim graduated with a LLB (Honours) from the University of Sheffield and is an Advocate and Solicitor of Singapore.

# EXECUTIVE OFFICER

## **TERRY CHEUNG**

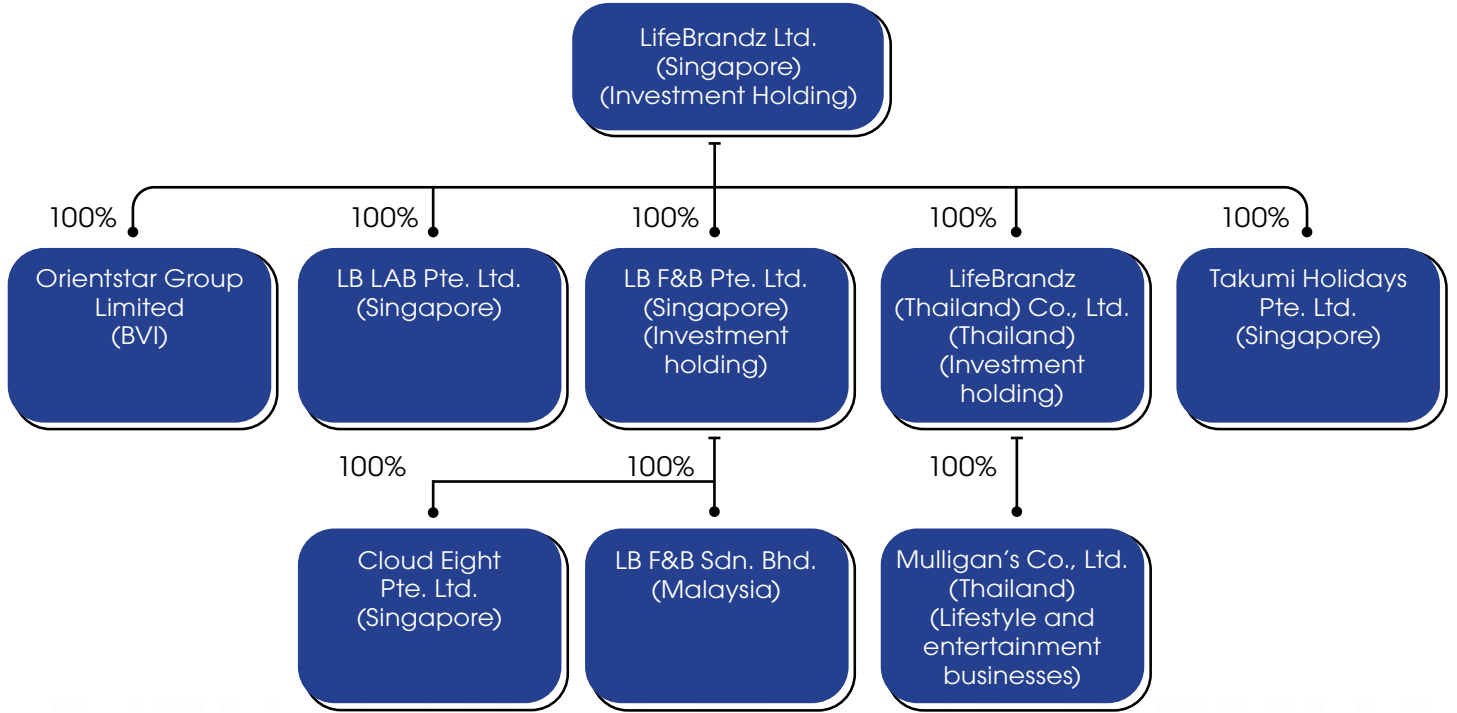
*Chief Financial Officer*

Appointed on 3 June 2019

Resigned and to be ceased on 30 November 2021

Mr. Terry Cheung was appointed as the Financial Controller of the Group on 1 November 2018 and he has been re-designated as the Chief Financial Officer (“**CFO**”) of the Group with effect from 3 June 2019. Mr. Cheung oversees the financial, accounting, corporate and business development, corporate secretarial and operation management matters of the Group. He has more than 13 years’ experience in audit, financial accounting and business management. He holds a Bachelor Degree of Accountancy from Hong Kong Baptist University and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a Certified Public Accountant of CPA Australia.

# CORPORATE STRUCTURE





# OPERATIONS AND FINANCIAL REVIEW

## REVIEW OF INCOME STATEMENT

### CONTINUING OPERATIONS

#### REVENUE

The Group recorded approximately S\$34,000 from food and beverage (“**F&B**”) revenue for the financial year ended 31 July 2021 (“**FY2021**”), a decrease of S\$1.9 million compared to the financial year ended 31 July 2020 (“**FY2020**”).

The decrease in F&B revenue was mainly due to ceased operations of Hashida Sushi in Singapore (“**Hashida Sushi**”) in April 2020.

#### OTHER INCOME

Increase in other operating income of S\$2.0 million is mainly due to waiver of loans from shareholders, namely Bounty Blue Capital Ltd. (“**Bounty Blue**”) and Capital Square Co., Ltd. (“**Capital Square**”) in FY2021.

#### COSTS & EXPENSES

Inventories and consumables used decreased by S\$0.7 million which is consistent with the decrease in the Group’s revenue, mainly contributed by the loss of business of Hashida Sushi.

No travel booking services cost recorded in FY2021 as such cost is reclassified to discontinued operations in line with the disposal of e-Holidays.

Employee benefits decreased by S\$1.1 million mainly due to the discontinued operation of Hashida Sushi.

Amortisation and depreciation expenses decreased by S\$0.7 million mainly due to discontinued operation of Hashida Sushi.

Other operating expenses in FY2021 saw a decrease of S\$1.0 million mainly due to discontinued operations of Hashida Sushi.

As a result of the factors mentioned above, the Group recorded total expenses of S\$1.7 million in FY2021 as compared to S\$5.2 million in FY2020.

#### PROFIT/(LOSS)

Overall, continuing operations recorded a profit of S\$0.7 million in FY2021 as compared to a loss of S\$2.8 million in FY2020 for the reasons stated above.

### DISCONTINUED OPERATIONS

On 8 February 2021, the Company’s wholly-owned subsidiaries, LB F&B Pte. Ltd. and Takumi Holidays Pte. Ltd., each entered into two separate conditional share sale and purchase agreements with Capital Square to dispose their entire interests in SYNC Co., Ltd. (“**SYNC**”), LB KOH Co., Ltd. (“**LB KOH**”), LifeBrandz USA, Inc. (“**LB USA**”) and e-Holidays Co., Ltd. (“**e-Holidays**”) for a consideration of S\$1 each (the “**Disposals**”). The loss before tax operations as of 31 July 2020 is S\$5.8 million. SYNC recorded S\$0.2 million revenue in FY2021.

The Disposals were approved by the Company’s shareholders at the extraordinary general meeting of the Company held on 26 February 2021. The disposal of LB USA has been completed on 5 March 2021, the

# OPERATIONS AND FINANCIAL REVIEW

disposals of e-Holidays and LB KOH have been completed on 8 March 2021, and the disposal of SYNC has been completed on 10 March 2021.

The decrease in F&B revenue was mainly due to ceased operations of Sushi Nagai in the United States (“**Sushi Nagai**”) in May 2020. This is partially offset by revenue of S\$0.2 million recorded by SYNC which operates BBQ Daruma Japanese Restaurant in Japan since October 2020.

There were no travel booking services revenue recognised during FY2021 mainly due to the precautionary measures in place to control the spread of the COVID-19 pandemic, resulting in no new booking from the customers in Tokyo, Japan.

## OTHER INCOME

The Company recorded a S\$3.1 million gain on termination of lease for Sushi Nagai.

## PROFIT/(LOSS)

Overall, discontinued operations recorded a profit of S\$3.3 million in FY2021 as compared to a loss of S\$5.8 million in FY2020 due mainly to termination of lease for Sushi Nagai.

## REVIEW OF STATEMENT OF FINANCIAL POSITION

### CURRENT ASSETS

The Group’s current assets increased by S\$3.9 million, from S\$0.7 million as at 31 July

2020 to S\$4.6 million as at 31 July 2021. This was mainly due to an increase in cash and cash equivalent of S\$4.4 million contributed mainly by the proceeds from rights cum warrant exercise which was completed on 22 June 2021, partially offset by a decrease in trade and other receivables of S\$0.4 million.

### NON-CURRENT ASSETS

The Group’s non-current assets decreased by S\$0.2 million mainly due to the disposal of e-Holidays which resulted in derecognition of guarantee deposit for travel agent license.

### CURRENT LIABILITIES

The Group’s current liabilities decreased by S\$4.7 million, from S\$5.7 million as at 31 July 2020 to S\$1.0 million as at 31 July 2021 mainly due to (i) waiver of loans from shareholders, Bounty Blue and Capital Square in total of S\$2.0 million; (ii) disposal of four subsidiaries resulting in derecognition of current liabilities of S\$0.7 million; and (iii) reversal of provision for reinstatement of S\$0.2 million; (iv) derecognition of lease liabilities of S\$0.6 million due to termination of leases; (v) repayment to Bounty Blue of S\$0.8 million; and (vi) payment to the vendors of S\$0.4 million.

### NON-CURRENT LIABILITIES

There are no non-current liabilities for the Group as at 31 July 2021 due to termination of leases.

# OPERATIONS AND FINANCIAL REVIEW

## **EQUITY**

The Group's total equity stood at of S\$3.6 million as at 31 July 2021 as compared to total deficit of S\$7.7 million as at 31 July 2020. The improvement was mainly due to a net profit of S\$4.0 million recorded by the Group in FY2021 and the net funds raised from the corporate exercises amounting to S\$6.9 million.

## **REVIEW OF STATEMENT OF CASH FLOWS**

The Group's net cash flows used in operating activities in FY2021 was S\$1.8 million, mainly due to net operating cash outflow before changes in working capital of S\$1.3 million and net working capital outflow of S\$0.5 million.

The net cash flows generated from financing activities in FY2021 was S\$6.2 million, mainly due to the net proceeds from the corporate exercises of S\$6.9 million and proceeds from borrowings of S\$0.2 million, partially offset by the repayment of amount due to Bounty Blue of S\$0.8 million and repayment of lease liabilities of S\$0.2 million.

As a result, cash and cash equivalents stood at S\$4.5 million as at 31 July 2021.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Lam Siew Kee

(Executive Chairman & Chief Executive Officer)

### Ang Puak Huen

(Executive Director & Chief Operating Officer)

### Lim Yit Keong

(Lead Independent Director)

### Wang Xiaolan

(Independent Director)

### Lim U Wei Ralph Howard

(Independent Director)

## AUDIT COMMITTEE

Lim Yit Keong (Chairman)

Wang Xiaolan (Member)

Lim U Wei Ralph (Member)

Howard

## NOMINATING COMMITTEE

Wang Xiaolan (Chairman)

Lim Yit Keong (Member)

Lim U Wei Ralph (Member)

Howard

## REMUNERATION COMMITTEE

Lim U Wei Ralph (Chairman)

Howard

Lim Yit Keong (Member)

Wang Xiaolan (Member)

## COMPANY SECRETARY

Shirley Tan Sey Liy (ACS, ACG)

## REGISTERED OFFICE

30 Cecil Street #19-08

Prudential Tower

Singapore 049712

Tel: (65) 6221 9344

Website: [www.lifebrandz.com](http://www.lifebrandz.com)

## REGISTRATION NUMBER

200311348E

## AUDITORS

Mazars LLP

135 Cecil Street

#10-01

Singapore 069536

## PARTNER-IN-CHARGE

G Arull

(appointed from financial year ended  
31 July 2021)

## SPONSOR

SAC Capital Private Limited

1 Robinson Road

#21-00 AIA Tower

Singapore 048542

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

In.Corp Corporate Services Pte. Ltd.

(formerly known as RHT Corporate Advisory  
Pte. Ltd.)

30 Cecil Street #19-08

Prudential Tower

Singapore 049712

## PRINCIPAL BANKERS

United Overseas Bank Limited

80 Raffles Place

1 UOB Plaza

Singapore 048624

## INVESTOR RELATIONS

Email: [Invest@lifebrandz.com](mailto:Invest@lifebrandz.com)

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of LifeBrandz Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to ensuring that the highest standards of corporate governance and transparency are practised by the Group. The Board views compliance with high standards of corporate governance and transparency as a fundamental part of discharging its responsibilities to act in the best interests of the Company and to protect and enhance long-term value for its shareholders (the “**Shareholders**”).

This report outlines the corporate governance policies adopted and practised by the Group for the financial year ended 31 July 2021 (“**FY2021**”) with specific reference made to the principles and provisions as set out in the Code of Corporate Governance 2018 (the “**Code**”) and its accompanying Practice Guidance issued by the Monetary Authority of Singapore. Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Company confirms that it has complied with the principles of the Code and in respect of any deviation from any provisions of the Code, it has explicitly stated the provision from which it has varied, explained the reason for variation, and explained how the practices it had adopted are consistent with the intent of the relevant principle.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Catalist Rules. This report is divided into five main sections: (1) Board Matters; (2) Remuneration Matters; (3) Accountability and Audit; (4) Shareholder Rights and Engagement; and (5) Managing Stakeholders Relationships.

## 1. BOARD MATTERS

### The Board’s Conduct of Affairs

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

**Provision 1.1: Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.**

The Board is accountable to the Shareholders and oversees the overall management of the business and affairs of the Group, including providing leadership and supervision to the Management of the Group (the “**Management**”) to protect and enhance long-term value and returns for its Shareholders.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and are fiduciaries who are obliged to act in good faith and to make objective decisions in the best interests of the Group and its Shareholders.

Besides carrying out its statutory responsibilities, the Board sees its role as follows, and acts accordingly to fulfil its role in the Company:

- (a) sets the strategic direction and long-term goals of the Group and ensures that adequate resources are available to meet these objectives;
- (b) reviews and approves corporate strategies, annual budgets and financial plans, investment and divestment proposals, and major funding proposals of the Group to achieve its long-term goals;
- (c) reviews and monitors the Management’s performance towards achieving the goals that have been set;
- (d) reviews the adequacy and effectiveness of the Group’s internal controls, risks management systems, and the financial information reporting systems;

# CORPORATE GOVERNANCE REPORT

- (e) ensures the Group's compliance to laws, regulations, policies, directives, guidelines and internal code of conduct;
- (f) approves nominees for Directors or key executives put forward by the Nominating Committee ("NC") to the Board, and deliberates on the appointment of the external auditor recommended by the Audit Committee ("AC");
- (g) delegates the task, but retains the responsibility, of viewing and approving the remuneration packages for the Board and key executives to the Remuneration Committee ("RC");
- (h) ensures accurate, adequate and timely reporting to, and communication with Shareholders;
- (i) sets the Group's values and standards, to identify and ensure that obligations to Shareholders and other stakeholders are understood and met; and
- (j) considers sustainability issues, such as environmental and social factors as part of its strategic formation.

The Company has in place an Employee Handbook which covers, *inter alia*, Conflict of Interest and Code of Conduct guidelines. All employees of the Group are to uphold the principles set out in the Employee Handbook and conduct themselves with high standards of integrity that are in compliance with laws and regulations of the jurisdictions in which it operates.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as it is practicable after the relevant fact has come to his/her knowledge. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is abstained from voting in relation to the conflict-related matters.

**Provision 1.2: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.**

The Board ensures that newly-appointed Directors will be orientated on the Group's business strategies, operations and governance practices to facilitate the effective discharge of their duties. The Executive Directors are appointed by way of service agreements while the Non-Executive Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment. Pursuant to the amended Rule 406(3)(a) of the Catalist Rules, the Company will arrange newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore ("**First-time Directors**") to attend SGX-ST's prescribed training courses organised by the Singapore Institute of Directors ("**SID**") on the roles and responsibilities of a director of a listed company within one (1) year from their appointment dates, or other training institutions in areas such as management, accounting, legal and industry specific knowledge, where appropriate, in connection with their duties. As at the date of this report, there are four (4) new First-time Directors appointed during FY2021, including Mr. Lam Siew Kee, Ms. Ang Puak Huen, Mr. Lim U Wei Ralph Howard and Ms. Wang Xiaolan, and all of them had attended and completed the SGX-ST's prescribed training courses organised by the SID as at the date of this report.

To ensure that the Board keeps pace with regulatory changes, the Company works closely with professionals to provide its Directors with pertinent information in relation to changes to relevant laws, regulations and accounting standards. Any updates relating to changes in the Catalist Rules and/or corporate governance guidelines are circulated to Directors on a timely basis. Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors at the Company's expense. The Chief Executive Officer ("**CEO**") will update the Board regularly on business and strategic developments relating to the Group.

# CORPORATE GOVERNANCE REPORT

During FY2021, the Directors were provided with briefings and updates on: (i) the developments in financial reporting by the external auditor, Mazars LLP; (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board and/or Board Committee meetings; and (iii) updates relating to changes in the Catalist Rules and the Code by the Company Secretary and the continuing sponsor, SAC Capital Private Limited.

**Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.**

Matters which are specifically reserved to the full Board for decision and approval include, among others, those involving:

- (i) corporate strategic plans and budgets;
- (ii) material acquisitions and disposal of assets;
- (iii) major funding proposals and investments;
- (iv) corporate and financial restructuring;
- (v) Group's quarterly and full-year financial result announcements;
- (vi) share issuances, dividends and other returns to Shareholders;
- (vii) matters involving conflict of interests for a substantial Shareholder or a Director; and
- (viii) interested person transactions.

**Provision 1.4: Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.**

The Board has delegated specific responsibilities to three (3) board committees. These committees include the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively, the "Board Committees"). These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Catalist Rules and the Code.

These committees have the authority to examine particular issues within their terms of reference and report back to the Board with a fair recommendation. The ultimate responsibility for the final decision on all matters lies with the Board. The effectiveness of each committee is also constantly reviewed by the Board.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the further sections of this report.

**Provision 1.5: Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.**

# CORPORATE GOVERNANCE REPORT

The Board meets at least two (2) times a year, with additional meetings convened as necessary. Board meetings are held in Singapore and the Directors attend the meetings regularly. To facilitate meetings, the Company's Constitution (the "**Constitution**") allows for meetings to be held through telephone and/or videoconference. For FY2021, the matrix on the frequency of the meetings and the attendance of Directors at these meetings is set out as follows:

	Board	AC	NC	RC	AGM	EGM
<b>No. of meetings held</b>	3	3	1	1	1	2
<b>No. of meetings attended by each Directors</b>						
Mr. Lam Siew Kee <sup>(1)</sup>	1	1	0	0	0	1
Ms. Ang Puak Huen <sup>(2)</sup>	2	2	0	0	1	2
Mr. Lim Yit Keong <sup>(3)</sup>	3	3	1	1	1	2
Ms. Wang Xiaolan <sup>(4)</sup>	2	2	0	0	1	2
Mr. Lim U Wei Ralph Howard <sup>(5)</sup>	1	1	0	0	0	0
Mr. Saito Hiroyuki <sup>(6)</sup>	2	1	0	0	1	1
Mr. Kurokawa Shingo <sup>(7)</sup>	1	1	1	1	1	1
Mr. Naoki Watanabe <sup>(8)</sup>	2	2	1	1	1	1

Due to the COVID-19 situation, the following general meetings of the Company which attended by all the Directors as at the date of the general meetings, were held by way of electronic means:

- a. AGM held on 26 February 2021;
- b. EGM held on 26 February 2021; and
- c. EGM held on 19 May 2021.

#### Notes:

- (1) Mr. Lam Siew Kee was appointed as Executive Chairman and CEO on 11 March 2021.
- (2) Ms. Ang Puak Huen was appointed as Executive Director and Chief Operating Officer ("**COO**") on 10 February 2021.
- (3) Mr. Lim Yit Keong was re-designated as Lead Independent Director and Chairman of AC and relinquished his role as Chairman of RC on 5 August 2020 while remains as member of NC and RC.
- (4) Ms. Wang Xiaolan was appointed as Independent Director, Chairman of NC and member of AC and RC on 10 February 2021.
- (5) Mr. Lim U Wei Ralph Howard was appointed as Independent Director, Chairman of RC and member of AC and NC on 10 June 2021.
- (6) Mr. Saito Hiroyuki resigned and ceased being Executive Chairman and CEO on 10 March 2021.
- (7) Mr. Kurokawa Shingo relinquished his role as Chairman of NC with effect from 10 February 2021. Subsequently, he retired and ceased being Independent Director and member of AC, NC and RC on 26 February 2021.
- (8) Mr. Naoki Watanabe was appointed as Independent Director, Chairman of RC and member of AC and NC on 5 August 2020. Subsequently, he resigned and ceased being Independent Director, Chairman of RC and member of AC and NC on 10 March 2021.

While the Board considers Directors' attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodic reviews and the provision of guidance and advice on various matters relating to the Group.

When a Director has multiple board representations, the NC will consider whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.



# CORPORATE GOVERNANCE REPORT

**Provision 1.6: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.**

Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at Board and Board Committee meetings. Board papers which contain sufficient information on the issues to be considered are prepared and circulated to the Directors in advance for each meeting to give the Directors sufficient time to review the matters to be discussed. The Directors are entitled to request from the Management and should be provided with such additional information as needed to make informed decisions and the Management shall provide the same in a timely manner.

