



LIFEBRANDZ LTD.

(Company Registration Number 200311348E)
(Incorporated in the Republic of Singapore)

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- 1. PROPOSED DIVERSIFICATION INTO ASSISTED LIVING BUSINESS**
 - 2. INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY**
 - 3. NON-BINDING TERM SHEET IN RELATION TO PROPOSED ACQUISITION OF CRESCENDO WELLNESS LIVING**
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1. INTRODUCTION

- 1.1 The Board of Directors (the **“Board”** or **“Directors”**) of LifeBrandz Ltd. (the **“Company”** and together with its subsidiaries, the **“Group”**) wishes to update shareholders that, as part of the strategic review conducted by the Group set out in the Company’s announcement dated 17 July 2024 (**“Strategic Review”**), the Group intends to diversify and expand its core business to include the assisted living business, which combines residential options with personalised support for the elderly (**“Assisted Living”** or **“New Business”**) (**“Proposed Diversification”**).
- 1.2 In connection with the Proposed Diversification, the Group also intends to:
 - (i) incorporate a wholly-owned subsidiary in Singapore known as Communa Gold Pte. Ltd. (**“Communa Gold”**), to explore and undertake the Assisted Living business; and
 - (ii) enter into a non-binding term sheet with Dr. Vimallan s/o Manokara (the **“Vendor”**) via Communa Gold (**“Term Sheet”**) for the proposed acquisition of 100% of the business and assets of Crescendo Wellness Living (**“Crescendo”**) (**“Proposed Acquisition”**) at a purchase consideration of S\$50,000 (**“Consideration”**).
- 1.3 The Proposed Diversification is subject to the approval of the shareholders of the Company (the **“Shareholders”**) at an extraordinary general meeting (**“EGM”**) to be convened by the Company in due course.

2. PROPOSED DIVERSIFICATION OF BUSINESS AND INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY

2.1 Background

In its search for new business opportunities as part of the Strategic Review, the Group has considered opportunities in the Assisted Living sector to diversify its business and broaden its stream of income and revenue. The Group seeks to provide services in relation to Assisted Living, which combines residential options with personalised support, catered to offer the elderly a safe residential environment together with tailored assistance for daily living activities to enable the elderly to maintain a high quality of life.

2.2 Incorporation of wholly-owned subsidiary to explore and undertake the New Business

The Company has, on 15 October 2024, incorporated Communa Gold with an initial issued and paid-up capital of S\$1,000 comprising 1,000 ordinary shares.

The incorporation of Communa Gold is funded by internal resources and is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 July 2025.

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

Subject to the approval of the Shareholders at an EGM in respect of the Proposed Diversification, the Group may also, as part of the New Business, invest in or purchase or otherwise acquire or

dispose of any such assets, investments and shares or interests in any entity that is in the New Business.

The Group also intends to identify suitable leases for real properties for the purposes of undertaking the New Business.

2.3 Rationale

The Group believes that the Proposed Diversification can contribute positively to the Company and Shareholders due to the following reasons:

(a) Additional and recurrent revenue streams

The Group is of the view that the New Business may offer new business opportunities and provide additional and recurring revenue streams for the Group. The Group will venture into the Assisted Living sector prudently by commencing its first foray into the New Business via the Proposed Acquisition, with a view of enhancing Shareholders' value over the long-term and achieving long-term growth.

(b) Diversified business and income base

The Proposed Diversification may provide the Group with a more diversified business and income base for future growth, thereby reducing the Group's reliance on its existing core business for revenue streams. Exploring new growth areas such as the Assisted Living business will better position the Group for long-term performance and resilience.

(c) Enhance Shareholders' value

The Proposed Diversification aligns with the Group's corporate strategy under the Strategic Review to provide Shareholders with diversified returns and sustained long-term growth. It has the potential to generate additional funds for the Group, which can be channelled towards the enhancement of Shareholders' value over the long-term. Additionally, the Board believes that the Proposed Diversification can offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

(d) Positive prospects in the Assisted Living sector

The Group believes that the New Business has strong prospects due to the following reasons:

