



LIFEBRANDZ LTD.

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

- (1) THE PROPOSED ACQUISITIONS OF 51% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF AUSPAC INVESTMENT MANAGEMENT PTE. LTD. AND 100% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF AUSPAC FINANCIAL ADVISORY PTY. LTD. - ENTRY INTO DEEDS OF AMENDMENT; AND**
 - (2) THE PROPOSED SUBSCRIPTION OF 1,627,915 NEW ORDINARY SHARES IN THE CAPITAL AUSPAC INVESTMENT MANAGEMENT PTE. LTD. FOR THE SUBSCRIPTION CONSIDERATION OF S\$73,500 - ENTRY INTO SHARE SUBSCRIPTION AGREEMENT**
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1. INTRODUCTION

1.1. The Board of Directors (the "**Board**" or the "**Directors**") of LifeBrandz Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its announcements dated 23 May 2023 and 14 July 2023 (collectively, the "**Earlier Announcements**") in relation to:

- (i) the Proposed Acquisitions by its wholly-owned subsidiary, LifeBrandz Investment Management Pte. Ltd. (the "**Buyer**"), of:
 - (a) 51% of the entire issued and paid-up share capital of Auspac Investment Management Pte. Ltd. ("**AIM**"); and
 - (b) 100% of the entire issued and paid-up share capital of Auspac Financial Advisory Pty. Ltd. ("**AFA**", together with AIM, the "**Targets**"),

(collectively, the "**Proposed Acquisitions**"); and
- (ii) the New Investor Subscription.

1.2. Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings as set out in the Earlier Announcements.

2. ENTRY INTO DEEDS OF AMENDMENT

2.1. The Board wishes to update the Shareholders that the Company, the Buyer and the Vendor have entered into the Deeds of Amendment on 30 August 2023 to amend the terms of the SPAs.

2.2. Since the last announcement on 14 July 2023, the Company understands that the New Investor Acquisition has been completed. As at the date of this announcement, AIM has an issued and paid-up share capital of comprising of 2,325,592 shares and its shareholding structure is as follows:

Shareholder	Number of shares in AIM	Shareholding percentage
The Vendor	1,186,052	51%
The New Investor	1,139,540	49%
Total	2,325,592	100%

- 2.3. The Buyer, subject to the approval from shareholders of the Company at the EGM, will be proceeding with the acquisition of 51% of the entire issued and paid-up share capital of AIM from the Vendor.
- 2.4. Pursuant to the Deeds of Amendment, the parties have agreed, *inter alia*, on the following matters:
- (i) the Buyer shall acquire 51% of the AIM Shares for a consideration of S\$127,500, at the valuation of S\$250,000 for all AIM Shares, to be satisfied by the deposit of S\$40,000 paid by the Buyer to the Vendor on 23 May 2023 and the issuance of up to 35,000,000 Consideration Shares at the Issue Price of S\$0.0025 for the remaining S\$87,500; and
- (ii) the Buyer shall acquire the entire issued and paid-up share capital of AFA for a consideration of S\$1,250,000, to be satisfied by the deposit of S\$160,000 paid by the Buyer to the Vendor on 23 May 2023, cash of S\$227,500, and the issuance of up to 345,000,000 Consideration Shares at the Issue Price of S\$0.0025 for the remaining S\$862,500.
- 2.5. Accordingly, the aggregate purchase consideration payable at Completion for the Proposed Acquisitions reduced from S\$1,500,000 to S\$1,377,500. The aggregate cash consideration is reduced from S\$550,000 to S\$427,500 and the aggregate number of Consideration Shares to be issued remains unchanged.
- 2.6. Save as amended by the Deeds of Amendment, all other terms and conditions of the SPAs remain in full force and effect.

3. CHAPTER 10 OF THE CATALIST RULES

- 3.1. Based on the Deeds of Amendment, the relative figures of the Proposed Acquisitions computed on the bases set out in Rules 1006(a) to 1006(e) of the Catalist Rules are set out below for Shareholders' reference:

Catalist Rule	Basis of Calculation	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable ⁽¹⁾
1006(b)	The net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	38.93 ⁽³⁾
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares).	66.86 ⁽⁴⁾⁽⁵⁾