**Provision 1.7: Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.**

The Directors have separate and independent access to the Management, the Company Secretary and the external advisers (where necessary) at all times. Queries by individual Directors on the Company's developments, management proposals or papers are directed and answered by the Management.

The Company Secretary or her representative(s) will attend Board and Board Committee meetings and ensure that Board procedures and other applicable rules and regulations including the provisions of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), the Constitution and the Catalist Rules are followed. The Company Secretary also ensures good information flows within the Board and the Board Committees and between the Management and Non-Executive Directors, and also assist with the circulation of Board papers and the updating of the Directors on changes in laws and regulations relevant to the Group. The appointment and removal of the Company Secretary is subject to the Board's approval.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, may direct the Company to appoint professional advisers to render professional advice. The Board takes independent professional advice as and when necessary to enable it or the Independent Directors to discharge their responsibilities effectively. The cost of such service shall be borne by the Group.

## **Board Composition and Guidance**

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

**Provision 2.1: An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.**

As at the date of this report, the Board comprises five (5) members, consisting of two (2) Executive Directors, and three (3) Independent Directors as follows:

<b>Name of Directors</b>	<b>Designation</b>	<b>AC</b>	<b>NC</b>	<b>RC</b>
Mr. Lam Siew Kee	Executive Chairman & CEO	-	-	-
Ms. Ang Puak Huen	Executive Director & COO	-	-	-
Mr. Lim Yit Keong	Lead Independent Director	Chairman	Member	Member
Ms. Wang Xiaolan	Independent Director	Member	Chairman	Member
Mr. Lim U Wei Ralph Howard	Independent Director	Member	Member	Chairman

The independence of each Director is reviewed annually and as and when circumstances required by the NC based on the guidelines set out in the Code and the Catalist Rules. Particularly rigorous review is applied when assessing the continued independence of a Director with attention paid to ensuring that his allegiance remains clearly aligned with interests of the Company and all Shareholders.

# CORPORATE GOVERNANCE REPORT

The criterion for independence is determined based on the definition as provided in the Code and the Catalyst Rules. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its officers or its substantial Shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Group.

In line with the Code, the NC also introduced the peer assessment of independence of each Director who has served the Board beyond nine (9) years. The peer assessments considered, *inter alia*, the contribution by the Director, the uniqueness of his skills and participation at meetings. The NC also considers a Director's competency, participation in meetings, and ability to exercise independent and objective judgement, and ensures that there are no relationships or circumstances which will affect his judgement and ability to discharge his duties and responsibilities as a Director.

The Board, taking into account the NC's view, has confirmed that Mr. Lim Yit Keong, Ms. Wang Xiaolan and Mr. Lim U Wei Ralph Howard are independent in character and judgment in accordance to the Code and the Catalyst Rules. None of the Independent Directors has served the Company for more than nine (9) years from his date of first appointment to the Board.

**Provision 2.2: Independent directors make up a majority of the Board where the Chairman is not independent.**

As the Chairman of the Board and CEO of the Company are the same person, the Independent Directors comprise more than half of the Board. Accordingly, the Board is of the view that no individual or group is able to dominate the Board's decision-making process.

**Provision 2.3: Non-executive directors make up a majority of the Board.**

The Board comprises of five (5) Directors, three (3) of whom are Non-Executive Directors and representing a majority of the Board. All the Board Committees are chaired by Independent Directors and the NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

**Provision 2.4: The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.**

The Board examines its size, taking into account the nature and scope of the Company's operations, to ensure that it is appropriate for effective decision making. The NC is of the view that the current Board size is appropriate and able to function effectively and efficiently. The NC, together with the Board, will continuously and progressively refresh the Board to instill greater knowledge and expertise to the Group. Such direction takes into account the business needs and requirement of the Group and to avoid unnecessary disruption during the time of succession and refreshment to the composition of the Board and Board committees.

The Board is made up of business leaders and professionals with business management experience, industry knowledge, financial and strategic planning experiences. A brief description on the background of each Director is presented on "Board of Directors" section in the Annual Report. The Board, taking into account the NC's views, considers that the current Board provides an appropriate balance and diversity of skills, experiences and knowledge to the Company that will provide effective governance and stewardship for the Group.

The Board recognises the benefits of having a diverse Board to help bring in new ways of thinking, insights and different perspectives to the Board, which will result in productivity and quality of board deliberations. While the Board and the NC have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise, experience, educational, gender, age and other relevant aspects of diversity of perspectives appropriate to its business, so as to avoid groupthink, foster constructive debate, and enable the Board to make decisions in the best interests of the Company. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments will be based on merit, in the context of the skills, knowledge, experience and independence which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board.

# CORPORATE GOVERNANCE REPORT

**Provision 2.5: Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.**

The Independent Directors participate actively in the Board meetings. With their professional expertise and competency in their respective fields in the finance, accounting and commercial sectors, the Independent Directors collectively provide constructive advice and guidance for effective discharge by the Board of its principal function over the Group's strategies, businesses and other affairs. The Independent Directors constructively challenge and support the Board on strategy and review Management objectives and monitor the reporting performance.

Where warranted, Independent Directors meet without the presence of Management to review any matter that may be raised privately. During FY2021, the Independent Directors met one time without the presence of Management.

## **Chairman and Chief Executive Officer**

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

**Provision 3.1: The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.**

**Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.**

Mr. Lam Siew Kee is the Chairman of the Board and CEO of the Group. As the Chairman of the Company, his duties and responsibilities include:

- leads the Board;
- manages the Board and various Board Committees businesses;
- sets the Board agenda and ensures timeliness and adequacy of information flow;
- ensures effective communication with Shareholders;
- encourages constructive relationship and interaction within the Board and the Management;
- facilitates effective support and contribution of all Directors; and
- continuously pursues high standards of corporate governance.

As the CEO of the Company, Mr. Lam Siew Kee is responsible for the business strategy and direction, the implementation of corporate plans, policies and executive decision-makings of the Group.

There is no concentration of power as the Group is run objectively on a transparent basis and the Board feels that there is adequate representation of Independent Directors (more than half) on the Board. All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority in the spirit of good corporate governance.

Provision 3.1 of the Code sets out that the Chairman and CEO should be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. However, taking into account the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and CEO, and there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent, based on collective decisions without any individual or group of individuals being able to exercise considerable concentration of power or influence.

# CORPORATE GOVERNANCE REPORT

**Provision 3.3: The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.**

As Mr. Lam Siew Kee is the Executive Chairman and CEO, the Board has appointed Mr. Lim Yit Keong as the Lead Independent Director of the Company. The Lead Independent Director is available to Shareholders in circumstances where Shareholders' concerns raised through normal channels to the Executive Chairman and CEO, Executive Director or Chief Financial Officer ("CFO") have failed to resolve or where such communication is inappropriate. Led by the Lead Independent Director, the Independent Directors meet and communicate periodically, via meetings, telephone, electronic devices, to discuss issues without the presence of other Directors and provide feedback to the Chairman of the Board as appropriate.

## **Board Membership**

**Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.**

**Provision 4.1: The Board establishes a NC to make recommendations to the Board on relevant matters relating to:**

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The NC has adopted a written term of reference which describes the responsibilities of the NC and the proceedings at NC meetings. The NC's principal responsibilities are as follows:

- (a) to make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board, as well as ensuring there are procedures in place for the selection and appointment of Non-Executive Directors;
- (b) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- (c) to be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominees have the requisite qualifications and whether or not they are independent;
- (d) to recommend Directors who are retiring by rotation to be put forward for re-election;
- (e) to oversee Management development and succession planning of the Group;
- (f) to decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he has multiple board representations;
- (g) to be responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board; and
- (h) to carry out such other duties as may be agreed to by the NC and the Board.

The NC also reviews induction programs for new Directors, as well as the training and professional development programs for the continuing training of the Directors.

# CORPORATE GOVERNANCE REPORT

**Provision 4.2: The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.**

As at the date of this report, the NC comprises three (3) members, all of whom, including the Chairman of NC, are independent. The current members of the NC are:

Ms. Wang Xiaolan	Chairman and Independent Director
Mr. Lim Yit Keong	Member and Lead Independent Director
Mr. Lim U Wei Ralph Howard	Member and Independent Director

The Lead Independent Director is also a member of the NC. The NC will meet at least once a year.

**Provision 4.3: The company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.**

## *Nomination and Selection*

In the event a new Director is required, the search would be conducted via recruitment companies, contacts and recommendations so that the Company could cast its net as wide as possible for the right candidates. The NC will identify potential candidates for appointments based on and after taking into consideration the candidates' qualification, knowledge, skills and experience, as well as his/her ability to increase the effectiveness of the Board and the Group's business. The NC will then recommend their nominations to the Board for consideration.

## *Election and re-election*

New Directors are appointed by way of a Board resolution, upon their nomination by the NC. In accordance with the Company's Constitution, these new Directors who are appointed by the Board are subject to re-election by Shareholders at the first opportunity after their appointment. The Constitution of the Company also requires one-third of the Board to retire from office at each annual general meeting of the Company ("**AGM**"). Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years.

Mr. Lam Siew Kee, Ms. Ang Puak Huen, Ms. Wang Xiaolan and Mr. Lim U Wei Ralph Howard were appointed during FY2021. Pursuant to Article 117 of the Constitution, they shall retire at first AGM subsequent to their appointment. Accordingly, Ms. Ang Puak Huen and Ms. Wang Xiaolan retired and re-elected at the last AGM dated 26 February 2021, while Mr. Lam Siew Kee and Mr. Lim U Wei Ralph Howard will retire at the forthcoming AGM. Pursuant to Article 107 of the Constitution, Mr. Lim Yit Keong is due for retirement by rotation at the forthcoming AGM. Mr. Lam Siew Kee, Mr. Lim U Ralph Howard and Mr. Lim Yit Keong have re-submitted themselves for re-election at the forthcoming AGM. Mr. Lam Siew Kee will, upon re-election as a Director, remain as the Executive Chairman and CEO. Mr. Lim U Wei Ralph Howard will, upon re-election as a Director, remain as an Independent Director, the Chairman of RC, a member of AC and NC. Mr. Lim Yit Keong will, upon re-election as a Director, remain as the Lead Independent Director, the Chairman of AC, a member of NC and RC. Mr. Lim U Wei Ralph Howard and Mr. Lim Yit Keong are considered independent for the purpose of Rule 704(7) of the Catalist Rules.

The NC has recommended to the Board in which the Board has accepted the re-election of the Directors at the forthcoming AGM. In making the above recommendations, the NC had considered the said Directors' qualification, experience, independence and/or overall contribution and performance (as the case may be). Please refer to the Notice of AGM for the resolutions put forth on their proposed re-election and re-appointment.

The Board provides for appointment of alternate directors only in exceptional cases such as when a Director has a medical emergency. The Board will take into consideration the same criteria for selection of Directors such as his/her qualifications, competencies and independence. Currently, the Company does not have alternate directors.

# CORPORATE GOVERNANCE REPORT

**Provision 4.4: The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.**

In determining the independence of the Directors, the NC has developed a form "Return on Independence" which is required to be completed by all Independent Directors on an annual basis and submitted to NC for its review. The independence of each Director is reviewed by the NC with reference to the guidelines set out in the Code and the Catalist Rules and any other salient factors which would render a Director to be deemed not independent.

There are no relationships between the Independent Directors and the Company, its related corporations, its substantial Shareholders or its officers, if any, which may affect their independence. The Board, with the concurrence of the NC, has considered Mr. Lim Yit Keong, Ms. Wang Xiao Lan and Mr. Lim U Wei Ralph Howard to be independent for the purpose of Rule 704(7) of the Catalist Rules.

**Provision 4.5: The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.**

The NC will ensure that the selected candidate is aware of the expectations and the level of commitment required. The NC will continuously review the performance of the Directors with multiple board representations and other principal commitments to ensure that sufficient time and attention is devoted by these Directors to the affairs of the Group.

The NC is satisfied that all Directors are able to and have adequately carried out their duties as Directors of the Company, after taking into consideration the number of listed company board representations and other principal commitments.

The Code requires listed companies to fix the maximum number of board representations on other listed companies that their directors may hold and to disclose this in their annual report. The Board, with the concurrence of the NC, is of the view that there are currently no compelling reasons to impose a cap on the number of board representations each Director may hold as each Director is able to devote sufficient time and attention to adequately carry out his duties as a Director of the Company.

The Group also recognises that its Executive Directors may be invited to become non-executive directors of other companies and that the exposure to such non-executive duties can broaden the experience and knowledge of its Executive Directors which will benefit the Group. Executive Directors are therefore allowed to accept non-executive appointments as long as these are with non-competing companies, are not likely to lead to conflicts of interests and their commitment to the Group is not compromised.

# CORPORATE GOVERNANCE REPORT

The key information for each Director is disclosed in their profile as set out in the section entitled "Board of Directors" of the Annual Report. The dates of initial appointment and last re-election of each Director, together with his directorships in other listed companies, are set out below:

Name of Directors	Date of Appointment	Date of Last Re-election	Directorships in Other Listed Companies	
			Current	Past 3 years (preceding to the date of this report)
Mr. Lam Siew Kee	11 March 2021	Not applicable	-	-
Ms. Ang Puak Huen	10 February 2021	26 February 2021	-	-
Mr. Lim Yit Keong	30 April 2019	27 November 2019	China Kunda Technology Holdings Limited	-
Ms. Wang Xiaolan	10 February 2021	26 February 2021	-	-
Mr. Lim U Wei Ralph Howard	10 June 2021	Not applicable	-	-

## **Board Performance**

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

**Provision 5.1: The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board 26 committee separately, as well as the contribution by the Chairman and each individual director to the Board.**

In line with the principles of good corporate governance, the NC implements and performs the annual performance evaluation for assessing the effectiveness of the Board as a whole and each of the Board Committees. The performance evaluation of individual Directors is conducted whenever a Director is up for retirement and re-election and when a Director has multiple board representations.

A formal Board performance evaluation, led by the NC, is conducted annually by means of a confidential questionnaire designed to assess the state of affairs of corporate governance matters in the Company, including the performance of each individual Board Committee. The NC is of the view that it is more appropriate and effective to assess the performance of the Board as a whole, bearing in mind that each member of the Board contributes in different ways to the success of the Company and Board decisions are made collectively. The Board meets frequently and informally to discuss on Group business matters and evaluate on various assessments of the Group. With such effective interaction and regular communication by the Board, annual individual Directors' assessment is not necessary at this juncture.

The NC will initiate constant interaction to nurture better understanding and cohesion for Board members to establish good working relationship and commitment towards the Board's objectives. The purpose of such interaction and evaluation process is to increase the overall effectiveness and efficiency of the Board functions. Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance or re-nomination as Director.

# CORPORATE GOVERNANCE REPORT

**Provision 5.2: The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.**

The Board assessment form and each of the Board Committees assessment forms are separately completed by each Director to elicit his/her individual input, collated, analysed and discussed with the NC and the Board with comparatives from the previous year. The Board assessment process focuses on the evaluation of factors such as the size and composition of the Board, independence component in the Board, the Board's access to information, Board processes and accountability, quality of agenda, communication with key management personnel, Director's standard of conduct and quality of decision making. The Board Committee assessment process focuses on adequacy and effectiveness of each Board Committee in carrying out its roles and responsibilities. The performance criteria do not change from year to year. Recommendations to further enhance the effectiveness of the Board and the various Board Committees will be implemented, as appropriate. Each member of the NC shall abstain from voting on any resolutions in respect of his/her re-nomination.

The NC had conducted a performance evaluation of the Board and the Board Committees for FY2021. The NC is satisfied with the effectiveness of the Board and the Board Committees. Each Director continues to contribute effectively to the Board and is able to discharge responsibilities in the Board Committees without any issue of time commitment. No external facilitator has been engaged for the purpose of Board assessment in FY2021.

## 2. REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

**Provision 6.1: The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:**

- (a) A framework of remuneration for the Board and key management personnel; and**
- (b) The specific remuneration packages for each director as well as for the key management personnel.**

**Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.**

The Code endorses, as good practice, a formal framework for fixing the remuneration packages of individuals, with the RC making recommendations to the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards and benefits-in-kind shall be covered by the RC. Each of the member of the RC shall abstain from voting on any resolution in respect of his/her own remuneration package.

The RC has adopted a written term of reference which describes the responsibilities of the RC and the proceedings at RC meetings. The RC's principal responsibilities are as follows:

- (a) to approve the structure of the compensation programme for Directors and Senior Management, and to ensure that the programme is competitive and sufficient to attract, retain and motivate Management of the required quality to run the Company successfully;
- (b) to review and recommend the remuneration packages of the Executive Directors, the CEO and key executives of the Company annually;
- (c) to review the appropriateness of compensation for Non-Executive Directors, including but not limited to Directors' fees, allowances and share options;



# CORPORATE GOVERNANCE REPORT

- (d) to review and recommend to the Board any long-term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith; and
- (e) to carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

The Company's obligations arising in the event of termination of Executive Directors and key management personnel are contained in the respective service contracts. The RC is satisfied that the termination clauses therein are fair and reasonable.

**Provision 6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.**

As at the date of this report, the RC comprises three (3) members, all of whom, including the Chairman of RC, are independent. The current members of the RC are:

Mr. Lim U Wei Ralph Howard	Chairman and Independent Director
Mr. Lim Yit Keong	Member and Lead Independent Director
Ms. Wang Xiaolan	Member and Independent Director

**Provision 6.4: The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.**

If necessary, the RC has the right to seek professional advice internally and/or externally on fixing remuneration packages of all Directors and key Management personnel. The RC would ensure that any relationship between the appointed remuneration consultant and any of the Directors and key Management personnel will not affect the independence and objectivity of the remuneration consultant. The expenses of such advice shall be borne by the Company. No such consultants were engaged by the Company in FY2021.

## Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

**Provision 7.1: A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.**

**Provision 7.3: Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.**

The Company has sought to ensure that the level and structure of remuneration for Directors are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and to run the Group successfully. The component parts of remuneration are structured to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by the particular Non-Executive Director concerned.

The RC takes into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key Management personnel when determining their remuneration packages. In structuring and reviewing the remuneration packages, the RC seeks to align interests of Directors with those of Shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. Such performance-related remuneration is designed to be aligned with the interest of Shareholders and promote long-term success of the Company.

# CORPORATE GOVERNANCE REPORT

The Company currently does not have any employee share option scheme and long-term incentive schemes. The Company will put forth employee share option scheme and employee share performance plan for shareholder's approval at the Company's forthcoming extraordinary general meeting. More details can be found in the Company's circular dated 10 November 2021 released on SGXNet.

The remuneration for Executive Directors and key management personnel comprise a basic salary and bonus component. The Company entered into a service agreement with the Executive Chairman and CEO, Mr. Lam Siew Kee, for an initial appointment period of three (3) years from 11 March 2021. The service agreement allows for termination by either party giving not less than six (6) months' notice in writing to the other. The Company also entered into a service agreement with the Executive Director and COO, Ms. Ang Puak Huen, for an initial appointment period of three (3) years from 10 February 2021. The service agreement allows for termination by either party giving not less than six (6) months' notice in writing to the other.

The RC is responsible for the review of compensation commitments in the service agreements, if any, in the event of early termination. The Board is of the view that the remuneration packages offered to the Executive Directors and key management personnel are fair and competitive. The RC will continue to carry out annual reviews of the remuneration packages of the Executive Directors and key management personnel, having due regard to their contributions as well as the financial and commercial needs of the Group.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key Management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company. The Executive Directors owe fiduciary duties to the Company, and hence, the Company should be able to avail itself to remedies against him/her in the event of such breach of fiduciary duties. Similarly, for the key management personnel, the Company believes that there are alternative legal avenues to specific contractual provisions that will enable the Company to recover financial losses arising from exceptional circumstances above from the key management personnel. The RC will review the need to insert such contractual provisions into the service agreements with the Executive Directors and key management personnel in the future as and when necessary.

**Provision 7.2: The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.**

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as efforts and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. All Independent Directors are paid Directors' fees that are subject to Shareholders' approval at the AGM.

## **Disclosure on Remuneration**

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

**Provision 8.1: The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:**

- (a) each individual director and the CEO; and**
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.**

The fixed component of remuneration for the Executive Directors is based on the service agreements entered between the Company and the Executive Directors. Similarly, the remuneration for the key management personnel is based on the employment contract with them. The variable component of remuneration for both Executive Directors and key Management personnel is linked to the performance of the Group and individual.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Directors and the CEO

A breakdown showing the level and mix of each individual Director's remuneration in bands of S\$250,000 for FY2021 is as follows:

Name of Director	Director's fees %	Salary* %	Bonus* %	Allowances and Benefits* %	Total %
<b>Below S\$250,000</b>					
Mr. Lam Siew Kee	-	100	-	-	100
Ms. Ang Puak Huen	-	98	-	2	100
Mr. Lim Yit Keong	100	-	-	-	100
Ms. Wang Xiaolan	100	-	-	-	100
Mr. Lim U Wei Ralph Howard	100	-	-	-	100
Mr. Saito Hiroyuki	-	100	-	**	100
Mr. Kurokawa Shingo	100	-	-	-	100
Mr. Naoki Watanabe	100	-	-	-	100

\*Inclusive of Central Provident Fund Contributions

\*\*Less than 1%

The RC has recommended that the Directors' fee of S\$80,207 for FY2021, which will be tabled at the forthcoming AGM for the Shareholders' approval.