- (i) In line with the evolving demographics in Singapore and projections indicating that by 2030, almost 1 in 4 of the population will be aged 65 years and above¹, there is a growing demand for elder care services which presents significant market opportunities. The Assisted Living sector has the potential to fill a critical gap by supporting the elderly who are relatively independent, requiring some level of daily help and socialisation. Accordingly, the Proposed Diversification will place the Group in a strategic position to capitalise on such potential in the Assisted Living sector.
- (ii) The Group will be able to leverage on the expertise of the management, namely Mr Ng Boon Hui, CEO and Executive Chairman of the Group and Mdm Ho Poh Khum, Chief Operating Officer of the Group, in real estate and management of large scale co-living business, for a scalable implementation of the Assisted Living services. The management also has extensive experience and is well-equipped to source, develop and upskill the relevant operational and care staff internally, thereby enhancing service quality while controlling costs.

¹ https://www.population.gov.sg/files/media-centre/publications/Population_in_Brief_2024.pdf

- (iii) While there are existing operators in the Assisted Living sector in Singapore, the market remains relatively new and has yet to gain momentum. By leveraging on the management's strengths and expertise, coupled with the strategic acquisition of Crescendo, the Group has potential to establish itself in this emerging market.

Thus, given the prospects of the Assisted Living sector in Singapore, the Group believes that, barring unforeseen circumstances, this diversification into the Assisted Living sector can open new opportunities and yield an additional source of revenue for the Group.

3. NON-BINDING TERM SHEET IN RELATION TO PROPOSED ACQUISITION OF CRESCENDO

Following the incorporation of Communa Gold, the Group has entered into the non-binding Term Sheet with the Vendor dated 15 October 2024 to explore the Proposed Acquisition of Crescendo by the Group via Communa Gold.

Crescendo is a registered sole-proprietorship in Singapore owned and operated by the Vendor and is principally engaged in the Assisted Living business. Crescendo offers existing brand recognition in the Assisted Living sector, and an operational framework enriched with innovative approaches introduced by the Vendor, a registered psychologist with over 13 years of experience in social services and expertise in geriatrics, who graduated from the University of Sydney with a Doctor of Philosophy (Medicine) and Nanyang Technological University, Singapore with a Master of Arts (Applied Psychology). This thereby allows the Group to leverage on the Proposed Acquisition as a foundation for developing the New Business.

The Consideration for the Proposed Acquisition of S\$50,000 shall be payable via 10 equal monthly instalments commencing from the date of completion of the Proposed Acquisition and at the end of each month thereafter.

Under the Term Sheet, the Vendor will also agree to be engaged by Communa Gold as a consultant and advisor for an initial term of 3 years and may be extended on terms to be mutually agreed, on the development of business strategies and operational plans for Assisted Living business, caregivers' training and job placement services. Communa Gold and the Vendor will work towards the execution of a consultancy service agreement between Communa Gold and the Vendor ("**Service Agreement**") based on certain key terms to be outlined in the Term Sheet, including amongst others, remuneration terms comprising a monthly retainer fee, participation in performance-based incentive scheme tied to the profitability of Communa Gold's businesses, as well as participation in any employee share option scheme or other employee share ownership plans, subject to prevailing rules of share scheme in force, legislation and/or the Catalist Rules.

The completion of the Proposed Acquisition will be subject to, *inter alia*, (i) satisfactory completion of due diligence to be conducted on Crescendo and the Vendor, (ii) execution of the Service Agreement between Communa Gold and the Vendor and (iii) execution of a definitive sale and purchase agreement and any other definitive agreement contemplated under the Term Sheet.

The Term Sheet will provide an exclusivity period of 8 weeks commencing from the date of execution of the Term Sheet, during which the Vendor must not deal or attempt to deal with any other person or parties directly or indirectly associated in the sale of business and assets of Crescendo. The Term Sheet will only be an expression of intent by the parties relating to the Proposed Acquisition and will not create any legally binding nor enforceable obligations on the parties.

4. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

5. EXTRAORDINARY GENERAL MEETING

The Company will be convening an EGM to seek the approval of the Shareholders for, *inter alia*, the Proposed Diversification. A circular containing the notice of EGM and details of the Proposed Diversification will be despatched to the Shareholders in due course.

Further announcements in relation to the Proposed Diversification and the Proposed Acquisition will be made by the Company as and when appropriate.

By Order of the Board

Ng Boon Hui
Executive Chairman and Chief Executive Director
15 October 2024

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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