Catalist Rule	Basis of Calculation	Relative Figure (%)
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	18.44 ⁽⁶⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁷⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to the Proposed Acquisitions, being an acquisition of assets.
- (2) Under Rule 1002(3) of Catalist Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the latest unaudited net losses for the 6-month financial period from 1 August 2022 to 31 January 2023 ("**HY2023**") for the Group and the Targets. The Group's net loss for HY2023 is S\$822,000. The Targets recorded an aggregated net loss of S\$320,040 for HY2023, which consists of net loss attributable to 51% of AIM amounting to S\$65,608 and net loss of AFA amounting to AU\$273,546 (or equivalent to approximately S\$254,432).
- (4) Under Rule 1002(5) of the Catalist Rules, "market capitalisation" is determined by multiplying the number of Shares in issue by the VWAP of such Shares transacted on the market day preceding the date of the SPAs. Accordingly, the market capitalisation of the Company is approximately S\$2,060,340 based on the VWAP of such Shares transacted on the market day preceding the trading halt and the date of the SPAs (i.e. 19 May 2023 of S\$0.001) and 2,060,340,492 Shares in issue.
- (5) Pursuant to Rule 1003(3) of the Catalist Rules, where the value of the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value ("**NAV**") represented by such shares, whichever is higher. Pursuant to Rule 1002(3)(a), "net assets" means total assets less total liabilities. In this instance,
 - (a) the aggregate purchase consideration in the SPAs is S\$1,377,500;
 - (b) the sum of cash consideration of S\$427,500 and the market value of the Consideration Shares of S\$380,000 (computed based on the VWAP of S\$0.001 on 19 May 2023, being the full market day of trading of the Shares on the Catalist prior to the trading halt and the date of the entry of SPAs, multiplies by 380,000,000 Consideration Shares) is S\$807,500; and
 - (c) the sum of cash consideration of S\$427,500 and the NAV represented by the Consideration Shares of S\$309,114 as at 31 January 2023 (computed based on the NAV per Share of the Group of S\$0.0008 as at 31 January 2023 multiplies by 380,000,000 Consideration Shares) is S\$736,614.

Based on the above, for the purpose of Rule 1006(c) of the Catalist Rules, the value of the Consideration Shares is deemed to be S\$1,377,500 (being the highest of (a) to (c) above).
- (6) Based on the number of new Shares to be issued by the Company as consideration for the Proposed Acquisitions of 380,000,000 Consideration Shares and the 2,060,340,492 Shares in issue as at the date of this announcement.

- (7) Rule 1006(e) of the Catalyst Rules is not applicable as the Company is not a mineral, oil and gas company.
- 3.2. Rule 1007(1) of the Catalyst Rules states, *inter alia*, that if any of the relative figures computed pursuant to Rule 1006 of the Catalyst Rules involves a negative figure, Chapter 10 (specifically Practice Note 10A) of the Catalyst Rules may still be applicable to the transaction in accordance with the applicable circumstances. As the figures used to compute the relative figure under Rule 1006(b) of the Catalyst Rules are negative figures, Rule 1007(1) read with Practice Note 10A shall apply. The Proposed Acquisitions do not fall within all situations in paragraphs 4.3 and 4.4 of Practice Note 10A, in particular, paragraph 4.4(a) of Practice Note 10A as the net loss of the Targets exceeds 10% of the Group's consolidated net loss for HY2023. Accordingly, pursuant to paragraph 4.6 of Practice Note 10A, the Company will be seeking the approval of Shareholders for the Proposed Acquisitions as a "major transaction" under Chapter 10 of the Catalyst Rules.

4. ENTRY INTO SHARE SUBSCRIPTION AGREEMENT ("SSA")

4.1. Introduction

The Board wishes to update the Shareholders that the Company, AIM and the New Investor have entered into SSA on 30 August 2023 to carry out the New Investor Subscription.

4.2. Information on the New Investor and rationale for the New Investor Subscription

The New Investor has confirmed that the New Investor and Andrew Young are independent of the Company, its directors and controlling shareholders. As of the date of this announcement, the New Investor and Andrew Young have no shareholding interest in the Company or any member of the Group.

Please refer to the announcement dated 14 July 2023 for more information relating to the New Investor and the rationale for the entry into the Framework Agreement which includes, *inter alia*, the New Investor Subscription.

4.3. Subscription shares

Pursuant to the New Investor Subscription, the New Investor will be subscribing for an aggregate of 1,627,915 new ordinary shares in the capital of AIM ("**Subscription Shares**") for an aggregate subscription consideration of S\$73,500 ("**Subscription Consideration**"). The Subscription Shares will represent approximately 21% of, and result in the New Investor holding 70% of, the enlarged issued and paid-up share capital of AIM after the completion of the New Investor Subscription.

No placement agent has been appointed in respect of the New Investor Subscription. No introducer fee or commission was paid or is payable by the Company in connection with the New Investor Subscription.

4.4. Subscription Consideration

The Subscription Consideration was arrived at following arm's length negotiations between the Company and the New Investor, taking into account the valuation of AIM and AIM's growth prospects.

4.5. Conditions precedent

The New Investor Subscription is conditional upon, *inter alia*, the following:

- (i) approval of the shareholders of the Company being obtained at the EGM for, amongst others, the issue and allotment of the Subscription Shares for the Subscription Consideration to the New Investor;
- (ii) approval of the shareholders of AIM being obtained for the New Investor Subscription; and
- (iii) the Company, AIM and the New Investor having obtained all necessary regulatory approvals, corporate approvals, third party approvals, consents and waivers, as applicable, for the New Investor Subscription.

If any condition precedent under the SSA has not been satisfied or waived (as the case may be) on or before the long-stop date (being the date falling three (3) months from the date of the SSA, or such other date as may be agreed by the parties in writing), the SSA shall terminate and be of no further effect and no party hereto shall be under any liability to the other in respect of the SSA, save for any antecedent breach thereof.