For competitive reasons, the Company discloses each individual Director's remuneration by way of respective bands of remuneration of each Director. The Company is of the view that due to confidentiality and sensitivity attached to remuneration matters, it would not be in the best interests of the Company to disclose the exact details of the remuneration of each individual Director. In arriving at this decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, and the need of the Group to attracting and retaining talent at the Board level on a long-term basis.

## Remuneration of Key Management Personnel

During FY2021, the Company only has one (1) key management personnel (who is not a Director or CEO of the Company), being the CFO. A breakdown showing the remuneration amount and mix of the Company's CFO is as follows:

Name of Key Management Personnel	Salary* %	Bonus* %	Allowances and Benefits* %	Total %
<b>Below S\$250,000</b>				
Mr. Terry Cheung	100	-	-	100

\*Inclusive of Central Provident Fund Contributions

The Board believes that disclosure of the exact or aggregate remuneration of the key management personnel as recommended by the Code would be disadvantageous to the business interest of the Company, in view of the sensitive nature of such information and high competition for talent.

# CORPORATE GOVERNANCE REPORT

**Provision 8.2: The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.**

The Company does not have any employee who is a substantial Shareholder, or is an immediate family member of a Director, the CEO or a substantial Shareholder whose remuneration in FY2021 exceeded S\$100,000 per annum.

**Provision 8.3: The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.**

The RC recommends to the Board the framework of executive remuneration and the remuneration package for each Executive Director. In its deliberations, the RC will take into consideration industry practices and norms in compensation in addition to the Company's relative performance in the industry and the performance of the individual Directors. The remuneration packages recommended by the RC are ultimately approved by the Board. No Director is involved in deciding his/her own remuneration.

The Company adopts a remuneration policy that comprises a fixed component and a variable component. The fixed component is in the form of a base salary, fixed allowances and benefits, and bonus. The variable component is in the form of a variable bonus which is linked to the Group's performance, as well as the individual's performance assessed based on meeting key performance indicators allocated to them and their level of efficiency and productivity. Staff appraisals are conducted at least once every year.

During FY2021, there were no termination, retirement and post-employment benefits granted to the Directors or the key Management personnel. The Company does not have any employee share scheme or other long-term incentive schemes.

## 3. ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

**Provision 9.1: The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.**

**Provision 9.2: The Board requires and discloses in the company's annual report that it has received assurance from:**

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and**
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.**

The Board is responsible for the governance of risk by ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interest. The Group has established a risk identification and management framework. Using the aforesaid framework, the Group identifies key risks and undertakes appropriate measures to control and mitigate these risks. Action plans to manage the risks are continually being monitored and refined by the Management together with the Board. All significant control policies and procedures are reviewed regularly, and significant matters are highlighted to the AC and the Board.

# CORPORATE GOVERNANCE REPORT

The internal controls structure of the Group has been designed and put in place by the Management of the Group's business units to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations.

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board. During FY2021, there were no material weaknesses being identified.

The Group's internal auditor, Baker Tilly TFW LLP, carries out internal audit on the system of internal controls at least annually and reports the findings to the AC. The Group's material internal controls are also reviewed by the Group's external auditor, Mazars LLP, in the course of their statutory audit. The Management will then take corrective measures to strengthen the internal controls. Any material non-compliance and internal control weaknesses and recommendations for improvements are noted during the audit and will be reported to the AC. The Board, with the assistance of the AC, internal and external auditors, will review the adequacy and effectiveness of the Group's key internal controls.

However, no cost-effective internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgment in decision-making, losses, fraud or other irregularities. Thus, the Board and the Management will continue to review and strengthen the Group's control environment, and further refine its internal policies and procedures.

For FY2021, the Board has received assurances from the CEO and the CFO that financial records have been properly maintained, the financial statements provide a true and fair view of the Company's operations and finances, and that the Company's risk management and internal control systems are adequate and operating effectively. The Board, with the concurrence of the AC, concludes that based on (i) the internal control systems established and maintained by the Group, (ii) work performed by the internal auditor during the financial year, (iii) statutory audit by the external auditor and (iv) review performed by Management, the Group's system of risk management and internal controls, addressing financial, operational, compliance and information technology controls risks, were adequate and effective for FY2021.

## **Audit Committee**

**Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.**

**Provision 10.1: The duties of the AC include:**

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

# CORPORATE GOVERNANCE REPORT

The AC has adopted a written term of reference which describes the responsibilities of the AC and the proceedings at AC meetings. The AC's principal responsibilities are as follows:

- (a) review with the external auditor of the Company, its audit plan, evaluation of the internal accounting controls, audit reports and any matters which the external auditor wishes to discuss (in the absence of the Management);
- (b) ensure co-operation is given by the Management to the internal and external auditors;
- (c) review the announcement of the quarterly and year-end results to SGX-ST;
- (d) review the annual financial statements and the auditor's report on the Company's annual financial statements before they are presented to the Board, focusing on:
  - going concern assumption;
  - compliance with accounting standards and regulatory requirements;
  - any changes in accounting policies and practices;
  - significant issues arising from the audit; and
  - major judgmental areas;
- (e) review with the Management and the external auditor the adequacy and effectiveness of the Company's risk management, internal controls, business and service systems and practices;
- (f) monitor and review related and interested party transactions and conflict of interest situations that may arise within the Group. The AC is also required to ensure that the Directors report such transactions annually to Shareholders in the annual report;
- (g) review the scope, adequacy and result of the internal audit procedures addressing financial, operational, information technology and compliance risks;
- (h) make recommendations on the appointment and re-appointment of the external and internal auditors to the Board;
- (i) review significant risks or exposures that exist and assess the steps taken by the Management to minimise such risks to the Company; and
- (j) any other functions which may be agreed by the AC and the Board.

In performing its functions, the AC confirms that it has explicit authority to investigate any matter within its terms of reference, full access to and co-operation from the Management, and has been given full discretion to invite any Director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly. The AC is authorised to obtain independent professional advice if necessary, in the discharge of its responsibilities. Such expenses will be borne by the Company.

The AC keeps abreast of changes in accounting standards and issues which have a direct impact on the financial statement, through advices from the external auditor and other professionals. During FY2021, the external auditor was invited to attend the AC meeting to present their audit plan while the internal auditor was invited to attend the AC meeting once to present their internal audit report. In line with the recommendations by ACRA, Monetary Authority of Singapore and SGX-ST that the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on key audit matters ("**KAM**"). Based on external auditor findings and observations, there was no KAM. The AC reviewed and concurred with the external auditor and Management on the assessment, judgements, and estimates on the significant matter reported by the external auditor.

The AC reviews the independence of the external auditors annually. As disclosed in Note 7 to the audited financial statements of the Group for FY2021, the aggregate amount of fees paid/payable to the external auditor of the Company, Mazars LLP, and its network firms for FY2021 was approximately S\$92,500, comprising S\$79,000 audit fees and S\$13,500 non-audit fees for acting as tax agent.

# CORPORATE GOVERNANCE REPORT

The Group confirms that it has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors. The AC, having reviewed the range and value of non-audit services performed by the external auditor, Mazars LLP, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The AC has also reviewed and confirmed that Mazars LLP is a suitable audit firm to meet the Company's audit obligations, having regards to the adequacy of resources and experience of the firm, the assigned audit engagement partner, other audit engagements, size and nature of the Group, and the number and experience of supervisory and professional staff assigned to the audit. The AC has recommended to the Board that, Mazars LLP, be nominated for re-appointment as external auditor at the forthcoming AGM.

The Company has put in place a whistle-blowing policy to provide a channel to employees and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The Group is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and the Group's commitment to open communication, cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. The objective for such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Reporting can be done through the Company's email to the attention of the AC at [whistleblowing@lifebrandz.com](mailto:whistleblowing@lifebrandz.com).

**Provision 10.2: The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.**

As at the date of this report, the AC comprises of three (3) members, all of whom, including the Chairman of AC, are independent. The current members of the AC are:

Mr. Lim Yit Keong	Chairman and Lead Independent Director
Ms. Wang Xiaolan	Member and Independent Director
Mr. Lim U Wei Ralph Howard	Member and Independent Director

The Board constantly reviews and ensures that the members of the AC are qualified to discharge their responsibilities. The Board and the NC are of the view that the members of the AC are appropriately qualified to discharge their responsibilities as they bring with them many years of accounting, business management, marketing expertise and investment experience.

**Provision 10.3: The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.**

The Board confirms that none of the AC members were former partners or directors of the Company's external audit firm and none of the AC members hold any financial interest in the Company's external audit firm.

**Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.**

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard Shareholders' investments and the Group's asset and business.

For FY2021, the Company outsourced its internal audit function to Baker Tilly TFW LLP, an external professional firm who reports directly to the Chairman of AC and administratively to the Management.

Baker Tilly Singapore is part of the 10<sup>th</sup> largest accounting global network providing a comprehensive range of services in the areas of assurance, tax, governance and risk, deal advisory, restructuring and recovery, outsourcing, corporate secretarial services and digital solutions, including blockchain, AI and cybersecurity. Baker Tilly Singapore's

# CORPORATE GOVERNANCE REPORT

engagement team for the internal audit comprises an engagement partner, manager, supported by a number of internal auditors. The engagement team is staffed by members with relevant experiences and possesses professional qualifications such as Chartered Accountant and Certified Internal Auditor designations. Baker Tilly Singapore is also a corporate member of the Institute of Internal Auditors of Singapore and the internal audit engagement is carried out in line with the standards as stipulated by the International Professional Practices Framework (IPPF) as set out by the Institute.

The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner. The internal auditor has identified the Group's main business processes and developed an audit plan that covers the main business process.

To achieve its objectives, the internal auditor has unrestricted access to all record, properties and personnel of the Group. The internal auditor reports directly to the AC which assists the Board in monitoring and managing risks and internal controls of the Group. The internal audit functions primarily focusing on whether the current system of internal control provides reasonable assurance on (i) compliance with applicable laws, regulations, policy and procedures; (ii) reliability and integrity of information; and (iii) safeguarding of assets.

The internal auditor is guided by the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC will review the adequacy and effectively of the function of the internal audit annually. Based on the review of the internal audit function in FY2021, the AC believes that the internal auditor is independent and has appropriate standing and adequate resources to perform its function effectively and objectively.

**Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.**

In FY2021, the AC has met with the external and internal auditors without the presence of the Management and have reviewed the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence and the observations of the auditors.

## 4. SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meetings

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

**Provision 11.1: The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.**

Notice of general meeting is despatched to Shareholders together with explanatory notes or circular on items of special business (if necessary), at least fourteen (14) days (without special resolution) or twenty-one (21) days (with special resolution) prior to the meeting date.

All Shareholders are entitled to attend the general meetings of the Company and are afforded the opportunity to participate effectively at such meetings. All Shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings either through manual or electronic polling. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings. Announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meeting will be released on SGX-ST on the same day.



# CORPORATE GOVERNANCE REPORT

If any Shareholders are unable to attend the general meetings of the Company, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's current Constitution does not allow corporations which provide nominee or custodial services to appoint more than two (2) proxies. In line with the amendments to the Companies Act, 'relevant intermediary' which provide nominee or custodial services to third parties are entitled to appoint more than two (2) proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to different shares held by Shareholders.

**Provision 11.2: The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.**

The Company practises having separate resolutions at general meetings on each substantially separate issue. "Bundling" of resolutions are kept to a minimum and are done only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved.

**Provision 11.3: All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.**

Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Company's strategy and goal. The Company encourages active Shareholders' participation. During the general meetings, Shareholders may raise questions or share their views regarding the proposed resolutions, and the Company's businesses and affairs. The respective Chairman of the AC, NC, RC and key management personnel will attend to address questions relating to the progress and performance of the Group. The external auditor would also be present to assist the Directors in addressing any relevant queries by Shareholders about the conduct of audit and the preparation and content of the auditor's report.

**Provision 11.4: The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.**

Voting in absentia and electronic mail may only be possible following careful study to ensure the integrity of the information and authentication of the identity of members through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

**Provision 11.5: The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.**

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management. These minutes are available to shareholders on SGXNet and/or at the Company's website as soon as practicable.

For FY2021, in complying with the requirements stipulated in the First Schedule of the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 (the "**Temporary Measures Act**") and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), the Company will publish the minutes of the AGM and EGM to be held on 25 November 2021 on SGXNet and/or the Company's website within one (1) month after the AGM and EGM. For FY2021, in accordance with Temporary Measures Act and the Order, the Company will apply and adopt the alternative arrangements for convening, holding and conducting of the AGM, as set out in the second column of the First Schedule of the Order.

# CORPORATE GOVERNANCE REPORT

## **Provision 11.6: The company has a dividend policy and communicates it to shareholders.**

Currently, the Company does not have a fixed dividend policy. The Board would consider establishing a dividend policy when appropriate. In considering the payment of dividend, the Board shall consider factors such as the Company's profits, cash flows, working capital and capital expenditure requirements, investment plans and other factors that the Board may deem relevant. Notwithstanding the above, any declaration of dividends is clearly communicated to the Shareholders via SGXNet. Further, the Company will, in line with Rule 704(23) of the Catalist Rules, expressly disclose the reason(s) in the event that the Board decides not to declare or recommend a dividend, in its financial statement announcements.

Taking into account the above stated factors, the Company has not declared any dividends for FY2021 in view of the negative earnings.

## **Engagement with Shareholders**

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

**Provision 12.1: The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.**

The Board is mindful of the obligation to provide regular, effective and fair communication with Shareholders. The Company believes that prompt disclosure of pertinent information and high standard of disclosure are the keys to raise the level of corporate governance. For all announcements (including financial performance reporting) made to the public via SGXNet and the annual reports issued to Shareholders, the Board is cognisant of its responsibility to present a fair assessment of the Group's current performance, position and its future prospects.

Information is disseminated to Shareholders on a timely basis through:

- (a) SGXNet systems and news release;
- (b) annual reports prepared and issued to all Shareholders; and
- (c) the Company's website at [www.lifebrandz.com](http://www.lifebrandz.com) at which Shareholders can access information on the Group.

The Board takes adequate steps to ensure compliance with legislative and statutory requirements, and observes obligations of continuing disclosure under the Catalist Rules. The Management reviews and provides relevant compliance reports for the Board's approval. For issues relating to the Group's business development, the Board also provides the Shareholders with periodic updates and reports through announcements where necessary. The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules.

**Provision 12.2: The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.**

**Provision 12.3: The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.**

The Company does not have an Investor Relations Policy in place. The Group has engaged an external investor relations firm to assist in communication with its investors on a regular basis and attends to their queries.

In line with continuous obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all Shareholders should be equally informed of all major developments impacting the Group. The Company does not practice selective disclosure.

# CORPORATE GOVERNANCE REPORT

Shareholders are strongly encouraged to participate at general meetings, which acts as the major platform for Shareholders to engage and dialogue with the Company directly. Shareholders are encouraged to have open communication with the Directors and key Management personnel during the general meetings on their views on matters relating to the Company.

Further, the Company provides its phone number and email address on the Company's website through which the Shareholders may contact the Company with questions and by which the Company may respond to such questions.

## 5. MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Stakeholders

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

**Provision 13.1: The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.**

**Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.**

**Provision 13.3: The company maintains a current corporate website to communicate and engage with stakeholders.**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectation and goals. The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised through stakeholder engagement and can be found in the Company's Sustainability Report 2021 section.

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet and the Company's website. The Company does not practice selective disclosure of material information. All materials on the interim and full year financial results are available on the Company's website - [www.lifebrandz.com](http://www.lifebrandz.com). Stakeholders can also contact the Company through phone or email, the details of which can be found on the Company's website.

## OTHER CORPORATE GOVERNANCE MATTERS

### Dealings in Securities

The Company has complied with Rule 1204(19) of the Catalist Rules. The Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Company for the period of (i) two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year, if the Company reports quarterly; or (ii) one (1) month prior to the announcement of the Company's half year financial statements, if the Company reports half yearly; and one (1) month prior to the announcement of the Company's full year financial statements, and ending on the date of the announcement of the relevant results.

In addition, the Company, Directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term consideration.

# CORPORATE GOVERNANCE REPORT

## **Material Contracts**

Save as disclosed via SGXNet, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling Shareholder, either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

## **Non-Sponsor Fees**

There were non-sponsor fees of S\$35,000 paid to the Company's sponsor, SAC Capital Private Limited for FY2021 for rights cum warrants issue project management fees.

## **Interested Person Transactions ("IPTs")**

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Shareholders.

There have been no IPTs equal to or exceeding S\$100,000 in value for FY2021. The Company does not have a Shareholders' mandate for IPTs.

## **Use of Proceeds from Fundraising Exercises**

### The 2<sup>nd</sup> Proposed Subscriptions

The Company had, on 8 February 2021, entered into separate subscription agreements with nine individuals who are not related to the Group to raise S\$1,530,000 by way of issuing 306,000,000 new ordinary shares in the capital of the Company (the "**2<sup>nd</sup> Proposed Subscriptions**") for the repayment of debts and liabilities and general working capital purposes. The 2<sup>nd</sup> Proposed Subscriptions was completed on 9 March 2021 and 306,000,000 ordinary shares were allocated. Please refer to the Company's circular dated 9 February 2021 and announcements dated 9 February 2021, 23 February 2021 and 9 March 2021 for further information on the 2<sup>nd</sup> Proposed Subscriptions.

Please refer to the Company's announcements dated 10 March 2021, 15 March 2021 and 13 July 2021 for the disclosure on the use of proceeds from the 2<sup>nd</sup> Proposed Subscription. There has been no further utilisation since 13 July 2021 up to the date of this annual report.

### The Rights cum Warrants Issue

The Company has on 22 June 2021 completed the renounceable non-underwritten rights cum warrants issue of 1,030,170,246 new ordinary shares ("**Rights Shares**") at the issue price of S\$0.005 for each Rights Share, with 515,085,123 free detachable and transferable warrants ("**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share ("**New Share**") at the exercise price of S\$0.010 for each New Share, 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) free detachable Warrant for every two (2) Rights Shares subscribed, fractional entitlements to be disregarded ("**Rights cum Warrants Issue**").

The Company has raised net proceeds of approximately S\$4.97 million (after deducting estimated expenses of approximately S\$0.19 million) from the Rights cum Warrants Issue (the "**Net Proceeds**"). Please refer to the Company's Offer Information Statement dated 28 May 2021 and announcements dated 15 March 2021, 7 May 2021, 18 May 2021, 19 May 2021, 28 May 2021, 18 June 2021 and 23 June 2021 for further information on the Rights cum Warrants Issue.

