



LIFE BRANDZ LTD.

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

RESPONSE TO SGX QUERIES

The Board of Directors (the “**Board**”) of LifeBrandz Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) has received certain queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 8 May 2020 regarding the Company’s announcements of 12 March, 9 April, 4 May, and 6 May 2020 (the “**Announcements**”) in relation to updates on the Group’s business operations in light of COVID-19, and wishes to provide its responses to the queries from the SGX-ST as follows:

Unless otherwise defined, capitalised terms used herein shall bear the same meanings ascribed to them the Announcements.

Question 1: The Company has announced the permanent closure of Hashida Sushi and the temporary closure of Sushi Nagai. Please provide a breakdown of the Company’s remaining operations.

Company’s Response:

As mentioned in the Announcements, the Group’s remaining operations include the Mulligan’s Irish Pub in Pattaya, Thailand which is operated under Mulligan’s Co., Ltd, and the travel business in Tokyo, Japan which is operated under e-Holidays Co., Ltd..

The Thai Government invoked the emergency decree which was enforced on 26 March 2020. Following the extension of state of emergency declaration to 30 April 2020, the closure of Mulligan’s Irish Pub had been extended to 30 April 2020. Currently, the Mulligan’s Irish Pub is aiming to re-open as soon as possible when the outlet is able to pass the Pattaya City social distancing standard in the shopping mall. We have completed the sanitization of the outlet and is currently trying to fix the appointment with the government officer for the social distancing examination.

e-Holidays Co., Ltd. is still in operations with precautionary measures taken as disclosed in the Company’s announcement dated 9 April 2020, where most of the staff will continue to work from home, with only one staff to work in office by schedule.

Question 2: We note in the Company’s 2Q FY2020 results announced on 12 March 2020, that “The Group put into effort to boost its travel business by focusing on inbound domestic tours in Japan, especially in light of the Tokyo Olympic Game.”. Taking into consideration that the Tokyo Olympic Games has been postponed to 2021 and the current Covid-19 situation, please provide an update on the impact on the Company and its plans going forward in relation to the Travel business – e-Holidays Co., Ltd.

Company’s Response:

As mentioned in the announcement dated 9 April 2020, the postponement of the Tokyo Olympic Games, coupled with the COVID-19 outbreak, is expected to result in a slowdown of travel demand in the near term.

Due to the uncertain circumstance, the Group has made some refund of deposits received from customers and collecting back the advances made to suppliers for the tour bookings for the 3-month period from April 2020 to June 2020. Deposits received from customers reduced from S\$253k as at 31 January 2020 to S\$210k as at 31 March 2020, while advance to suppliers reduced from S\$61k as at 31 January 2020 to S\$40k as at 31 March 2020. The Group will continue to monitor the situation closely and will decide later if it is necessary to cancel the tour bookings for the 3-month period from July 2020 to September 2020.

The state of emergency declared by the Japanese Government first effected on 7 April 2020 has been extended until 31 May 2020. The Group plans to boost its travel business by designing various promotion packages for inbound domestic tours in Japan and to collaborate and work closely with the local vendors. However, most of the vendors have yet to resume their normal operations and accordingly, such related plans and packages are still pending at the moment.

Question 3:

Please provide the following:

- a. the Board of Directors' assessment of the Group's ability to continue operating as a going concern and the bases for the said assessment;**
- b. the Board of Directors' opinion as to whether trading of the Company's shares should be suspended pursuant to Listing Rule 1303(3) (Going Concern) and the basis for such opinion; and**
- c. the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views.**

Company's Response:

For (a):

The Board believes that barring any unforeseen circumstances, the Group will be able to meet its short-term obligations as and when they fall due and continue as a going concern, after taking into consideration that:

- a. The controlling shareholder of the Company, Bounty Blue Capital Ltd ("**Bounty Blue**") (wholly-owned by Mr Saito Hiroyuki, the Executive Chairman and CEO of the Company), has extended an interest free loan of S\$2.22 million to the Group for working capital purposes as at 30 April 2020;
- b. Bounty Blue has undertaken not to call for repayment until the Group has sufficient additional working capital;
- c. Bounty Blue has undertaken to provide further financial support if the need arises to enable the Group to continue operations for at least the next 12 months from 30 April 2020;
- d. The substantial shareholder of the Company, Capital Square Co., Ltd. ("**Capital Square**"), has undertaken:
 - (i) to provide financial and other support to the Company at least for the next 12 months from 30 April 2020 if the need arises to enable the Group to continue to trade and to meet its liabilities; and
 - (ii) not to demand for repayment in cash for any amount due to Capital Square, including the S\$0.2 million short-term loan ("**CS Loan**") and its corresponding 5% p.a. interests, in the next 12 months from 30 April 2020;
- e. Bounty Blue has demonstrated its financial commitment to the Company in the past through providing continuous financial support to the Group. Owing to its continuing interest in the Company as a controlling shareholder and its ultimate shareholder, Mr Saito

Hiroyuki, being the Executive Chairman and CEO of the Company, it is cognizant of the Group's requirements and has assured the Company that it will continue to provide the requisite funding for the Group's working capital purposes;

- f. The Group continues to take steps to focus on operational excellence, tighten cost controls, conserve the Group's cash flow and manage the working capital; and
- g. The Company is exploring other financing options to improve its liquidity, including short-term debt financing, should the need arises.

For (b):

Under Rule 1303(3) of the Catalist Rules, the SGX-ST may any time suspend trading when the issuer is unable to continue as a going concern or unable to demonstrate to the SGX-ST and its shareholders that it is able to do so, including the following circumstances:

- (a) when an application is filed with a court to place the issuer (or significant subsidiary) under judicial management;
- (b) when an application is filed with a court for the liquidation of the issuer (or significant subsidiary) and the amount of the debt alleged is significant; or
- (c) when the issuer is unable to reasonably assess its financial position and inform the market accordingly.

As explained above, the Board has provided its bases that the Group is able to continue operating as a going concern. In addition, the Board of Directors are also of the view that the Group does not fall into any of the abovementioned circumstances set out in Rule 1303(3) of the Catalist Rules. As such, the Board is of the opinion that trading of the Company's shares should not be suspended.

For (c):

The Board of Directors has continuously monitored the Company's operations and receives reports from the management about the Company's performance and financial status, and nothing material has come to the Board's attention that warrants further disclosure to shareholders of the Company. In this regard, the Board confirms that, to the best of its knowledge and belief, all material information has been announced to enable trading of the Company's shares to continue.

By Order of the Board

Saito Hiroyuki
Executive Chairman and Chief Executive Officer
12 May 2020

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

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