4.6. Completion

Completion of the New Investor Subscription will take place on a date to be determined by AIM on which both the Proposed Acquisition of 51% of AIM and the SHA have been respectively completed and executed, or such other date as the parties to the SSA may agree in writing.

Following the completion of the New Investor Subscription, AIM will become a 30%-owned associated company of the Company.

4.7. Status of Subscription Shares

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

4.8. Exemption from prospectus requirement

The New Investor Subscription is made pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore. As such, no prospectus or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the New Investor Subscription.

4.9. Use of proceeds

As previously announced on 14 July 2023 and assuming the completion of the New Investor Subscription, the net proceeds of S\$73,500 from the New Investor Subscription will be used to support AIM's operations and will assist AIM in growing its business.

- 4.10. Under Rule 805(2) of the Catalist Rules, an issuer must obtain the prior approval of its shareholders in a general meeting if a principal subsidiary of the issuer issues shares that will or may result in (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. A "principal subsidiary" is a subsidiary whose latest audited consolidated pre-tax profits as compared with the latest audited consolidated pre-tax profits of the group accounts for 20% or more of such pre-tax profits of the group.

Pursuant to the completion of the New Investor Subscription, the Company's proposed acquisition in 51% of AIM will be diluted by more than 20%. Accordingly, the Company is required to seek Shareholders' approval at the EGM for the potential dilution which arises from the New Investor Subscription, pursuant to Rule 805(2) of the Catalist Rules.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS AND THE NEW INVESTOR SUBSCRIPTION

5.1. Bases and Assumptions

The following are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Group after completion of the Proposed Acquisitions and the New Investor Subscription. The financial effects of the Proposed Acquisitions and the New Investor Subscription as set out below are based on the Group's latest audited financial statements for the financial year ended 31 July 2022 and the Targets' latest audited financial statements for the financial year ended 30 June 2022.

The figures presented below are computed based on the following assumptions:

- (i) all of the Consideration Shares are issued;
- (ii) the financial effects on the Group's net tangible assets ("**NTA**") attributable to the Shareholders and the NTA per Share have been computed assuming that completion of the Proposed Acquisitions and the New Investor Subscription took place on 31 July 2022;
- (iii) the financial effects on the Group's loss attributable to the Shareholders and the loss per Share ("**LPS**") have been computed assuming that completion of the Proposed Acquisitions and the New Investor Subscription took place on 1 August 2021; and
- (iv) the expenses incurred in connection with the Proposed Acquisitions and New Investor Subscription amount to approximately S\$250,000.

5.2. Share Capital

	Before the Proposed Acquisitions and the New Investor Subscription	After the Proposed Acquisitions	After the Proposed Acquisitions and the New Investor Subscription
Issued and paid-up share capital (S\$'000)	69,950	70,900	70,900
Number of Shares ('000)	2,060,340	2,440,340	2,440,340

5.3. NTA per Share

	Before the Proposed Acquisitions and the New Investor Subscription	After the Proposed Acquisitions	After the Proposed Acquisitions and the New Investor Subscription
NTA attributable to equity holders of the Company (S\$'000)	2,480	3,430	3,430
Number of Shares ('000)	2,060,340	2,440,340	2,440,340
NTA per share (S\$ cents)	0.12	0.14	0.14

5.4. LPS

	Before the Proposed Acquisitions and the New Investor Subscription	After the Proposed Acquisitions	After the Proposed Acquisitions and the New Investor Subscription
Net loss (S\$'000)	(1,052)	(2,283)	(2,058)
Weighted average number of Shares ('000)	2,060,340	2,440,340	2,440,340
LPS (S\$ cents)	(0.05)	(0.09)	(0.08)

6. **OTHER TERMS AND REQUIRED DISCLOSURES**

The other terms of the SPAs and all the other required disclosures, including the rationale for the Proposed Acquisitions and New Investor Subscription, the Issue Price of the Consideration Shares, the interests of Directors and substantial shareholders, as announced by the Company in the Earlier Announcements, remains unchanged.

7. **EGM TO BE CONVENED**

As stated in the Earlier Announcements, the Company will be seeking specific approval from Shareholders at the EGM for, *inter alia*, the Proposed Acquisitions, proposed issue and allotment of the Consideration Shares and the New Investor Subscription. The Circular and the notice of the EGM to be convened will be dispatched to the Shareholders in due course.

8. **CAUTION IN TRADING AND FURTHER ANNOUNCEMENTS**

Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the transactions announced herein will proceed to completion. Shareholders are advised to read this announcement, any further announcements and the Circular which will be circulated by the Company for the EGM carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the transactions above, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by the Shareholders at the registered office of the Company at 30 Cecil Street, #19-08, Prudential Tower, Singapore 049712 during normal business hours from 9.00 a.m. to 5.00 p.m. for three (3) months from the date of this announcement:

- (i) the annual report of the Company for FY2022;
- (ii) the SPAs;
- (iii) the Deeds of Amendment; and
- (iv) the SSA.

By Order of the Board
LifeBrandz Ltd.

Mark Leong Kei Wei
Executive Chairman
30 August 2023

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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