# CORPORATE GOVERNANCE REPORT

Please refer to the Company's announcement dated 28 September 2021 for the disclosure on the use of proceeds from the Rights cum Warrants Issue. The following table summarises the utilisation of Net Proceeds raised from the Rights cum Warrants Issue as at the date of this annual report:

Intended use of Net Proceeds	Allocation of the Net Proceeds (\$\$' million)	Amount utilised as at 28 September 2021 (\$\$' million)	Further amount utilised as at the date of this annual report (\$\$' million)	Balance as at the date of this annual report (\$\$' million)
Repayment of the Group's existing and outstanding liabilities to external creditors	0.93	(0.56)	(0.05)	0.32
General working capital purposes	2.11	(0.19) <sup>(1)</sup>	(0.25) <sup>(1)</sup>	1.67
Business expansion	1.93	-	-	1.93
<b>Total</b>	<b>4.97</b>	<b>(0.75)</b>	<b>(0.30)</b>	<b>3.92</b>

Note:

(1) A breakdown of the use of Net Proceeds for general working capital purposes of the Group is as follows:

	Amount utilised as at 28 September 2021 S\$	Further amount utilised as at the date of this annual report S\$
Professional fees	58,000	15,000
Payroll related expenses	89,000	85,000
Working capital support for overseas subsidiary (Thailand)	17,000	5,000
Other operating expenses	26,000	143,000
<b>Total</b>	<b>190,000</b>	<b>248,000</b>

The use of proceeds is in accordance with the stated use disclosed in the Company's announcement dated 15 March 2021 in relation to the Rights cum Warrants Issue.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lam Siew Kee	Lim Yit Keong	Lim U Wei Ralph Howard
Date of appointment	11-Mar-21	30-Apr-19	10-Jun-21
Date of last-reappointment	Not applicable	27-Nov-19	Not applicable
Age	53	68	52
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered the recommendation of the Nominating Committee and assessed Mr. Lam Siew Kee's qualifications and work experience, is of the view that Mr. Lam Siew Kee has the requisite experience and capabilities to assume the duties and responsibilities of the Executive Chairman and Chief Executive Officer of the Company.	The Board having considered the recommendation of the Nominating Committee and assessed Mr. Lim Yit Keong's qualifications, work experience and independence, is of the view that Mr. Lim Yit Keong has the requisite experience and capabilities to assume the duties and responsibilities of an Independent Director of the Company.	The Board having considered the recommendation of the Nominating Committee and assessed Mr. Lim U Wei Ralph Howard's qualifications, work experience and independence, is of the view that Mr. Lim U Wei Ralph Howard has the requisite experience and capabilities to assume the duties and responsibilities of an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Lam Siew Kee is responsible for setting the strategic direction of the Group together with the Board. He also oversees the overall management of the Group, including steering the business and operations for the future growth and expansion.	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	Independent Director	Independent Director
		Chairman of Audit Committee, member of Nominating and Remuneration Committees	Chairman of Remuneration Committee, member of Audit and Nominating Committees
Professional qualifications	Certified Public Accountant, Singapore Bachelor of Accountancy, Nanyang Technological Singapore	Fellow member, The Association of Chartered Certified Accountants (FCCA)	LLB (Hon) from the University of Sheffield Barrister at Law of Lincoln's Inn, England Advocate & Solicitor of Singapore

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lam Siew Kee	Lim Yit Keong	Lim U Wei Ralph Howard
Working experience and occupation(s) during the past 10 years	2015 to present: Tubo Capital Pte. Ltd., Founder	2001 to present: Capital Consulting Pte. Ltd, Executive Director	July 2020 to present: Director, Prolegis LLC
	2012 to 2014: Straits Advisors Group, Director		November 2016 to June 2020: Director, OC Queen Street LLC - headed the Corporate Practice
	2007 to 2012: UBS Singapore, Corporate Advisory Group, Executive Director		September 2007 to October 2016: Director, Drew & Napier LLC - Co-headed the Mergers and Acquisition Practice
Shareholding interest in the listed issuer and its subsidiaries	200,000 shares and 50,000 warrants convertible into 50,000 shares pursuant to the Rights cum Warrants Issue	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes	Yes

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lam Siew Kee	Lim Yit Keong	Lim U Wei Ralph Howard
<b>Other principal commitments including directorships</b>			
Past (for the last 5 years)	Directorships:	Directorships:	Directorships:
	NIL	Transcorp Holdings Limited	OC Queen Street LLC
		Edition Ltd.	Drew & Napier LLC
	Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"
Present	Directorships:	Directorships:	Directorships:
	Tubo Capital Pte. Ltd.	Capital Consulting Pte Ltd	Prolegis LLC
	Singko Holdings Pte. Ltd.	China Kunda Technology Holdings Limited	
	Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lam Siew Kee	Lim Yit Keong	Lim U Wei Ralph Howard
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of Insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lam Siew Kee	Lim Yit Keong	Lim U Wei Ralph Howard
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lam Siew Kee	Lim Yit Keong	Lim U Wei Ralph Howard
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
1) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
2) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
3) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
4) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lam Siew Kee	Lim Yit Keong	Lim U Wei Ralph Howard
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# SUSTAINABILITY REPORT

LifeBrandz

**LIFEBRANDZ**  
**SUSTAINABILITY REPORT**  
**2021**

# SUSTAINABILITY REPORT

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# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

LifeBrandz Ltd. (“**LifeBrandz**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) presents its fourth annual Sustainability Report (the “**Report**”) which covers the Group’s performance from 1 August 2020 to 31 July 2021 (“**FY2021**”). The scope of the Report covers information on sustainability factors material to the Group. This should sufficiently address stakeholders’ concerns in relation to sustainability issues arising from the major business operations of the Group. More information on the Group will be disclosed in the other sectors of the FY2021 Annual Report. This Report is prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards: Core Option. The Company has chosen the GRI Standards as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7F of the SGX-ST Listing Manual Sections B: Rules of Catalist (“**Catalist Rules**”). In preparing our Report, we applied the GRI’s principles for defining report content and report quality by considering the Group’s activities, impacts and substantive expectations and interest of our shareholders. The data and information provided within the Report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy. In addition, developments after FY2021 has not been considered for inclusion in this Report. We welcome your views and feedback on our sustainability practices and reporting at [invest@LifeBrandz.com](mailto:invest@LifeBrandz.com).

## CORPORATE PROFILE

LifeBrandz Ltd. was listed on the SGX-ST in 2004. The Company transferred the listing on the SGX-ST from the Main Board to the Catalist Board on 4 December 2015. Headquartered in Singapore, since FY2017, the Group initiated its transformation and diversification into comprehensive services and multi-faceted solutions – including, *inter alia*, brand development and management, travel, food and beverages (“**F&B**”) and trading. During the previous financial year, the restaurants under its F&B sector had ceased operations. LifeBrandz continuously strive to achieve growth and profitability through exploring investment opportunities in viable and sustainable business to strengthen the current financial position of the Group.

## BOARD STATEMENT

The Board of directors (the “**Board**”) of the Company continues to be committed to good corporate governance and sustainable business processes that foster best practices, transparency, accountability and integrity for the long-term sustainability of our business and value creation for our stakeholders in despite of the significant challenges resulting from global Coronavirus (“**COVID-19**”) pandemic. As part of LifeBrandz’s commitment to sustainable development, we will integrate such practices. The Board believes that this will help achieving sustainable growth as well as better quality services and strategies for the Group. We will continue to strive to do business in a responsible way and abide by the precautionary principle to minimise negative effects or doing business wherever feasible.

The executive management team comprising the Chief Executive Officer (“**CEO**”), Chief Operating Officer (“**COO**”) and Chief Financial Officer (“**CFO**”), has assessed that external assurance report is not required for FY2021 as the Group is undergoing transformation and corporate actions in its restructuring efforts.

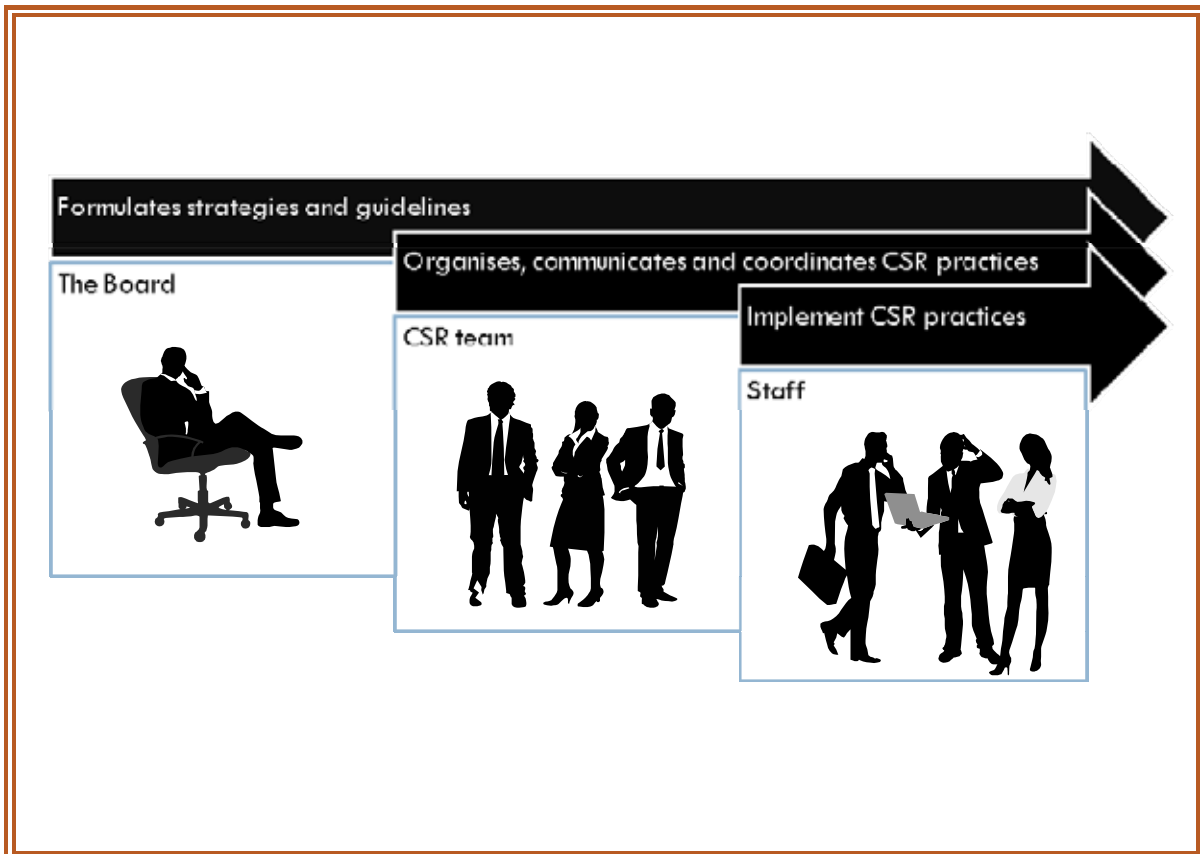
# SUSTAINABILITY REPORT

## OUR APPROACH

### Sustainability Organisational Structure

We developed a sustainability organisational structure to move things forward and the Board is ultimately responsible for the sustainability direction of the Group and provides formal oversight of the Group's sustainability progress thus ensuring the sustainability agenda is integrated with the Group's business and strategic decisions.

- (1) The Board formulates related strategies and guidelines;
- (2) The Corporate Social Responsibility ("CSR") coordinators, which comprise the Board and key management team, which includes the CEO, COO, CFO and the Financial Controller ("FC") (collectively, the "Management"), helps to organise, communicate and coordinate the CSR practices of subsidiaries;
- (3) Staff from subsidiaries are responsible for the implementation of CSR practices; and
- (4) The CFO and the FC monitor the adoption of the CSR practices in the subsidiaries and ensure that the Group is working towards its CSR goals as a whole.





# SUSTAINABILITY REPORT

## Sustainability Strategy

Our Group sustainability strategy has not changed from last year in which we are committed to deliver value to all our stakeholders through the following:

- (1) Economic Sustainability;
- (2) Regulatory Compliance;
- (3) Environmental Sustainability; and
- (4) Social Responsibility.

The sustainable strategy is underpinned by our comprehensive internal policies on the following:

- (1) Compliance Manual, which LifeBrandz is committed to conducting its business in accordance to the highest standards of its business ethics. The Group works diligently to ensure that its staff comply with applicable laws, regulations and professional codes of conduct.
- (2) Risk Management Policy, which covers procedures to implement effective risk management practices, covering both the operational risk associated with the firm and the risks (market, liquidity, credit and counterparty risks) inherent in the management of investment portfolios.
- (3) Operations Manual, which covers all other aspects in our business operations, especially on investment procedures, dealing with counterparties, valuation, cash management, business continuity and disaster recovery plan.

The strategy is also guided by external sources, including GRI Standards and Sustainability Reporting Guide in Practice Note 7F of the Catalist Rules.

## Sustainability Materiality and Stakeholder Engagement

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we listen to our stakeholders and engage them on an ongoing and ad-hoc basis. An overview of our approach and rationale is set out below:

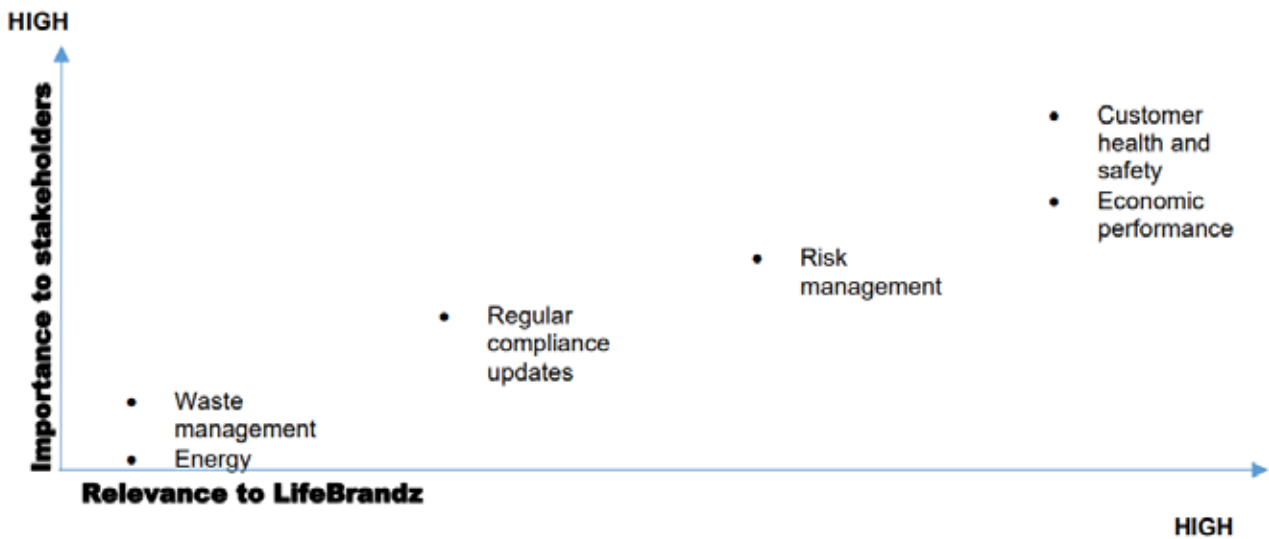
Stakeholders	Concerns Raised	Mode of Engagement	Frequency
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer service and product quality</li> <li>• Food safety and hygiene</li> </ul>	<ul style="list-style-type: none"> <li>• Customer services hotline</li> <li>• Meetings</li> <li>• Marketing campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Frequent and regular</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>• Fair and transparent performance appraisal process</li> <li>• Occupational health and safety</li> <li>• Training and development</li> <li>• Welfare and benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Performance review</li> <li>• Human resource policy and procedures</li> <li>• Trainings and recreational activities</li> <li>• Whistle blowing policies</li> </ul>	<ul style="list-style-type: none"> <li>• Frequent and regular</li> </ul>
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>• Timely and transparent updates</li> <li>• Sustainability matters</li> <li>• Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>• SGXNet announcements</li> <li>• General meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Frequent and regular for announcements</li> <li>• Annual and ad hoc for general meetings</li> </ul>
<b>Regulatory authorities and agencies</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Through Sponsor</li> <li>• SGXNet announcements</li> <li>• Company's website</li> <li>• Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Frequent and regular</li> <li>• Annual for annual reports</li> </ul>

# SUSTAINABILITY REPORT

Building on our previous assessments based on a materiality index, which had not changed from current assessment, we have further refined our understanding of our material issues:

- To evaluate the relevancy of the selected Economic, Environment, Social and Governance (“EESG”) factors against current business operations;
- To conduct internal discussions and re-propose steps and approaches to evaluated EESG factors; and
- To review and prioritise the importance of the EESG factors put forth by the executive management team and subsequently endorsed for implementation

Going forward, materiality review will be conducted every year, incorporating inputs from the stakeholders’ engagements, whatever are deemed fit in the enhancement of the assessments.



## Sustainability Target

Please refer to the “Economic Sustainability”, “Regulatory Compliance”, “Environment Sustainability” and “Social Responsibility” sections of this Report for the respective qualitative and quantitative targets set by the Group for FY2022 and longer term.

# SUSTAINABILITY REPORT

## ECONOMIC SUSTAINABILITY

### Economic Performance

At LifeBrandz, we believe in creating long-term economic value for all our shareholders and key stakeholders by adopting responsible business practices and growing our business in a sustainable manner. For more information on the Company's financial and business information, please refer to "Operations and Financial Review" and "Financial Statements" sections of the FY2021 Annual Report.

### Sustainability Scorecard

Performance Indicator	Units	FY2021	FY2020
		(audited)	(audited)
Profit/(Loss) from continuing operations for the financial year	S\$'m	0.7	(2.8)

In the Company's announcement dated 18 June 2021, we announced that the renounceable non-underwritten Rights cum Warrants Issue was successfully completed on 15 June 2021, and we raised net proceeds of approximately S\$4.97 million (after deducting estimated expenses of approximately S\$0.18 million). The Board and the Management will now a better position and will be on a look out for potential deals and transactions that will provide a viable, sustainable business to strengthen the financial position of the Group.

## REGULATORY COMPLIANCE

Compliance with rules and regulations is paramount. LifeBrandz strictly adheres to the local laws and industry regulations relating to corporate governance, risk management, and code of conduct including anti-money laundering, anti-corruption, fraud and confidentiality.

### Corporate Governance

We have enhanced our accountability and transparency by upholding high standards in business ethic and corporate governance in all areas of our operations, thus building stronger trust with our stakeholders. The Board and the Management are fully aware of the need for regulatory compliance and have put in place relevant processes and procedures to avoid breaches and if cases do arise, then for an immediate corrective action to be taken.

Our Standard Operating Procedures ("**SOP**") in the Operations Manual which establishes principles and practices with regard to matters which may have ethical implications. The SOP provides communicable and understandable guidelines for staff to observe in their dealings with customers, suppliers and amongst fellow colleagues.

Some topics covered by our Operations Manual include the following:

- Staffing and segregation of duties
- Information technology controls
- Investment procedures
- Dealing with counterparties
- Valuation policy
- Cash management
- Business continuity and disaster recovery plan

# SUSTAINABILITY REPORT

## Preventing Bribery and Corruption

The Company has zero tolerance in respect of bribery and corruption in any form. This has been made clear to all our employees, major suppliers, and business partners. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery or corruption activities or any activities, which might exploit their positions against the Group's interests.

Whistle-blower can be reported verbally or in writing to the Management for any suspected misconduct with full details and supporting evidence at [whistleblowing@LifeBrandz.com](mailto:whistleblowing@LifeBrandz.com). The Management will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group advocates a confidentiality mechanism to protect the whistle-blower against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when the Management considers necessary.

There were no whistle blowing reports received in FY2021 and our goal is to maintain zero incident of bribery or corruption in FY2022.

## Risk Management

The Board recognises the importance of maintaining a sound system of risk management to safeguard the shareholders' interests and the Group's assets, and to manage risk. The risk management practice is intended to provide reasonable but not absolute assurance against material loss, to safeguard assets and also maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations, and identification and containment of business risks.

Our risk management practices have not changed from last year and cover both the operational risk associated with the firm and the risks (market, liquidity, credit and counterparty risks) inherent in the management of investment portfolios.

We view our risk management policies and procedures as dynamic in response to the evolution of our investment strategies, the development of our business and the innovation within financial markets and risk management tools. We will strive to improve our risk management capabilities and processes to stay abreast of market best practices. We believe that effective risk management is crucial to the long-term success of our business.

# SUSTAINABILITY REPORT

Our four cornerstones of effective risk management and sound internal controls:



More information on the Group’s risk management and internal controls are disclosed in the “Corporate Governance Report” section of the FY2021 Annual Report.

## Regular Compliance Updates

The Group has continued, through its Company Secretary and Sponsor, updated the Board on relevant new laws and regulations affecting the Company. Through Board meetings and other meetings, both formal and informal, our CEO and Directors have been exchanging views and opinions on the changing commercial and business risks faced by our Group.

In addition, the Directors and the Management are encouraged to attend seminar and receive training to improve themselves in the discharge of their respective duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from Catalyst Rules that affect the Company and/or the Directors in discharging their duties. Such training costs are borne by the Company.

## Sustainability Scorecard

For FY2021, there were no reported cases of regulatory non-compliance and the Group will maintain strict compliance with applicable laws and regulations in FY2022.

# SUSTAINABILITY REPORT

## ENVIRONMENT SUSTAINABILITY

The Group is committed to minimising the environmental impact and towards protecting the environment by managing environmental conservation through adopting of "Reduce", "Re-use", "Recycle" ("**3Rs**") and energy efficient practices.

### Waste Management

We believe that every small effort counts and goes a long way in contributing to the conservation and protection of the earth's natural resources. Our waste management efforts are focused mainly on paper to reduce, reuse or recycle whenever possible. However, the current usage is not significant, the Group does not collect any usage data. The Group will work towards providing the quantitative indicators should the usage becomes material in the future.

#### Reduce

- Staff are educated and encouraged not to print documents whenever possible but to save as a file or document type and upload to our SharePoint.
- Paperless workflow system is implemented to store documents electronically.

#### Reuse

- Staff are encouraged to reuse paper for note taking during meetings.
- Staff are also encouraged to use wastepaper as draft paper.
- Staff are encouraged not to print documents for discussion purposes and display them on screens instead.

#### Recycle

- Waste cardboard, paper and past due documents are sent for recycling.

### Energy

We play our part by reducing the energy use in our operations through adopting greener and more environmentally friendly technologies and measures. We strive to minimise the energy consumption over time. However, the current usage is not significant, the Group does not collect any usage data. As part of our future efforts, we will align our environmental performance in our Singapore operations to key evaluation criterion for water consumption and energy conservation for electricity consumption when operations commence in the future. The Group will work towards providing the quantitative indicators should the usage becomes material in the future.

In FY2021, the Group did not encounter any major issues in relation to the environment, with zero penalties or sanctions from regulatory authorities arising from environmental damage. Our goal is to maintain zero penalties or sanctions from regulatory authorities arising from environmental damage in the upcoming years and beyond.

# SUSTAINABILITY REPORT

## SOCIAL RESPONSIBILITY

### Occupational Health and Safety

We view our workforce as an important asset to the Group and we believe the safety and wellbeing of our employees are our highest priority. Our approach to safety focuses on enforcing a strong safety culture which requires all members of our workforce to be leaders in creating a safe work environment. Accordingly, we place priority in maintaining a safety and security conscious culture amongst our employees of all levels.

We are pleased to report that there have not been any reportable serious work-related injuries in FY2021. We will continue to stress workplace safety at all times and aim for accident frequency rate of zero in the upcoming years and beyond.

We adhere to local health and safety regulations and our environment, health and safety policy guides us in promoting safety measures in our operational facilities.

In view of the pandemic, the flexi-work scheme was rolled out smoothly and expedited by the work from home requirements as default or as required basis, with minimal disruption to the business operations.

### Training and Education

LifeBrandz understands that there is a continuous need to upgrade staff skills and knowledge. We practise equal opportunities for skills training and career development for all staff as we understand this is beneficial to the staff's development and also to the Group.

Thus, staff are encouraged to go for courses and seminars to upgrade themselves and improve their skills. Staff will be sent by the Group, to attend courses to obtain skills or certifications that are necessary in the course of their work.

### Diversity and Fair Employment

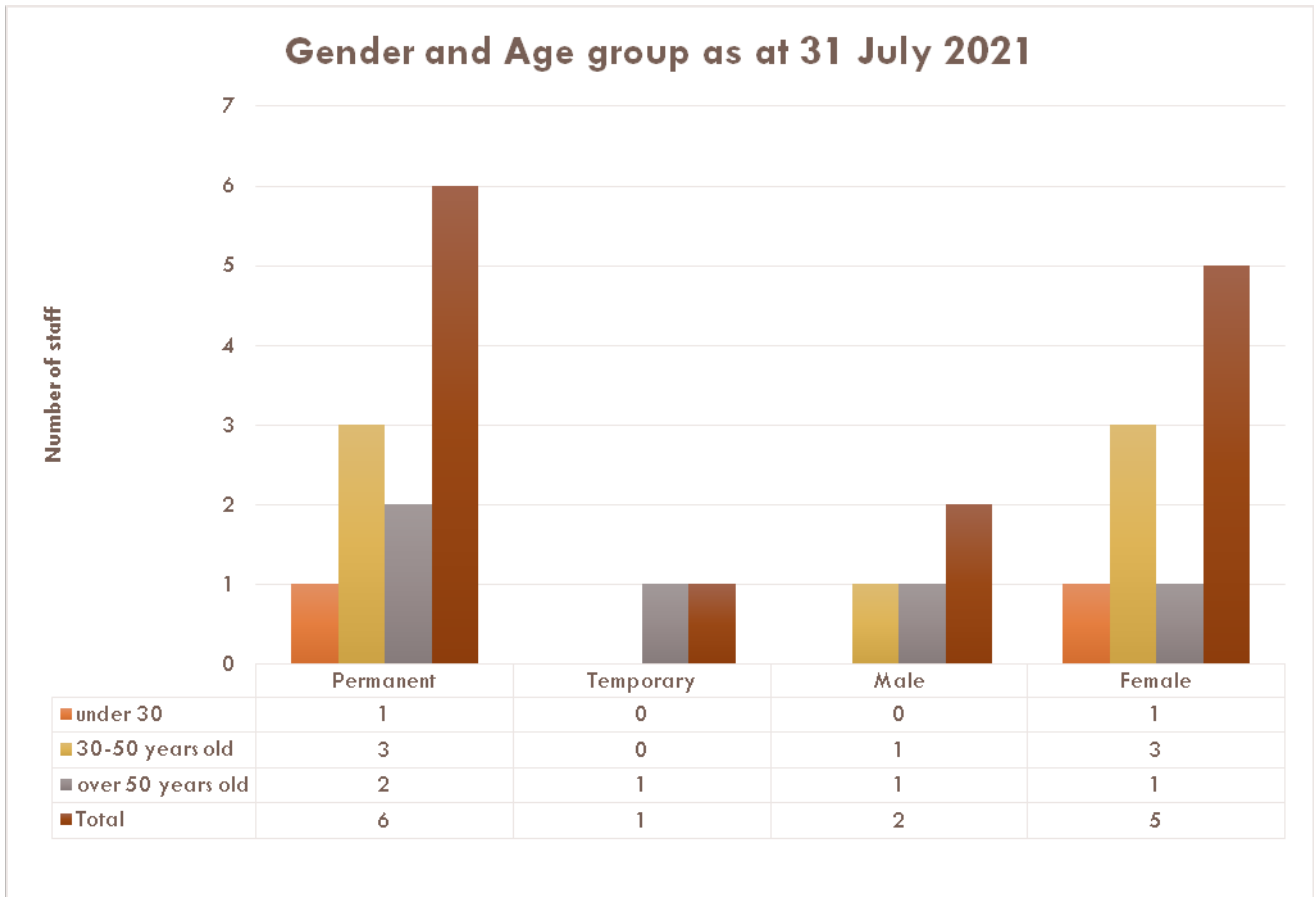
We aim to provide a work environment for employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender and age. Therefore, we are committed to the goals of diversity and fair employment practices by ensuring equal opportunities for recruitment, fair compensation, career progression and training opportunities, regardless of age, gender, race, or nationality.

We offer good career progression and competitive salary and benefit packages to our employees, including annual leave, sick leave, transportation and dental allowance, medical insurance, worker compensation insurance, paternity and maternity leaves for staff.

In FY2021, the Group did not encounter any discrimination incident of any kind and we aim to continue to maintain zero cases for FY2022.

# SUSTAINABILITY REPORT

Total number of our staff as at 31 July 2021 is 7, which consist of 6 permanent staff and 1 temporary staff.



On gender diversity, we view diversity in the Board level as an essential element in supporting sustainable development and for FY2021, we have two (FY2020: nil) female representation in the Board of Directors.

The total headcount has dropped significantly from 18 as at 31 July 2020 mainly due to the downsizing of operations across the Group as a result of the COVID-19 pandemic impact on the Group’s businesses.

### Compliance with Social and Economic Laws and Regulations

The Board and Management are fully aware of the need for regulatory compliance and has processes and procedures in place to avoid breaches and if cases do arise, then for an immediate corrective action to be taken. The Company strives and adheres to local laws and regulatory requirements in countries we operate in and also complies with the Group’s policies and procedures.

### Sustainability Scorecard

For FY2021, there were no incidents of fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic areas.



# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>GRI General Disclosures</b>		<b>Section References and Remarks</b>
1. Organisational profile		
GRI 102: General Disclosures	1. General	
	102-1 Name of the organisation	SR: Corporate profile
	102-2 Activities, brands, products, and services	SR: Corporate profile
	102-3 Location of headquarters	SR: Corporate profile
	102-4 Location of operations	SR: Corporate profile
	102-5 Ownership and legal form	SR: Corporate profile
	102-6 Markets served	SR: Corporate profile
	102-7 Scale of the organisation	AR: Financial Statements SR: Social Responsibility, Diversity and Fair Employment
	102-8 Information on employees and other workers	SR: Social Responsibility, Diversity and Fair Employment
	102-9 Supply chain	Not applicable, supply chain is minimal and insignificant to report on
	102-10 Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> <li>Changes to the organisation – AR: Chairman and CEO Statement</li> <li>Supply chain is minimal and insignificant to report on</li> </ul>
	102-11 Precautionary Principle or approach	AR: Corporate Governance Report
	102-12 External initiatives	Not applicable, no such initiatives
	102-13 Membership of associations	Not applicable, no such membership
	2. Strategy	
	102-14 Statement from senior decision-maker	SR: Board Statement
	3. Ethics and integrity	
	102-16 Values, principles, standards, and norms of behaviour	SR: Sustainability Strategy
	4. Governance	
	102-18 Governance structure	AR: Corporate Governance Report
5. Stakeholder engagement		
102-40 List of stakeholder groups	SR: Sustainability Materiality and Stakeholder Engagement	
102-41 Collective bargaining agreements	Not applicable, no collective bargaining agreements	
102-42 Identifying and selecting stakeholders	SR: Sustainability Materiality and Stakeholder Engagement	
102-43 Approach to stakeholder engagement	SR: Sustainability Materiality and Stakeholder Engagement	
102-44 Key topics and concerns raised	SR: Sustainability Materiality and Stakeholder Engagement	

# SUSTAINABILITY REPORT

<b>GRI General Disclosures</b>		<b>Section References and Remarks</b>
	6. Reporting practice	
	102-45 Entities included in the consolidated financial statements	AR: Financial Statements
	102-46 Defining report content and topic boundaries	SR: About This Report
	102-47 List of material topics	SR: Sustainability Materiality and Stakeholder Engagement
	102-48 Restatements of information	Not applicable, no such restatements
	102-49 Changes in reporting	Not applicable, no change in reporting
	102-50 Reporting period	SR: About This Report
	102-51 Date of most recent report	30 December 2020
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	SR: About This Report
	102-54 Claims of reporting in accordance with the GRI Standards	SR: About This Report
	102-55 GRI content index	SR: GRI Content Index
	102-56 External assurance	Not applicable, no external assurance
GRI 200: Economic Disclosures (applicable sections)		
Economic Performance	201-1 Direct economic value generated and distributed	AR: Financial Statements
Anti-corruption	205-1 Operations assessed for risks related to corruption	SR: Regulatory Compliance, Preventing Bribery and Corruption
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 300: Environment Disclosures (applicable sections)		
Energy	302-1 Energy consumption within the organisation	SR: Environment Sustainability, Energy
	306-2 Waste by type and disposal method	SR: Environment Sustainability, Waste Management
Environmental compliance	307-1 Non-compliance with environmental laws and regulations	There is no non-compliance with environmental laws and regulations

# SUSTAINABILITY REPORT

<b>GRI General Disclosures</b>		<b>Section References and Remarks</b>
GRI 400: Social Disclosures (applicable sections)		
Employment	401-1 New employee hires and employee turnover	Not applicable, benefit provided to permanent full-time employees that are not provided to temporary or part-time employees is minimal and insignificant to report on
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
Training and education	404-2 Programs for upgrading employee skill and transition assistance	SR: Social Responsibility, Training and Education
Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	SR: Social Responsibility, Diversity and Fair Employment

# DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of LifeBrandz Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2021.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Executive Chairman and Chief Executive Officer

Lam Siew Kee (Appointed on 11 March 2021)

Executive Director and Chief Operating Officer

Ang Puak Huen (Appointed on 10 February 2021)

Independent non-executive directors

Lim Yit Keong

Wang Xiaolan (Appointed on 10 February 2021)

Lim U Wei Ralph Howard (Appointed on 10 June 2021)

## 3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

Name of director	Direct interest			Deemed interest		
	As at 1 August 2020	As at 31 July 2021	As at 21 August 2021	As at 1 August 2020	As at 31 July 2021	As at 21 August 2021
<b><i>Ordinary shares of the Company</i></b>						
Lam Siew Kee	-	200,000	200,000	-	-	-
<b><i>Warrants of the Company</i></b>						
Lam Siew Kee	-	50,000	50,000	-	-	-

## 5. Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

## 6. Warrants

On 22 June 2021, the Company issued and allotted 515,085,123 free detachable warrants (the "Warrants") to its shareholders, each carrying the right to subscribe for one (1) new ordinary share at an exercise price of \$0.010 per share. Each Warrant may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring on the date immediately preceding third anniversary of the date of issue of the Warrants. The exercise price of the Warrants and the number of Warrants are fixed, subject to the terms and conditions set out in the Deed Poll. A total of 515,085,123 Warrants remains outstanding as of 31 July 2021.

## 7. Audit Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this statement, they are:

Lim Yit Keong (Chairman)  
Wang Xiaolan  
Lim U Wei Ralph Howard

# DIRECTORS' STATEMENT

## 7. Audit Committee (Continued)

The Audit Committee has convened three meetings during the financial year with key management and has met up once with the internal and external auditors of the Company without the presence of the management during the financial year.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- (i) the audit plans and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;
- (ii) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;
- (iii) the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;
- (iv) the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
- (v) the adequacy and effectiveness of the Group's risk management processes;
- (vi) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- (vii) the interested person transactions in accordance with SGX listing rules;
- (viii) the nomination of external auditors and gave approval of their compensation; and
- (ix) the submission of report of actions and minutes of the Audit Committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

# DIRECTORS' STATEMENT

## 8. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

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**Lam Siew Kee**

Director

Singapore  
2 November 2021

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**Ang Puck Huen**

Director

# INDEPENDENT AUDITORS' REPORT

To the members of LifeBrandz Ltd.

## Report on the Audit of the Financial Statements

### *Qualified Opinion*

We have audited the financial statements of LifeBrandz Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 July 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and of the Company as at 31 July 2021 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

### *Basis for Qualified Opinion*

During the financial year ended 31 July 2021, the Group disposed all its subsidiaries in Japan ("disposed subsidiaries"). During our audit of the accompanying financial statements for the financial year ended 31 July 2021, we were unable to obtain sufficient appropriate audit evidence about the profit from discontinued operations and the gain on disposal recorded in other operating income arising from the disposal of two of the disposed subsidiaries, namely Sync Co., Ltd. and e-Holidays Co., Ltd., as management was unable to provide us pertinent and relevant supporting records and documents requested by us to perform our audit on the aforementioned disposed subsidiaries. We understood from management that they encountered significant difficulties in retrieving the records and documents subsequent to the disposal of these subsidiaries in Japan during the financial year ended 31 July 2021. Consequently, we were unable to determine whether any adjustments to these amounts in the group financial statements were necessary nor ascertain the appropriateness and completeness of the corresponding disclosure notes.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



# INDEPENDENT AUDITORS' REPORT

To the members of LifeBrandz Ltd.

## Overview

### Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

### Materiality

As in all our audits, we exercised our professional judgment in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

### Scope of audit

For the audit of the current financial year's financial statements, we identified 6 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

These significant components were audited by us and other Mazars offices as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

### Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Basis for Qualified Opinion* section above, we have determined that there are no other key audit matters to communicate in our report.

### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

# INDEPENDENT AUDITORS' REPORT

To the members of LifeBrandz Ltd.

## *Other information (Continued)*

In connection with our audit of the financial statements our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As a result of the matter described in the *Basis for Qualified Opinion* section above, we are unable to conclude whether or not the other information is materially misstated for the same matter.

## *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

# INDEPENDENT AUDITORS' REPORT

To the members of LifeBrandz Ltd.

## *Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entity incorporated has been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is G Arull.

## **MAZARS LLP**

Public Accountants and  
Chartered Accountants

Singapore  
2 November 2021

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 July 2021

	Note	Group 2021 \$'000	Group 2020 \$'000
<b>Revenue</b>	4	34	1,947
Other operating income	5	2,423	414
<b>Expenses</b>			
Inventories and consumables used	17	(16)	(688)
Amortisation and depreciation		(10)	(681)
Employee benefits	6	(717)	(1,787)
Finance cost		(11)	(30)
Advertising, media and entertainment		(4)	(48)
Lease expenses		(85)	(111)
Transportation		(1)	(6)
Legal and professional fees	7	(302)	(259)
Other operating expenses	8	(603)	(1,578)
Changes in inventories of finished goods		-	*
<b>Profit/(Loss) before income tax from continuing operations</b>		708	(2,827)
Income tax expense	9	(16)	-
<b>Profit/(Loss) from continuing operations</b>		692	(2,827)
Profit/(Loss) for the financial year from discontinued operations	10	3,314	(5,820)
<b>Profit/(Loss) for the financial year</b>		4,006	(8,647)
<b>Other comprehensive income/(loss):</b>			
<i>Item that may be reclassified subsequently to profit or loss, net of taxation</i>			
Exchange differences on translating foreign operations		176	126
<b>Total comprehensive income/(loss) for the financial year</b>		4,182	(8,521)
<b>Profit/(Loss) for the financial year attributable to:</b>			
<b>Continuing operations:</b>			
Owners of the Company		692	(2,827)
<b>Discontinued operations:</b>			
Owners of the Company		1,168	(3,017)
Non-controlling interest		2,146	(2,803)
<b>Profit/(Loss) for the financial year</b>		4,006	(8,647)
<b>Total comprehensive income/(loss) for the financial year attributable to:</b>			
<b>to:</b>			
Owners of the Company		1,981	(5,771)
Non-controlling interest		2,201	(2,750)
<b>Total comprehensive income/(loss) for the financial year</b>		4,182	(8,521)
<b>Earnings/(Loss) per share attributable to owners of the Company (Cents)</b>			
Basic and diluted earnings/(loss) per share from continuing operations	11	0.08	(0.49)
Basic and diluted earnings/(loss) per share from discontinued operations	11	0.13	(0.52)
<b>Total basic and diluted earnings/(loss) per share</b>		0.21	(1.01)

\* Denotes amount less than \$1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 July 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	6	27	5	9
Goodwill	13	-	-	-	-
Intangible asset	14	-	-	-	-
Guarantee deposit	15	-	183	-	-
Investments in subsidiaries	16	-	-	*	*
<b>Total non-current assets</b>		<u>6</u>	<u>210</u>	<u>5</u>	<u>9</u>
<b>Current assets</b>					
Inventories	17	2	6	-	-
Trade and other receivables	18	121	540	425	294
Cash and cash equivalents	19	4,454	105	4,350	10
<b>Total current assets</b>		<u>4,577</u>	<u>651</u>	<u>4,775</u>	<u>304</u>
<b>Total assets</b>		<u>4,583</u>	<u>861</u>	<u>4,780</u>	<u>313</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	20	69,950	63,074	69,950	63,074
Foreign currency translation reserve		(43)	(164)	-	-
Accumulated losses		(66,325)	(68,185)	(66,260)	(65,916)
<b>Equity attributable to owners of the Company</b>		<u>3,582</u>	<u>(5,275)</u>	<u>3,690</u>	<u>(2,842)</u>
<b>Non-controlling interest</b>		-	(2,408)	-	-
<b>Total equity/(capital deficiency)</b>		<u>3,582</u>	<u>(7,683)</u>	<u>3,690</u>	<u>(2,842)</u>
<b>Non-current liabilities</b>					
Lease liabilities	21	-	2,825	-	-
<b>Total non-current liabilities</b>		<u>-</u>	<u>2,825</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Bank borrowings	22	-	27	-	-
Provision for reinstatement	23	-	242	-	-
Trade and other payables	24	1,001	4,890	1,090	3,155
Lease liabilities	21	-	557	-	-
Income tax liabilities		-	3	-	-
<b>Total current liabilities</b>		<u>1,001</u>	<u>5,719</u>	<u>1,090</u>	<u>3,155</u>
<b>Total liabilities</b>		<u>1,001</u>	<u>8,544</u>	<u>1,090</u>	<u>3,155</u>
<b>Total equity and liabilities</b>		<u>4,583</u>	<u>861</u>	<u>4,780</u>	<u>313</u>
<b>Net current assets/(liabilities)</b>		<u>3,576</u>	<u>(5,068)</u>	<u>3,685</u>	<u>(2,851)</u>

\* Denotes amount less than \$1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2021

Group	Attributable to owners of the Company					Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve <sup>(c)</sup> \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interest \$'000	
<b>At 1 August 2019</b>	62,650	(237)	(62,341)	72	342	414
<i>Contributions by owners:</i>						
Issuance of shares (Note 20)	450	-	-	450	-	450
Share issuance expense (Note 20)	(26)	-	-	(26)	-	(26)
<b>Total contributions by owners</b>	424	-	-	424	-	424
Loss for the financial year	-	-	(5,844)	(5,844)	(2,803)	(8,647)
<i>Other comprehensive income/(loss):</i>						
Exchange differences on translating foreign operations	-	73	-	73	53	126
<b>Total comprehensive income/(loss) for the financial year</b>	-	73	(5,844)	(5,771)	(2,750)	(8,521)
<b>At 31 July 2020</b>	63,074	(164)	(68,185)	(5,275)	(2,408)	(7,683)
<i>Contributions by owners:</i>						
Issuance of shares (Note 20)	7,131	-	-	7,131	-	7,131
Share issuance expense (Note 20)	(255)	-	-	(255)	-	(255)
<b>Total contributions by owners</b>	6,876	-	-	6,876	-	6,876
Profit for the financial year	-	-	1,860	1,860	2,146	4,006
<i>Other comprehensive income:</i>						
Exchange differences on translating foreign operations	-	121	-	121	55	176
Disposal of a subsidiary	-	-	-	-	207	207
<b>Total comprehensive income for the financial year</b>	-	121	1,860	1,981	2,408	4,389
<b>At 31 July 2021</b>	69,950	(43)	(66,325)	3,582	-	3,582

<sup>(c)</sup> The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2021

Company	Share capital \$'000	Accumulated losses \$'000	Total \$'000
<b>At 1 August 2019</b>	62,650	(59,970)	2,680
<i>Contributions by owners:</i>			
Issuance of shares (Note 20)	450	-	450
Share issuance expense (Note 20)	(26)	-	(26)
<b>Total contributions by owners</b>	424	-	424
Loss for the year, representing total comprehensive loss for the financial year	-	(5,946)	(5,946)
<b>At 31 July 2020</b>	63,074	(65,916)	(2,842)
<i>Contributions by owners:</i>			
Issuance of shares (Note 20)	7,131	-	7,131
Share issuance expense (Note 20)	(255)	-	(255)
<b>Total contributions by owners</b>	6,876	-	6,876
Loss for the year, representing total comprehensive loss for the financial year	-	(344)	(344)
<b>At 31 July 2021</b>	69,950	(66,260)	3,690

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2021

	Note	2021 \$'000	2020 \$'000
<b>Operating activities</b>			
Profit/(Loss) before income tax from continuing operations		708	(2,827)
Profit/(Loss) before income tax from discontinued operations		3,314	(5,796)
<b>Total profit/(loss)</b>		<u>4,022</u>	<u>(8,623)</u>
Adjustments for:			
Amortisation of intangible asset	14	*	74
Bad debts written off	8	167	305
Depreciation of property, plant and equipment	12	10	1,562
Gain on termination of lease		(3,167)	-
Gain on disposal of subsidiaries	16	(19)	-
Impairment loss on intangible assets	14	-	15
Impairment loss on property, plant and equipment	12	-	4,304
Impairment of goodwill	13	-	194
Inventory written off	8	-	12
Interest expense		11	203
Loss allowance on trade receivables	8	-	150
Loss on disposal of property, plant and equipment, net		10	-
Other payables written back		(2,137)	-
Property, plant and equipment written off	8	2	334
Reversal of provision for reinstatement cost	23	(242)	-
<b>Operating cash flows before changes in working capital</b>		<u>(1,343)</u>	<u>(1,470)</u>
<u>Movement in working capital</u>			
Inventories		(1)	7
Trade and other receivables		26	(90)
Trade and other payables		(505)	306
Cash flows used in operations		<u>(1,823)</u>	<u>(1,247)</u>
Income tax paid		(18)	(21)
<b>Net cash flows used in operating activities</b>		<u>(1,841)</u>	<u>(1,268)</u>
<b>Investing activities</b>			
Additions of intangible assets	14	(28)	-
Proceeds from disposal of subsidiaries	16	(6)	-
Proceeds from disposal of property, plant and equipment		3	-
Purchase of plant and equipment	12	(5)	(223)
Exchange realignment		-	159
<b>Net cash flows used in investing activities</b>		<u>(36)</u>	<u>(64)</u>
<b>Financing activities</b>			
Amounts due to related parties		(773)	1,457
Interest paid		(4)	-
Proceeds from issuance of shares	20	7,131	450
Proceeds from borrowings		206	26
Repayment of borrowings		-	(9)
Repayment of lease liabilities	21(a)	(150)	(801)
Share issuance expense	20	(255)	(26)
Exchange realignment		71	20
<b>Net cash flows generated from financing activities</b>		<u>6,226</u>	<u>1,117</u>
Net increase/(decrease) in cash and cash equivalents		4,349	(215)
Cash and cash equivalents at beginning of financial year		105	320
<b>Cash and cash equivalents at end of financial year</b>	19	<u>4,454</u>	<u>105</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2021

## Reconciliation of (asset)/liabilities arising from financing activities:

	Non-cash movements						
	At beginning of financial year	Cashflow	Interest expense	Write-back / reversal	Disposal of subsidiaries	Exchange realignment	At end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>							
<b>Asset</b>							
Guarantee deposit	(183)	-	-	-	188	(5)	-
<b>Liabilities</b>							
Amounts due to related parties	3,124	(773)	-	(2,077)	-	-	274
Bank borrowings	27	206	-	-	(233)	-	-
Lease liabilities	3,382	(150)	5	(3,167)	-	(70)	-
Provision for reinstatement cost	242	-	-	(242)	-	-	-
<b>2020</b>							
<b>Asset</b>							
Guarantee deposit	(177)	-	-	-	-	(6)	(183)
<b>Liabilities</b>							
Amounts due to related parties	1,667	1,457	-	-	-	-	3,124
Bank borrowings	9	17	1	-	-	-	27
Lease liabilities	3,986	(801)	197	-	-	-	3,382
Provision for reinstatement cost	216	-	-	-	-	26	242

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General

LifeBrandz Ltd. (the "Company") (Registration Number 200311348E) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The registered office and principal place of business of the Company is located at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are those of the lifestyle and entertainment businesses as disclosed in Note 16 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2021 were authorised for issue by the Board of Directors on the date of Directors' Statement.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("S") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S'000"), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INT that are relevant to its operations and effective for annual periods beginning on or after 1 August 2020. The adoption of these new or revised SFRS(I)s and SFRS(I) INT did not result in changes to the Groups' and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

*SFRS(I) and SFRS(I) INT issued but not yet effective*

At the date of authorisation of these financial statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 16	Amendment to SFRS(I) 16: <i>Covid-19-Related Rent Concessions</i> beyond 30 June 2021	1 April 2021
SFRS(I) 3	Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Various	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

### 2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.2 Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed off.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* ("SFRS(I) 1-12") and SFRS(I) 1-19 *Employee Benefits* ("SFRS(I) 1-19") respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment* ("SFRS(I) 2"); and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.3 Business combinations (Continued)

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

### 2.4 Revenue recognition

The Group is principally in the business of food and beverages and travel booking service. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service. Revenue is presented net of rebates, discounts and sales related taxes.

#### Food and beverages revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of food and beverages in the ordinary course of the Group's activities and recognised at a point in time upon delivery and acceptance by customers. Revenue is shown net of sale discounts.

#### Travel booking service revenue

Revenue from travel booking service is recognised at a point in time upon rendering of services.

### 2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### 2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

### 2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.8 Income tax (Continued)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

### 2.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computer equipment	3 years
Office and operating equipment	3 years
Furniture and fixtures	3 years
Plant and equipment	3 years
Leasehold improvement and renovation	3 - 10 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 21.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

### 2.11 Intangible assets

#### Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.11 Intangible assets (Continued)

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

#### Customer relationships

Customer relationships which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships have estimated useful lives of 3 years.

### 2.12 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.13 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### **Financial assets**

##### Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost. The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

##### Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.13 Financial instruments (Continued)

#### **Financial assets (Continued)**

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has decreased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 27.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.13 Financial instruments (Continued)

#### **Financial liabilities and equity instruments**

##### Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

##### Financial liabilities

##### Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

##### Other financial liabilities

##### *Trade and other payables*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

##### *Borrowings*

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Groups accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.13 Financial instruments (Continued)

#### Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase costs of raw materials of food and other consumables and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first in first out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions, and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

### 2.16 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases* ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.16 Leases (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

### 2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

### 2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 2. Summary of significant accounting policies (Continued)

### 2.19 Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (ii) a present obligation that arises from past events but is not recognised because:
  - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

### 2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

### 2.21 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- (i) represents a separate major line of business or geographical area of operations;
- (ii) is part of a single co-ordinated plan to dispose of a separate major line or geographical area of operations; or
- (iii) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations is disclosed separately from continuing operations as a single amount comprising the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

### 3.1 Critical judgements made in applying the Group's accounting policies

#### Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the respective entities operate and the respective entities' process of determining sales prices.

#### Impairment of financial assets

The Group follows the guidance of SFRS(I) 9 in assessing its financial assets for impairment. This assessment requires significant judgement. The Group first assesses whether objective evidence of impairment exists for individually significant debtors and collectively for debtors which are not individually significant. The Group evaluates, among other factors, financial status of the debtors, any changes in the collection status and changes in industry conditions that affect the debtors.

#### Impairment of non-financial assets

The Group assesses whether there is any indication of indefinite impairment for its non-financial assets other than goodwill and intangible assets with an indefinite useful life, before computing the recoverable value of asset value. Goodwill and intangible assets with an indefinite useful life are assessed for their recoverable amounts at each reporting date.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on observable market prices less incremental costs for disposing the Group's asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The Group evaluates among other factors, the reasonableness of the expected future cash flows in light of industry and business outlook and the appropriateness and relevant of the key assumption, including the discount rate, used in the value in use calculation.

### 3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Impairment of investments in subsidiaries and amounts due from subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments and amounts due from subsidiaries are impaired. Where applicable, the Company's assessments are based on expected credit loss with reference to SFRS(I) 9 and the estimation of the value in use of the assets defined in SFRS(I) 36 *Impairment of Assets* ("SFRS(I) 3"). The Company's carrying amount of investment in subsidiaries and amounts due from subsidiaries as at 31 July 2021 were \$NIL (2020: \$4) (Note 16) and \$329,000 (2020: \$194,000) (Note 18) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Measurement of ECL of trade receivables and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting year. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The expected loss allowances on the trade and other receivables of the Group and of the Company as at 31 July 2021 are \$951 and \$6,964,000 (2020: \$150,000 and \$5,598,000) (Note 18) respectively.

## 4. Revenue

	Group	
	2021	2020
	\$'000	\$'000
<b>Continuing operations</b>		
Revenue recognised at point in time		
- Food and beverage revenue	34	1,939
- Miscellaneous revenue	-	8
	34	1,947
	34	1,947

The disaggregation of revenue from contracts with customers is as follows:

	Food and beverage		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Geographical markets<sup>(a)</sup></b>						
Singapore	3	1,622	-	8	3	1,630
Thailand	31	317	-	-	31	317
	34	1,939	-	8	34	1,947
	34	1,939	-	8	34	1,947
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	34	1,939	-	8	34	1,947
	34	1,939	-	8	34	1,947

(a) The disaggregation is based on the location of customers from which revenue was generated.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 5. Other operating income

	Group	
	2021	2020
	\$'000	\$'000
<b>Continuing operations</b>		
Gain on termination of lease	148	-
Reversal of provision for reinstatement cost	120	-
Gain on disposal of subsidiaries	19	-
Government grant	7	151
Interest income from fixed deposit	*	*
Job Support Scheme <sup>(1)</sup>	14	74
Net foreign exchange gain/(loss)	(109)	155
Other payables written back <sup>(2)</sup>	2,137	-
Others	87	34
	2,423	414
	2,423	414

\* Denotes amount less than \$1,000

<sup>(1)</sup> During the financial year, to help businesses cope with the impact from COVID-19, the Singapore government introduced the Job Support Scheme ("JSS").

The JSS provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

The Group has been awarded government grant for which the grant income was recognised in other income. The grant income relating to JSS amounted to \$14,000 (2020: \$74,000) and the corresponding expenses were recognised in staff costs.

<sup>(2)</sup> Other payables written back mainly pertain to waiver of loans from former shareholders, namely Bounty Blue Capital Ltd. and Capital Square Co., Ltd.

## 6. Employee benefits

	Group	
	2021	2020
	\$'000	\$'000
<b>Continuing operations</b>		
Wages and salaries and related benefits	599	1,476
Directors' fees	33	59
Employer's contribution to Central Provident Fund	81	71
Retrenchment costs	-	38
Other benefits and related expenses	4	143
	717	1,787
	717	1,787

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 7. Legal and professional fees

Legal and professional fees included the following for the financial years ended 31 July:

	Group	
	2021	2020
	\$'000	\$'000
<b>Continuing operations</b>		
Legal fees	98	17
Audit fees paid to auditors:		
- Auditors of the Company	64	66
- Auditors of the subsidiaries	15	42
Non-audit fees paid to auditors:		
- Auditor of the Group	14	13
	14	13

## 8. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	2021	2020
	\$'000	\$'000
<b>Continuing operations</b>		
Insurance	6	17
IT services expense	12	97
Cleaning/Laundry service	1	23
Restaurant supplies	1	10
Kitchen supplies	*	14
Decorations	2	18
Repairs and maintenance	1	15
Utensils	-	1
Printing	1	50
Utilities	25	59
Telephone	13	9
General expense	139	15
Review and retainer fee	139	-
Bank charge	3	7
Cleaning supplies	5	4
Loss on property, plant and equipment	10	-
Bad debt written off	167	89
Impairment loss on property, plant and equipment (Note 12)	-	285
Inventory written off	-	12
Loss allowance on trade receivables (Note 18)	-	150
Property, plant and equipment written off	2	334
	2	334

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 9. Income tax expense

	Group	
	2021	2020
	\$'000	\$'000
<b>Current tax expense</b>		
Current financial year	3	24
Under-provision for prior financial year	13	-
	<u>16</u>	<u>24</u>

Income tax expense attributable to the following:

	Group	
	2021	2020
	\$'000	\$'000
- Continuing operations	16	-
- Discontinued operations	-	24
	<u>16</u>	<u>24</u>

The Company is incorporated in Singapore and accordingly is subject to an income tax rate of 17%. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	Group	
	2021	2020
	\$'000	\$'000
Profit/(Loss) before income tax from continuing operations	708	(2,827)
Profit/(Loss) before income tax from discontinued operations	3,314	(5,796)
Total profit/(loss) before taxation	4,022	(8,623)
Tax at the applicable tax rate of 17%	684	(1,466)
Tax effects of:		
Deferred tax assets not recognised	207	263
Expenses not deductible for tax purposes	123	1,227
Income not subject to tax	(1,014)	-
Under-provision for prior financial year	13	-
Others	3	-
Total income tax expense for the financial year	<u>16</u>	<u>24</u>

As at 31 July 2021, the Group has unabsorbed tax losses of approximately \$14,209,000 (2020: \$12,989,000) that are available for offset against future taxable profits of the companies in which they arose and for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses is subject to agreement of the tax authorities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 9. Income tax expense (Continued)

For subsidiaries in Japan, the realisation of the future income tax benefits from tax losses carried forward is available for a period of 9 years subject to the agreement of the Japanese tax authorities. The expiry dates of tax losses carried forward are estimated to be as follows:

	Group	
	2021	2020
	\$'000	\$'000
<u>Expiring in financial year</u>		
2022	-	11
2023	-	89
2028	-	520
2029	-	7
	<u>-</u>	<u>627</u>

## 10. Discontinued operations

On 8 February 2021, the Company's wholly-owned subsidiaries, LB F&B Pte. Ltd. and Takumi Holidays Pte. Ltd., each entered into two separate conditional share sale and purchase agreements with Capital Square Co., Ltd to dispose their entire interests in SYNC Co., Ltd. ("SYNC"), LB KOH Co., Ltd ("LB KOH"), LifeBrandz USA, Inc. ("LB USA") and e-Holidays Co., Ltd ("e-Holidays"), (collectively "Disposed subsidiaries"), for a consideration of \$1 each respectively ("Disposals") (Note 25(b)).

The disposal of LB USA has been completed on 5 March 2021, the disposals of e-Holidays and LB KOH have been completed on 8 March 2021, and the disposal of SYNC has been completed on 10 March 2021.

The results of Disposed subsidiaries for the financial years ended 31 July are as follows:

	Group	
	2021	2020
	\$'000	\$'000
Revenue	240	1,395
Other income	3,415	253
Expenses*	<u>(341)</u>	<u>(7,444)</u>
Profit/(Loss) before income tax from discontinued operations	3,314	(5,796)
Income tax expense (Note 9)	-	(24)
Profit/(Loss) for the financial year from discontinued operations	<u>3,314</u>	<u>(5,820)</u>

\* The expenses for the financial year ended 31 July 2020 included impairment loss on property, plant and equipment of \$4,019,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 10. Discontinued operations (Continued)

Statement of Cash Flows disclosures

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating activities	(188)	191
Investing activities	(28)	159
Financing activities	210	(404)
Net cash outflows	<u>(6)</u>	<u>(54)</u>

## 11. Earnings/(loss) per share

Basic profit/(loss) per share are calculated by dividing the profit/(loss), net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted profit/(loss) per share are the same as basic profit/(loss) per share as 515,085,123 (2020: Nil) warrants granted under the Rights cum Warrants issue have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Continuing operations</b>		
Net profit/(loss) attributable to owners of the Company	<u>692</u>	<u>(2,827)</u>
<b>Discontinued operations</b>		
Net profit attributable to owners of the Company	<u>1,168</u>	<u>(3,017)</u>
<b>Continuing operations</b>		
Basic and diluted profit/(loss) per share (cents)	<u>0.08</u>	<u>(0.49)</u>
<b>Discontinued operations</b>		
Basic and diluted profit per share (cents)	<u>0.13</u>	<u>(0.52)</u>
	<b>No. of shares</b>	
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares	<u>914,282</u>	<u>577,039</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 12. Property, plant and equipment

Group	Computer equipment \$'000	Office and operating equipment \$'000	Furniture and fixtures \$'000	Leasehold improvement and renovation \$'000	Plant and equipment \$'000	Premises \$'000	Total \$'000
<b>Cost:</b>							
At 1 August 2019	252	2	242	2,548	287	3,986	7,317
Additions	2	-	-	221	-	-	223
Write off	(119)	-	(1)	(705)	(123)	-	(948)
Exchange translation differences	1	-	-	(84)	(2)	39	(46)
At 31 July 2020	136	2	241	1,980	162	4,025	6,546
Additions	5	-	-	-	-	-	5
Disposal of subsidiaries (Note 16)	-	-	(1)	(1)	-	-	(2)
Write off/Disposal	(127)	-	(127)	(1,442)	(9)	(4,025)	(5,730)
Exchange translation differences	-	(1)	(10)	(33)	(10)	-	(54)
At 31 July 2021	14	1	103	504	143	-	765
<b>Accumulated depreciation:</b>							
At 31 July 2019	103	2	128	857	190	-	1,280
Depreciation	71	-	47	689	45	710	1,562
Write off	(89)	-	(1)	(450)	(74)	-	(614)
Exchange translation differences	-	-	(2)	(9)	(2)	-	(13)
At 31 July 2020	85	2	172	1,087	159	710	2,215
Depreciation	3	-	4	3	-	-	10
Disposal of subsidiaries (Note 16)	-	-	-	(1)	-	-	(1)
Write off/Disposal	(79)	-	(64)	(553)	(5)	(710)	(1,411)
Exchange translation differences	(1)	(1)	(9)	(32)	(11)	-	(54)
At 31 July 2021	8	1	103	504	143	-	759
<b>Accumulated impairment loss:</b>							
At 1 August 2019	-	-	-	-	-	-	-
Impairment loss (Note 9)	47	-	53	889	-	3,315	4,304
At 31 July 2020	47	-	53	889	-	3,315	4,304
Write off/Disposal	(47)	-	(53)	(889)	-	(3,315)	(4,304)
At 31 July 2021	-	-	-	-	-	-	-
<b>Carrying amount:</b>							
At 31 July 2021	6	-	-	-	-	-	6
At 31 July 2020	4	-	16	4	3	-	27

\* Denotes less than \$1,000.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 12. Property, plant and equipment (Continued)

Company	Computer equipment \$'000	Furniture and fixtures \$'000	Leasehold improvement and renovation \$'000	Total \$'000
<b>Cost:</b>				
At 1 August 2019, 31 July 2020 and 1 August 2020	46	10	9	65
Additions	5	-	-	5
Written-Off	(46)	(10)	(9)	(65)
At 31 July 2021	5	-	-	5
<b>Accumulated depreciation:</b>				
At 1 August 2019	37	3	4	44
Depreciation	6	3	3	12
At 31 July 2020	43	6	7	56
Depreciation	3	4	2	9
Written-Off	(46)	(10)	(9)	(65)
At 31 July 2021	*	-	-	*
<b>Carrying amount:</b>				
At 31 July 2021	5	-	-	5
At 31 July 2020	3	4	2	9

\* Denotes less than \$1,000.

During the financial year, the Group carried out a review of the recoverable amount of its property, plant and equipment, having regard to its ceasing of restaurants' operation arising from COVID-19 pandemic. There was no impairment loss recognised for the financial year ended 31 July 2021 (2020: \$4,304,000 in other operating expenses). The recoverable amount of the relevant assets has been determined on the basis of their fair value less costs to sell. The reporting segment to which the restaurants' property, plant and equipment belong to is lifestyle and entertainment segment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 13. Goodwill

	Group	
	2021	2020
	\$'000	\$'000
<b>Cost:</b>		
At 1 August	-	194
Impairment loss (Note 8)	-	(194)
	<hr/>	<hr/>
At 31 July	-	-
	<hr/>	<hr/>
<b>Carrying amount:</b>		
At 31 July	-	-
	<hr/> <hr/>	<hr/> <hr/>

Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the business combination. The Group tests cash-generating units for impairment annually, or more frequently when there is an indication for impairment.

In the previous financial year, the subsidiary, e-Holidays Co., Ltd. was operating with minimal sales generated and unable to generate sufficient operating cash flows to support its business operation due to impact of COVID-19 pandemic on travel booking service industry. Accordingly, a full impairment loss of \$194,000 was recognised.

On 8 March 2021, the subsidiary, e-Holidays Co., Ltd. had been disposed to a related party, Capital Square Co., Ltd. (Notes 10 and 16).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 14. Intangible asset

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-contractual customer relationships</b>		
<b>Cost:</b>		
At 1 August	226	226
Addition	28	-
Disposal of a subsidiary (Note 16)	(254)	-
	<hr/>	<hr/>
At 31 July	-	226
	<hr/>	<hr/>
<b>Accumulated amortisation:</b>		
At 1 August	211	137
Amortisation charge	*	74
Disposal of a subsidiary (Note 16)	(211)	-
	<hr/>	<hr/>
At 31 July	-	211
	<hr/>	<hr/>
<b>Accumulated impairment loss:</b>		
At 1 August	15	-
Impairment loss (Note 8)	-	15
Disposal of a subsidiary (Note 16)	(15)	-
	<hr/>	<hr/>
At 31 July	-	15
	<hr/>	<hr/>
<b>Net carrying amount:</b>		
At 31 July	<hr/> <hr/>	<hr/> <hr/>

\* Denotes amount less than \$1,000

The Group's intangible asset represents customer relationships which were acquired through a business combination.

The intangible asset is amortised over 3 years based on the historical customer attrition rate.

On 8 March 2021, the subsidiary, e-Holidays Co., Ltd. had been disposed to a related party, Capital Square Co., Ltd. (Notes 10 and 16).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 15. Guarantee deposit

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Guarantee deposit	-	183

Guarantee deposit pertains to deposit for issuance of the travel agent license of a subsidiary in Japan, Tokyo. On 8 March 2021, the subsidiary, e-Holidays Co., Ltd. had been disposed to a related party, Capital Square Co., Ltd. (Notes 10 and 16).

## 16. Investments in subsidiaries

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Investments in subsidiaries, at cost	421	421
Less: Impairment losses	(421)	(421)
	*	*

\* Denotes amount less than \$1,000

Movement in allowance for impairment losses are as follows:

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
At beginning of financial year	421	321
Impairment losses recognised during the financial year	-	100
At end of financial year	421	421

The Company had recognised full impairment of \$100,000 for the investment in Takumi Holidays Pte. Ltd. in the previous financial year as the subsidiary was in persistent loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 16. Investments in subsidiaries (Continued)

Details of subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion (%) of ownership interest		Cost of investment by the Company	
			2021	2020	2021	2020
			%	%	\$'000	\$'000
<b>Held by the Company</b>						
Orientstar Group Limited <sup>(b)</sup>	Dormant	British Virgin Islands	100	100	*	*
LifeBrandz (Thailand) Co., Ltd. <sup>(c)</sup>	Investment holding	Thailand	100	100	321	321
Takumi Holidays Pte. Ltd. <sup>(a)</sup>	Leisure and travel consultancy and ticketing agency services <sup>(h)</sup>	Singapore	100	100	100	100
LB LAB Pte. Ltd. <sup>(a)</sup>	Providing of Fintech Services <sup>(h)</sup>	Singapore	100	100	*	*
LB F&B Pte. Ltd. <sup>(a)</sup>	Operating of restaurants <sup>(h)</sup>	Singapore	100	100	*	*
<b>Held through LifeBrandz (Thailand) Co., Ltd.</b>						
Mulligan's Co., Ltd. <sup>(c)</sup>	Lifestyle and entertainment businesses	Thailand	100	100	-	-
<b>Held through Takumi Holidays Pte. Ltd.</b>						
e-Holidays Co., Ltd. <sup>(d), (g)</sup>	Travel agency services <sup>(h)</sup>	Japan	-	100	-	-
<b>Held through LB F&amp;B Pte. Ltd.</b>						
Cloud Eight Pte. Ltd. <sup>(a)</sup>	Operating of restaurant <sup>(f)</sup>	Singapore	100	100	-	-
LifeBrandz USA, Inc. <sup>(b), (e), (g)</sup>	Operating of restaurant <sup>(f)</sup>	United States of America	-	50	-	-
LB Koh Co., Ltd. <sup>(g)</sup>	Operating of restaurant	Japan	-	-	-	-
Sync Co., Ltd. <sup>(d), (g)</sup>	Operating of restaurant	Japan	-	-	-	-
LB F&B Sdn. Bhd. <sup>(b), (e)</sup>	Trading on food and beverage related products and activities <sup>(h)</sup>	Malaysia	100	-	-	-
					421	421

\* Denotes less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 16. Investments in subsidiaries (Continued)

Details of subsidiaries are as follows: (Continued)

- (a) Audited by Mazars LLP, Singapore.
- (b) Not required to be audited under the laws of the country of incorporation.
- (c) Audited by Mazars Limited, Thailand.
- (d) Not audited for consolidation as management was unable to access the supporting documents subsequent to disposal of subsidiaries. Thus, this resulted in modification to the audit opinion of the group financial statements.
- (e) Reviewed by Mazars LLP, Singapore for consolidation.
- (f) Restaurant under Cloud Eight Pte. Ltd. permanently ceased its operation from 30 April 2021 while restaurant under LifeBrandz USA, Inc. permanently ceased its operation from 21 August 2021 due to the impact of COVID-19 impact pandemic on the food and beverages businesses.
- (g) On 8 February 2021, the Group disposed its entire interest in SYNC, LB KOH, LB USA and e-Holidays, to a related party, Capital Square Co., Ltd. for cash consideration of \$1.00 each (Note 10).
- (h) These subsidiaries became dormant during the financial year ended 31 July 2021.

### Incorporation of subsidiaries

On 11 September 2018, the Group has subscribed for 500,000 ordinary shares in Cloud Eight, Inc. has a paid-up share capital of US\$1,000,000 comprising 1,000,000 ordinary shares and is a 50%-owned subsidiary of the Group in United States of America which provides food and beverage services.

On 10 September 2020, the Group had incorporated two wholly-owned subsidiaries namely LB Koh Co., Ltd ("LB KOH") and Sync Co., Ltd ("SYNC"). LB KOH and SYNC are incorporated in Japan, with an initial issued and paid-up share capital of JPY10,000 (equivalent to approximately \$120) each.

On 28 December 2020, the Group had incorporated a wholly-owned subsidiaries namely LB F&B Sdn. Bhd. ("LB F&B"). LB F&B is incorporated in Malaysia, with an initial issued and paid-up share capital of MYR2 (equivalent to \$1).

### *Interest in a subsidiary with material non-controlling interests ("NCI")*

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year		Accumulated NCI at the end of financial year	
	2021	2020	2021	2020	2021	2020
	%	%	\$'000	\$'000	\$'000	\$'000
LifeBrandz USA, Inc.	-	50	2,201	(2,750)	-	(2,408)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 16. Investments in subsidiaries (Continued)

Summarised financial information (before intercompany eliminations):

	<b>LifeBrandz USA, Inc.</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Non-current	-	-
Current	-	1
	<u>-</u>	<u>1</u>
<b>Liabilities</b>		
Non-current	-	2,825
Current	-	1,977
	<u>-</u>	<u>4,802</u>
<b>Net assets</b>	<u>-</u>	<u>(4,801)</u>
<b>Revenue</b>	<u>-</u>	<u>580</u>
<b>Profit/(Loss) after income tax and total comprehensive income/(loss)</b>	<u>4,402</u>	<u>(5,607)</u>
Loss for the financial year attributable to non-controlling interest	2,146	(2,803)
Other comprehensive income attributable to non-controlling interest	55	53
	<u>2,201</u>	<u>(2,750)</u>
Equity attributable to non-controlling interest	<u>-</u>	<u>(2,408)</u>

### Disposal of subsidiaries

On 8 February 2021, the Company's wholly-owned subsidiaries, LB F&B Pte. Ltd. and Takumi Holidays Pte. Ltd., each entered into two separate conditional share sale and purchase agreements with Capital Square Co., Ltd to dispose their entire interests in SYNC Co., Ltd. ("SYNC"), LB KOH Co., Ltd ("LB KOH"), LifeBrandz USA, Inc. ("LB USA") and e-Holidays Co., Ltd ("e-Holidays"), (collectively "Disposed subsidiaries"), for a consideration of \$1 each respectively ("Disposals").

The disposals of LB USA has been completed on 5 March 2021, the disposals of e-Holidays and LB KOH have been completed on 8 March 2021, and the disposal of SYNC has been completed on 10 March 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 16. Investments in subsidiaries (Continued)

### Disposal of subsidiaries (Continued)

Carrying amounts of the assets and liabilities as at the date of disposal as follows:

	<b>Carrying amount \$'000</b>
<b>Assets:</b>	
Cash and cash equivalents	6
Trade and other receivables	226
Inventories	5
Guarantee deposit	188
Intangible assets	28
Property, plant and equipment	1
Total assets	<u>454</u>
<b>Liabilities:</b>	
Borrowings	233
Trade and other payables	476
Income tax payable	1
Total liabilities	<u>710</u>
<b>Non-controlling interests</b>	<u>207</u>
<b>The Group's share of carrying amount of net assets</b>	<u>(49)</u>
Cash consideration	*
Cash and cash equivalents of disposed subsidiaries	6
Net cash outflow on disposal of subsidiaries	<u>(6)</u>
Consideration received	*
The Group's share of carrying amount of net assets derecognised	(49)
Cumulative exchange differences relating to disposed subsidiaries reclassified from equity to profit or loss	30
Gain on disposal	<u>(19)</u>

\* Denotes less than \$1,000

The gain on disposal is recognised in other operating income in the statement of profit or loss and other comprehensive income. (Note 5)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 17. Inventories

	Group	
	2021 \$'000	2020 \$'000
<b>Statement of financial position:</b>		
Food and beverage inventories	2	6
<b>Statement of profit or loss and other comprehensive income:</b>		
<b>Continuing operations</b>		
Inventories recognised as an expense	16	688
<b>Discontinued operations</b>		
Inventories recognised as an expense	-	245

## 18. Trade and other receivables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables:				
Third parties	-	150	-	-
Amounts due from subsidiaries	-	-	828	691
	-	150	828	691
Less: Loss allowance (Note 27)	-	(150)	(828)	(691)
	-	-	-	-
Other receivables:				
Third parties	55	112	50	53
Prepayments	46	270	44	33
Deposits	20	158	1	14
Amounts due from subsidiaries	-	-	6,466	5,101
	121	540	6,561	5,201
Less: Loss allowance (amounts due from subsidiaries) (Note 27)	-	-	(6,136)	(4,907)
	121	540	425	294
Total trade and other receivables	121	540	425	294

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms (2020: 30 to 60 days). They are recognised at the transaction price which represent their fair value on initial recognition.

The non-trade amounts due from subsidiaries are unsecured, interest-free, and are repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 18. Trade and other receivables (Continued)

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 27.

The currency profiles of the Group's and Company's trade and other receivables as at 31 July 2021 and 31 July 2020 are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	101	208	425	294
Thai Baht	20	234	-	-
Japanese Yen	-	98	-	-
	<u>121</u>	<u>540</u>	<u>425</u>	<u>294</u>

### Receivables that are impaired

The trade receivables that are individually impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade receivables - nominal amounts	-	150	828	691
Less: Allowance for impairment	<u>-</u>	<u>(150)</u>	<u>(828)</u>	<u>(691)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Movement in allowance accounts:				
At 1 August	150	-	691	362
Charge for the financial year	-	150	137	329
Written-off	<u>(150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July	<u>-</u>	<u>150</u>	<u>828</u>	<u>691</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 19. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash on hand	2	4	*	-
Bank balances	4,452	101	4,350	10
	<u>4,454</u>	<u>105</u>	<u>4,350</u>	<u>10</u>

\* Denotes less than \$1,000

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The currency profiles of the Group's and Company's cash and cash equivalents as at 31 July 2021 and 31 July 2020 are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	4,359	41	4,350	10
United States Dollar	-	58	-	-
Japanese Yen	-	1	-	-
Thai Baht	10	5	-	-
Malaysia Ringgit	85	-	-	-
	<u>4,454</u>	<u>105</u>	<u>4,350</u>	<u>10</u>

## 20. Share capital

	Group and Company			
	2021		2020	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
<b>Issued and fully paid ordinary shares</b>				
At 1 August	611,670	63,074	536,670	62,650
Issuance of shares	112,500	450	75,000	450
Issuance of shares	306,000	1,530	-	-
Issuance of shares – Rights shares	1,030,170	5,151	-	-
Share issuance expense	-	(255)	-	(26)
At 31 July	<u>2,060,340</u>	<u>69,950</u>	<u>611,670</u>	<u>63,074</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 20. Share capital (Continued)

On 26 November 2020, the Company entered into a subscription agreement with I Concept Global Growth Fund ("I Concept") and Liw Chai Yuk ("LCY, and collectively with I Concept, the "Subscribers"). 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 \$0.004 for each Subscription Share amounting to an aggregate cash consideration of \$500,000. The subscription was completed on 10 December 2020 with the issue and allotment of 112,500,000 Subscription Shares to the Subscribers, for a total consideration of \$450,000.

On 8 February 2021, the Company entered into separate subscription agreements with nine individuals who are not related to the Group to raise \$1,530,000 by way of issuing 306,000,000 of new ordinary shares in the capital of the Company (the "subscription exercise") at an issue price of \$0.005 for each subscription share for the repayment of debts and liabilities and general working capital purposes. The subscription exercise was completed on 9 March 2021.

On 22 June 2021, the Company completed the renounceable non-underwritten rights cum warrants issue of 1,030,170,246 new ordinary shares ("Rights Shares") at the issue price of \$0.005 for each Rights Share, with 515,085,123 free detachable and transferable warrants ("Warrants"). Each Warrant carrying the right to subscribe for one (1) new ordinary share ("New Share") at the exercise price of \$0.010 for each New Share, 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) free detachable Warrant for every two (2) Rights Shares subscribed, fractional entitlements to be disregarded ("Rights cum Warrants Issue"). Each Warrant may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring on the date immediately preceding third anniversary of the date of issue of the Warrants. The exercise price of the Warrants and the number of Warrants are fixed, subject to the terms and conditions set out in the Deed Poll. A total of 515,085,123 Warrants remains outstanding as of 31 July 2021.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

## 21. The Group as a lessee

The Group leases certain premises for three to ten years.

### Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 15 months before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation.

### Recognition exemptions

The Group has certain office premises with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of use assets and lease liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 21. The Group as a lessee (Continued)

### (a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment as follows:

	<b>Premises</b>
	<b>\$'000</b>
<b>Group</b>	
At 1 August 2019	3,986
Depreciation	(710)
Impairment loss	(3,315)
Exchange translation differences	39
At 31 July 2020, 1 August 2020 and 31 July 2021	<u>-</u>

The total cash outflow for leases during the financial year ended 31 July 2021 is \$150,000 (2020: \$801,000).

The Group had recognised full impairment of \$3,315,000 for the right-of-use assets in the previous financial year as the relevant restaurants had ceased operations arising from COVID-19 pandemic.

### (b) Lease liabilities

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Lease liabilities – non-current	-	2,825
Lease liabilities – current	-	557
	<u>-</u>	<u>3,382</u>

The maturity analysis of lease liabilities is disclosed in Note 27.

### (c) Amounts recognised in profit or loss

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Continuing operations</b>		
Interest expense on lease liabilities	5	25
Expenses relating to short-term lease	85	111
<b>Discontinued operations</b>		
Interest expense on lease liabilities	-	172
Expenses relating to short-term lease	-	25

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 22. Bank borrowings

	Group	
	2021	2020
	\$'000	\$'000
Current	-	27

Bank borrowing was repayable over a period of 5 years by monthly instalments commencing from April 2021 to March 2026. The bank borrowings were unsecured and the interest rate of the bank borrowing at the reporting date is 0.46% per annum. The bank borrowings were arising from a subsidiary, which was disposed during the year (Note 16).

## 23. Provision for reinstatement

Provision for reinstatement costs was the estimated costs of restoring retail outlets to their original conditions, which were capitalised and included in the cost of fixed assets. The provision had been derecognised and credited to profit or loss subsequent to the termination of lease as disclosed in Note 21.

## 24. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade payables:				
Third parties	10	769	-	-
Other payables:				
Third parties	254	394	223	516
Accrued operating expenses	463	603	343	373
Amounts due to related parties - interest-free	274	2,924	274	2,065
Amount due to a related party - interest-bearing	-	200	-	200
Amount due to a subsidiary	-	-	250	1
	991	4,121	1,090	3,155
	1,001	4,890	1,090	3,155

\* Denotes less than \$1,000

Trade and other payables are unsecured, non-interest bearing and are normally settled on 30 to 60 (2020: 30 to 60) days' terms, except for amount due to a subsidiary which are repayable on demand and a related party which is interest bearing and repayable when the Company's resources permit.

The amounts due to related parties - interest free are unsecured loans and repayable on demand. These have been provided by Bounty Blue Capital Ltd. and Michael Marcus Liew. Bounty Blue Capital Ltd. is a related party where the chief executive officer is the ultimate beneficiary and has significant control. Michael Marcus Liew is a related party where he is the shareholder of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 24. Trade and other payables (Continued)

The amount due to a related party – interest-bearing was an unsecured loan with interest bearing at 5% per annum and was repayable when the Company's resources permit. This has been provided by Capital Square Co., Ltd. ("Capital Square"), a related party where it is the shareholder of the Company. The Company entered into a deed of waiver with Capital Square on 26 November 2020 for the waiver of the loan. Consequently, the waiver of loan had been credited to profit or loss for the financial year ended 31 July 2021 (Note 5).

The currency profiles of the Group's and Company's trade and other payables as at 31 July 2021 and 31 July 2020 are as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore Dollar	914	4,010	1,090	3,155
United States Dollar	-	424	-	-
Thai Baht	81	124	-	-
Malaysia Ringgit	6	-	-	-
Japanese Yen	-	332	-	-
	<u>1,001</u>	<u>4,890</u>	<u>1,090</u>	<u>3,155</u>

## 25. Related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personal services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and of the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 25. Related party transactions (Continued)

### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

#### (a) Compensation of key management personnel

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	243	381	204	360
Employer's contribution to Central Provident Fund	10	-	6	-
Directors' fees	81	59	81	59
	<u>334</u>	<u>440</u>	<u>291</u>	<u>419</u>

Included in the above is total compensation for executive directors of the Company amounting to \$210,000 (2020: \$360,000).

#### (b) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group or the Company and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Related companies <sup>(a)</sup></b>				
Usage of office facilities	<u>-</u>	<u>-</u>	<u>18</u>	<u>21</u>
<b>Former shareholders</b>				
Disposal of subsidiaries (Note 10)	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Subsidiaries</b>				
Management fees income	<u>-</u>	<u>-</u>	<u>(136)</u>	<u>(144)</u>

<sup>(a)</sup> These are entities with common directors or key management personnel of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 26. Segment information

The Group's continuing operations are substantially in two business segments, as described below:

- Lifestyle and entertainment: Operating of restaurants
- Travel agency services: Leisure and travel consultancy and ticketing agency services

All of its continuing operations are in Singapore, except for two subsidiaries – Mulligan's Co., Ltd and LB F&B Sdn. Bhd., which are located in Thailand and Malaysia respectively. The Group's discontinued operations under SYNC Co., Ltd., LB KOH Co., Ltd and e-Holidays Co., Ltd. are located in Japan, and discontinued operations under LifeBrandz USA, Inc. is located in San Francisco, United States of America.

For management purposes, the Group is organised into business units based on their geographical location.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

### (a) Geographical segment

	Singapore		Thailand		Malaysia		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Continuing operations</b>								
<b>Revenue:</b>								
Sales to external customers	3	1,630	31	317	-	-	34	1,947
<b>Results:</b>								
Amortisation and depreciation	8	680	2	1	-	-	10	681
Impairment loss	-	285	-	-	-	-	-	285
Other payables written back	2,137	-	-	-	-	-	2,137	-
Segment profit/(loss) for the year	1,046	(2,694)	(277)	(133)	(77)	-	692	(2,827)
<b>Assets/(Liabilities):</b>								
Property, plant and equipment	5	21	1	2	-	-	6	23
Additions to non-current assets	-	-	-	1	-	-	-	1
Segment assets <sup>(1)</sup>	4,465	272	32	162	86	-	4,583	434
Segment liabilities <sup>(2)</sup>	(914)	(4,417)	(81)	(125)	(6)	-	(1,001)	(4,542)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 26. Segment information (Continued)

### (a) Geographical segment (Continued)

	Japan		United States		Consolidated	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Discontinued operations</b>						
<b>Revenue:</b>						
Sales to external customers	240	827	-	568	240	1,395
<b>Results:</b>						
Amortisation and depreciation	-	82	-	873	-	955
Impairment loss	-	209	-	4,019	-	4,228
Segment profit/(loss) for the year	177	(213)	3,137	(5,607)	3,314	(5,820)
<b>Assets/(Liabilities):</b>						
Property, plant and equipment	-	4	-	-	-	4
Segment assets <sup>(1)</sup>	-	426	-	1	-	427
Segment liabilities <sup>(2)</sup>	-	(382)	-	(3,620)	-	(4,002)

<sup>(1)</sup> Segment assets relate to total assets of the respective segment. Inter-segment assets of \$964,000 (2020: \$1,445,000) are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

<sup>(2)</sup> Segment liabilities relate to total liabilities of the respective segment. Inter-segment liabilities of \$8,039,000 (2020: \$7,141,000) are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

### (b) Information on major customers

The Group generates its revenue from transactions with numerous customers and no customer contributes more than 10% of the Group's revenue.

## 27. Financial instruments and financial risks

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group's principal financial instruments comprise cash and fixed deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the current and previous financial years, the Group's policy that no trade in derivative financial instruments shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### (a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risks, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks <sup>Note 1</sup>	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is $\leq$ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition <sup>Note 2</sup> or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired <sup>Note 3</sup>	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount <sup>Note 4</sup>	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### (a) Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### (a) Credit risk (Continued)

Trade receivables (Note 18)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore, Malaysia) and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables is determined as follows:

<u>Group</u>	<u>Current</u>	<u>Past due more than 1 to 30 days</u>	<u>Past due more than 31 to 60 days</u>	<u>Past due more than 61 to 90 days</u>	<u>Past due more than 90 days</u>	<u>Total</u>
<b>31 July 2021</b>						
Expected credit loss rates	-	-	-	-	-	-
Trade receivables (gross) (\$'000)	-	-	-	-	-	-
Loss allowance (\$'000)	-	-	-	-	-	-
<b>31 July 2020</b>						
Expected credit loss rates	-	-	-	-	100%	-
Trade receivables (gross) (\$'000)	-	-	-	-	150	150
Loss allowance (\$'000)	-	-	-	-	150	150
<b>Company</b>						
<b>31 July 2021</b>						
Expected credit loss rates	-	-	-	-	100%	-
Trade receivables (gross) (\$'000)	-	-	-	-	828	828
Loss allowance (\$'000)	-	-	-	-	828	828
<b>31 July 2020</b>						
Expected credit loss rates	-	-	-	-	100%	-
Trade receivables (gross) (\$'000)	-	-	-	-	691	691
Loss allowance (\$'000)	-	-	-	-	691	691

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### (a) Credit risk (Continued)

Other receivables (Note 18)

As of 31 July 2021, the Company recorded other receivables from subsidiaries of \$6,466,000 (2020: \$5,101,000) consequent to extension of loans to the subsidiaries. In the view of the significant increase in credit risks resulting from COVID-19 pandemic, the Company assessed the impairment loss allowance of these amounts on a lifetime ECL basis. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 July 2021, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. The loss allowance for other receivables from subsidiaries of the Company as at 31 July 2021 is \$6,136,000 (2020: \$4,907,000).

The movement in the loss allowance during the financial year and the Group's and Company's exposure to credit risk in respect of credit-impaired receivables are as follows:

<b>Internal credit risk grading</b>	<b>Group</b>		<b>Company</b>		
	<b>Trade Receivable Category 4</b>	<b>Other Receivable Category 1</b>	<b>Trade Receivable Category 4</b>	<b>Other Receivable Category 4</b>	<b>Other Receivable Category 1</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loss allowance</b>					
<b>Balance at 1 August 2019</b>	-	-	362	762	-
Impairment loss recognised	150	-	329	4,145	-
<b>Balance at 31 July 2020</b>	150	-	691	4,907	-
Impairment loss recognised	-	-	137	1,229	-
Written-off	(150)	-	-	-	-
<b>Balance at 31 July 2021</b>	-	-	828	6,136	-
<b>Gross carrying amount</b>					
At 31 July 2020	150	270	691	4,907	261
At 31 July 2021	-	75	828	6,136	381
<b>Net carrying amount</b>					
At 31 July 2020	-	270	-	-	261
At 31 July 2021	-	75	-	-	381

Apart from certain amounts due from individuals and subsidiaries, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the other receivables. The Group considered amongst other factors, included but not limited to using 12-month ECL, the Company determined that the ECL is insignificant.

### (b) Market risks

The Group does not have significant foreign currency transaction and interest-bearing financial assets and liabilities. Thus, the Group is not expose to market risks.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### (c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient level of cash and short-term deposits to meet its working capital requirements.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group and to mitigate the effects of fluctuations in cash flows.

Short-term funding may be obtained from short-term loans where necessary without incurring unacceptable losses or risking damage to the Group's reputation.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	Effective interest rate	1 year or less	2 to 5 years	Over 5 years	Total
	%	\$'000	\$'000	\$'000	\$'000
<b>Undiscounted financial assets</b>					
Trade and other receivables	-	121	-	-	121
Less: Prepayments	-	(46)	-	-	(46)
		75	-	-	75
Cash and cash equivalents	-	4,454	-	-	4,454
<b>As at 31 July 2021</b>		4,529	-	-	4,529
Trade and other receivables	-	540	-	-	540
Less: Prepayments	-	(270)	-	-	(270)
		270	-	-	270
Guarantee deposit	-	-	183	-	183
Cash and cash equivalents	-	105	-	-	105
<b>As at 31 July 2020</b>		375	183	-	558

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### (c) Liquidity risk (Continued)

<u>Group</u>	<b>Effective interest rate</b>	<b>1 year or less</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Undiscounted financial liabilities</b>					
Trade and other payables	-	1,001	-	-	1,001
<b>As at 31 July 2021</b>		1,001	-	-	1,001
Trade and other payables	5.00	4,890	-	-	4,890
Provision for reinstatement	-	242	-	-	242
Lease liabilities	5.25	720	1,866	1,122	3,708
Bank borrowings	1.40	27	-	-	27
<b>As at 31 July 2020</b>		5,879	1,866	1,122	8,867
<b>Total undiscounted net financial assets/(liabilities)</b>					
<b>- at 31 July 2021</b>		3,528	-	-	3,528
<b>- at 31 July 2020</b>		(5,504)	(1,683)	(1,122)	(8,309)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### (c) Liquidity risk (Continued)

<u>Company</u>	<b>Effective interest rate</b>	<b>On demand and within 1 year</b>
	%	\$'000
<b><u>Undiscounted financial assets</u></b>		
Trade and other receivables	-	425
Less: Prepayments	-	(44)
		<hr/> 381
Cash and cash equivalents	-	4,350
		<hr/> 4,731
<b>As at 31 July 2021</b>		
Trade and other receivables	-	294
Less: Prepayments	-	(33)
		<hr/> 261
Cash and cash equivalents	-	10
		<hr/> 271
<b>As at 31 July 2020</b>		
<b><u>Undiscounted financial liabilities</u></b>		
Trade and other payables	-	1,090
		<hr/> 1,090
<b>As at 31 July 2021</b>		
Trade and other payables	5%	3,155
		<hr/> 3,155
<b>As at 31 July 2020</b>		
<b>Total undiscounted net financial assets/(liabilities)</b>		
<b>- at 31 July 2021</b>		3,641
<b>- at 31 July 2020</b>		<hr/> <hr/> (2,884)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 27. Financial instruments and financial risks (Continued)

### Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial assets at amortised cost</b>				
Trade and other receivables	121	540	425	294
Less: Prepayments	(46)	(270)	(44)	(33)
	75	270	381	261
Guarantee deposit	-	183	-	-
Cash and cash equivalents	4,454	105	4,350	10
Total	4,529	558	4,731	271
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	1,001	4,890	1,090	3,155
Provision for reinstatement	-	242	-	-
Lease liabilities	-	3,382	-	-
Bank borrowings	-	27	-	-
Total	1,001	8,541	1,090	3,155

## 28. Fair value of assets and liabilities

The carrying amount of trade and other receivables and payables, cash and cash equivalents, approximate their respective fair values due to the relative short-term maturity of these financial instruments. While, the non-current amounts due from subsidiaries have no repayment terms and is repayable only when the cash flows of the borrower permits. Accordingly, the fair value of the loan is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

## 29. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial year ended 31 July 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2021

## 29. Capital management (Continued)

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as total equity as shown in the statement of financial position, plus net debt.

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade and other payables (Note 24)	1,001	4,890
Provision for reinstatement	-	242
Bank borrowings (Note 22)	-	27
Less: Cash and cash equivalents (Note 19)	<u>(4,454)</u>	<u>(105)</u>
Net debt	(3,453)	5,054
Equity attributable to equity holders of the Company	<u>3,582</u>	<u>(7,683)</u>
Capital and net debt	<u><u>129</u></u>	<u><u>(2,629)</u></u>
Gearing ratio	<u>N.M.</u>	<u>N.M.</u>

N.M.- Not meaningful

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 July 2021 and 2020.

## 30. Contingent liabilities

As at the end of the financial year, the Company had given undertakings to certain subsidiaries for providing them with continued financial support. The financial support enables these subsidiaries to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

## 31. Development of COVID-19 outbreak and its corresponding impact on the Group

In the beginning of 2020, the COVID-19 has spread widely across the globe resulting in several actions taken by different countries to contain the virus. Such actions include, among others, restrictions of people agglomeration and travels. Furthermore, the situation brought severe market volatility and is widely expected to adversely impact the food and beverage as well as tourism industry. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including loss allowances for receivables) and the going concern assumption in the financial statements. The management has assessed that the Group will be able to continue as a going concern taking into consideration available funding resources.

# STATISTICS OF SHAREHOLDINGS

As at 15 October 2021

## STATISTICS OF SHAREHOLDINGS AS AT 15 OCTOBER 2021

Issued and fully paid-up capital	-	S\$72,127,500.30
Number of issued shares	-	2,060,340,492
Class of Shares	-	Ordinary shares of equal voting right
Number of treasury shares	-	Nil
Number or subsidiary holdings	-	Nil

## DISTRIBUTION OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	416	11.87	16,500	0.00
100 - 1,000	981	27.98	449,019	0.02
1,001 - 10,000	991	28.27	3,866,610	0.19
10,001 - 1,000,000	932	26.58	197,926,963	9.61
1,000,001 AND ABOVE	186	5.30	1,858,081,400	90.18
<b>TOTAL</b>	<b>3,506</b>	<b>100.00</b>	<b>2,060,340,492</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	494,067,208	23.98
2	UOB KAY HIAN PRIVATE LIMITED	225,651,797	10.95
3	FRANZ ELIOE NARCIS	106,000,000	5.14
4	OCBC SECURITIES PRIVATE LIMITED	93,393,369	4.53
5	PHILLIP SECURITIES PTE LTD	81,035,770	3.93
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	71,019,274	3.45
7	LEE EE @ LEE ENG	54,833,600	2.66
8	IRENE NG AI CHEN	50,000,000	2.43
9	LOW POH KUAN	23,746,500	1.15
10	MAYBANK KIM ENG SECURITIES PTE. LTD.	21,257,548	1.03
11	WONG HAN YEW	20,000,001	0.97
12	IFAST FINANCIAL PTE. LTD.	19,878,300	0.96
13	RAFFLES NOMINEES (PTE.) LIMITED	19,078,822	0.93
14	ZHOU KEKE	19,014,001	0.92
15	GOH GUAN SIONG (WU YUANXIANG)	15,247,200	0.74
16	KHOO MENG KOON EDWIN	15,000,008	0.73
17	HO SHIEN FOON	14,161,501	0.69
18	TAN ENG CHUA EDWIN	12,800,000	0.62
19	KHEE SEE HONG	12,352,600	0.60
20	NG LEE CHEN	12,100,000	0.59
	<b>TOTAL</b>	<b>1,380,637,499</b>	<b>67.00</b>

# STATISTICS OF SHAREHOLDINGS

As at 15 October 2021

## SUBSTANTIAL SHAREHOLDERS AS AT 15 OCTOBER 2021 (As recorded in the Register of Substantial Shareholders)

No.	Name	Direct Interests		Deemed Interests	
		No. of shares held	%	No. of shares held	%
1.	I Concept Global Growth Fund <sup>(a)(b)</sup>	449,310,614	21.81	-	-
2.	Michael Marcus Liew <sup>(a)</sup>	-	-	449,310,614	21.81
3.	Capital Square Co., Ltd. <sup>(c)</sup>	-	-	153,677,730	7.46
4.	Naoki Watanabe <sup>(c)</sup>	-	-	153,677,730	7.46
5.	Franz Elioe Narcis <sup>(d)</sup>	144,187,300	7.00	-	-

### Notes:

- (a) I-Concept Global Growth Fund ("I-Concept") is made up of two 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 Management Shares are held by Michael Marcus Liew. Accordingly, Mr. Michael Marcus Liew is deemed to be interest in the 449,310,614 shares held through I Concept.
- (b) I-Concept holds part of the shares, being 2,000,000 shares through Phillips Securities Pte Ltd. The balance of I-Concept shares are held through DBS Nominees (Private) Limited.
- (c) Capital Square Co., Ltd. ("Capital Square") is deemed to be interested in the shares held through UOB Kay Hian Private Limited. Mr. Naoki Watanabe holds 100% shareholdings in Capital Square and accordingly, he is deemed interested in the shares held by Capital Square through UOB Kay Hian Private Limited.
- (d) Mr. Franz Elioe Narcis holds part of his shares, being 38,187,300 shares, through UOB Kay Hian Private Limited.

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

63.73% of the Company's issued paid up capital is held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules of the SGX-ST.

# STATISTICS OF WARRANTHOLDINGS

As at 15 October 2021

## DISTRIBUTION OF WARRANTHOLDERS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	4	0.87	60	0.00
100 - 1,000	22	4.77	13,610	0.00
1,001 - 10,000	33	7.16	189,480	0.04
10,001 - 1,000,000	348	75.49	85,533,543	16.61
1,000,001 AND ABOVE	54	11.71	429,348,364	83.35
<b>TOTAL</b>	<b>461</b>	<b>100.00</b>	<b>515,085,057</b>	<b>100.00</b>

## TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	DBS NOMINEES (PRIVATE) LIMITED	184,993,164	35.92
2	LEE EE @ LEE ENG	26,429,200	5.13
3	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	24,763,500	4.81
4	PHILLIP SECURITIES PTE LTD	20,701,750	4.02
5	UOB KAY HIAN PRIVATE LIMITED	20,457,350	3.97
6	WONG HAN YEW	10,000,000	1.94
7	OCBC SECURITIES PRIVATE LIMITED	8,158,950	1.58
8	LIM SING TAT	8,000,000	1.55
9	GOH GUAN SIONG (WU YUANXIANG)	7,500,000	1.46
10	WONG WALTER	6,099,750	1.18
11	HO POH LOON	5,800,000	1.13
12	TAN SOK HWA	5,050,500	0.98
13	IFAST FINANCIAL PTE. LTD.	5,049,750	0.98
14	NEO CHIN LEONG	5,005,500	0.97
15	CHUA LIAN CHYE	5,000,000	0.97
16	KHOO MENG KOON EDWIN	5,000,000	0.97
17	ROMIEN CHANDRASEGARAN	5,000,000	0.97
18	ZHOU KEKE	4,753,500	0.92
19	TAN KIAN LYE	4,000,000	0.78
20	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,773,350	0.73
	<b>TOTAL</b>	<b>365,536,264</b>	<b>70.96</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of LifeBrandz Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) will be convened and held by way of electronic means on Thursday, 25 November 2021 at 10:00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2021 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve Directors’ fees of S\$80,207 for the financial year ended 31 July 2021. (2020: S\$81,785) **(Resolution 2)**
3. To re-elect the following Directors who are retiring pursuant to Regulations 107 and 117 of the Constitution of the Company:
  - Regulation 107**  
Mr. Lim Yit Keong **(Resolution 3)**
  - Regulation 117**  
Mr. Lam Siew Kee **(Resolution 4)**  
Mr. Lim U Wei Ralph Howard **(Resolution 5)**

[See Explanatory Note (i)]
4. To re-appoint Messrs Mazars LLP, as auditor of the Company and to authorise the Directors of the Company to fix its remuneration. **(Resolution 6)**
5. To transact any other ordinary business which may be properly transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution (with or without amendments):

### 6. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being in force; and
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

**(Resolution 7)**

[See Explanatory Note (ii)]

By Order of the Board

Shirley Tan Sey Liy  
Company Secretary

10 November 2021  
Singapore



# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Mr. Lim Yit Keong will, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee of the Company. There are no relationships (including family relationships) between Mr. Lim Yit Keong and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Lim Yit Keong to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr. Lam Siew Kee will, upon re-election as a Director of the Company, remain as the Executive Chairman and Chief Executive Officer of the Company.

Mr. Lim U Wei Ralph Howard will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee of the Company. There are no relationships (including family relationships) between Mr. Lim U Wei Ralph Howard and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Lim U Wei Ralph Howard to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Further detailed information on Mr. Lim Yit Keong, Mr. Lam Siew Kee and Mr. Lim U Wei Ralph Howard can be found in the sections titled "Board of Directors", "Corporate Governance Report", "Directors' Statement" and "Additional Information on Directors Seeking Re-election" of the Annual Report 2021.

- (ii) Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a *pro rata* basis to shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of Shares.

## Notes:

On 3 April 2020, the Singapore Government announced the implementation of "circuit breaker" measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19. The COVID-19 (Temporary Measures) Act 2020 (the "**Temporary Measures Act**") was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Meetings Orders**") was issued by the Minister for Law on 13 April 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company's constitution). The Meeting Orders have been extended from 30 September 2020 to 30 June 2021 and amendments to the Temporary Measures Act come into force on 29 September 2020. A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020 and 1 October 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place. In view of these development, general meetings which held beyond 30 June 2021 can be held via electronic means, and are encouraged to do so. This will help keep physical interactions and COVID-19 transmission risks to a minimum, which remain important in the long term, even as safe distancing regulations are gradually and cautiously relaxed.

Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to members. Instead, these documents will be made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to members' participation at the AGM are:

- (a) observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);
- (b) submitting questions in advance in relation of the resolutions set out in the Notice of AGM; and
- (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

Members will be able to participate in the AGM in following manner set out in the paragraphs below.

## **Live AGM Webcast and Live AGM Audio Feed:**

In light of the above developments, the Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on Thursday, 25 November 2021 at 10:00 a.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away.

In order to do so, members must pre-register online at the URL <https://conveneagm.com/sg/lifebrandz2021> by 10:00 a.m. on Tuesday, 23 November 2021 (the "**Registration Deadline**"), being not less than 48 hours before the time appointed for holding the AGM, to enable the Company to verify their members' status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 10:00 a.m. on Wednesday, 24 November 2021 (being 24 hours before the time appointed for the holding of the AGM).

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10:00 a.m. on Wednesday, 24 November 2021 may contact the Company's technical support by email at [support@conveneagm.com](mailto:support@conveneagm.com) for assistance.

Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy Shares using SRS monies ("**SRS Investors**"), and who wish to participate in the AGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

## **Submission of Questions in Advance:**

Please note that members will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

Members may submit questions relating to the items on the Resolutions set out in the Notice of AGM in advance:

- (a) by post to the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712;
- (b) by email to [invest@lifebrandz.com](mailto:invest@lifebrandz.com); or
- (c) via such member's account following registration at the URL <https://conveneagm.com/sg/lifebrandz2021>.

All questions must be submitted by 10:00 a.m. on Monday, 22 November 2021 (being 72 hours before the time appointed for the holding of the AGM).

A member who wishes to submit his/her/its questions by post or by email is required to indicate his/her/its full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address or email address provided.

Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNet and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNet and the Company's website within 1 month after the date of the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the Resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a member of the Company.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

- (a) by post to the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712;
- (b) by email to [invest@lifebrandz.com](mailto:invest@lifebrandz.com); or
- (c) via the member's account following registration at the URL <https://conveneagm.com/sg/lifebrandz2021>

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10:00 a.m. on Tuesday, 23 November 2021. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

## **In view of the current COVID-19 situation, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares in order to submit their voting instructions at least 7 working days before the AGM (i.e. by 5:00 p.m. on Monday, 15 November 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10:00 a.m. on Tuesday, 23 November 2021.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

**IMPORTANT NOTICE:** Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNet. Members are advised to check the SGXNet regularly for updates on the AGM.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

## Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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*This Notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

*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.*

# LIFEBRANDZ LTD.

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

## ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

This form of proxy has been made available on SGXNet and may be accessed at the URL <https://www.sgx.com/securities/company-announcements>. A printed copy of this form will NOT be despatched to members.

### IMPORTANT:

1. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM dated 10 November 2021.
3. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 5:00 p.m. on 15 November 2021 (being 7 working days before the AGM).

I/We, \_\_\_\_\_ (Name),

NRIC/Passport/Company Registration Number\* \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ (Address)

being a Shareholder/Shareholders\* of **LIFEBRANDZ LTD.** (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our\* proxy to attend, speak and vote for me/us\* on my/our\* behalf at the Meeting of the Company to be held by way of **electronic means** on **Thursday, 25 November 2021 at 10:00 a.m.** and at any adjournment thereof.

I/We\* direct my/our\* proxy to vote for or against, or to abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. **If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolutions	No. of votes 'For' **	No. of votes 'Against' **	No. of votes 'Abstain' **
1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2021 together with the Auditors' Report thereon.			
2	To approve Directors' fees of S\$80,207 for the financial year ended 31 July 2021. (2020: S\$81,785).			
3	To re-elect Mr. Lim Yit Keong who is retiring pursuant to Regulation 107 of the Company's Constitution.			
4	To re-elect Mr. Lam Siew Kee who is retiring pursuant to Regulation 117 of the Company's Constitution.			
5	To re-elect Mr. Lim U Wei Ralph Howard who is retiring pursuant to Regulation 117 of the Company's Constitution.			
6	To re-appoint Messrs Mazars LLP, as auditor of the Company and to authorise the Directors of the Company to fix its remuneration.			
	<b>Special Business</b>			
7	To authorise Directors to allot and issue shares in the capital of the Company.			

*\*\*If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) / Common Seal

\*Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the AGM, being a proxy, need not be a member of the Company.
4. This instrument appointing a proxy or proxies, duly executed, must be submitted (a) by post to at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; (b) by email to [invest@lifebrandz.com](mailto:invest@lifebrandz.com); or (c) via such member's account following registration at the URL <https://conveneagm.com/sg/lifebrandz2021>, not less than 48 hours before the time appointed for holding the AGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
5. This instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (Chapter 50) of Singapore, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least 7 working days before the AGM (i.e. by 5:00 p.m. on 15 November 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
9. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 10 November 2021.



LifeBrandz

30 Cecil Street #19-08 Prudential Tower Singapore 049712

Tel : (65) 6221 9344

Website: [www.lifebrandz.com](http://www.lifebrandz.com)