

CIRCULAR DATED 15 AUGUST 2017

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**This Circular is issued by Lifebrandz Ltd. (the “Company”, and together with its subsidiaries, the “Group”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the issued and paid-up share capital of the Company, you should immediately forward this Circular together with the Notice of EGM (as defined herein) and the enclosed Proxy Form to the purchaser or transferee, or to the bank, stockbroker, or agent through whom you effected the sale for onward transmission to the purchaser or the transferee. If you have sold or transferred all your Shares which are held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular, the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular and the accompanying documents to be sent to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Nathaniel C.V., Registered Professional, RHT Capital Pte. Ltd., Six Battery Road, #10-01 Singapore 049909, telephone (65) 6381 6757.



**LIFEBRANDZ LTD.**

(Incorporated in the Republic of Singapore on 7 November 2003)

(Company Registration Number 200311348E)

#### **CIRCULAR TO SHAREHOLDERS IN RELATION TO**

- (1) THE PROPOSED ACQUISITION OF 100% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF E-HOLIDAYS CO., LTD.;**
- (2) THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE TRAVEL BUSINESSES (AS DEFINED HEREIN);**
- (3) THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE FINTECH BUSINESSES (AS DEFINED HEREIN); AND**
- (4) THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE FUND MANAGEMENT BUSINESSES (AS DEFINED HEREIN)**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	: 28 August 2017 at 3.00 p.m.
Date and time of Extraordinary General Meeting	: 30 August 2017 at 3.00 p.m.
Place of Extraordinary General Meeting	: 2 Bukit Merah Central (formerly known as Spring Singapore) Podium Block, Level 3, Room P303 Singapore 159835



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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

<b>“ACRA”</b>	: The Accounting and Corporate Regulatory Authority of Singapore
<b>“Agreement”</b>	: The conditional sale and purchase agreement dated 28 July 2017 entered into between the Purchaser and the Vendors in relation to the Proposed Acquisition
<b>“Audit Committee”</b>	: The audit committee of the Company as at the Latest Practicable Date
<b>“Board” or “Board of Directors”</b>	: The board of directors of the Company
<b>“Catalist”</b>	: The sponsor-supervised listing platform of the SGX-ST
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Circular”</b>	: This circular to Shareholders dated 15 August 2017 in relation to the Proposed Acquisition and the Proposed Diversification
<b>“CMS Licence”</b>	: Capital markets services licence within the meaning of the Securities and Futures Act granted and regulated by the MAS
<b>“Company”</b>	: Lifebrandz Ltd.
<b>“Companies Act”</b>	: Companies Act (Cap. 50) of Singapore, as may be amended, modified, or supplemented from time to time
<b>“Completion”</b>	: Completion of the Proposed Acquisition and of all other relevant matters referred to in the Agreement
<b>“Completion Date”</b>	: Subject to the Conditions Precedent being satisfied or waived, the date falling not more than ten (10) business days after the satisfaction of the Conditions Precedent set out in the Agreement, or such other date as the parties may agree in writing, but in any event, before the Long-Stop Date
<b>“Conditions Precedent”</b>	: Satisfaction (or waiver thereof) of the matters set out in Section 2.4 of this Circular
<b>“Consideration”</b>	: The sum of S\$850,000.00, being the consideration for the Proposed Acquisition payable to the Vendors by the Purchaser
<b>“Constitution”</b>	: The Constitution of the Company
<b>“EGM”</b>	: The extraordinary general meeting of the Company to be convened on 30 August 2017 (or any adjournment thereof), the notice of which is set out on page N-1 to N-3 of this Circular
<b>“Encumbrances”</b>	: Any mortgage, assignment of receivables, debenture, lien, charge, pledge, security interest, title retention, right to acquire, options, restriction on transfer and any other encumbrance or condition whatsoever and any other arrangement having substantially the same or similar economic effect over or in respect of the relevant asset, security or right or the use thereof



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## DEFINITIONS

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<b><i>“Existing Business”</i></b>	: The existing business of the Company of brand development and management specialising in the lifestyle and entertainment sectors
<b><i>“Financial Advisers Act”</i></b>	: Financial Advisers Act (Cap. 110) of Singapore, as may be amended, modified, or supplemented from time to time
<b><i>“Fintech”</i></b>	: Financial Technology
<b><i>“Fintech Business”</i></b>	: The business of providing Fintech to financial and non-financial institutions which will enable these institutions to provide automated financial advice to their clients, including IT support services, more particularly described in in Section 3.3.2. of this Circular
<b><i>“Fund Management Business”</i></b>	: The business of providing fund management services, such as undertaking on behalf of customers the management of a portfolio of securities or futures contracts, or foreign exchange trading and leveraged foreign exchange trading for the purpose of managing the customer’s funds, more particularly described in Section 3.3.3. of this Circular
<b><i>“FY2016”</i></b>	: The financial year ended 31 July 2016
<b><i>“Group”</i></b>	: The Company and its subsidiaries, collectively
<b><i>“IT”</i></b>	: Information technology
<b><i>“Latest Practicable Date”</i></b>	: 8 August 2017, being the latest practicable date prior to the printing of this Circular
<b><i>“Listing Manual”</i></b>	: The Listing Manual of the SGX-ST Section B: Rules of Catalist, as may be amended, modified, or supplemented from time to time
<b><i>“LL”</i></b>	: Leaffield Ltd.
<b><i>“Long-Stop Date”</i></b>	: Six (6) months from the date of the Agreement or such other date as otherwise agreed in writing between the parties
<b><i>“MAS”</i></b>	: The Monetary Authority of Singapore
<b><i>“MO”</i></b>	: Masahiko Okabe
<b><i>“Morgan Stanley”</i></b>	: Morgan Stanley Asia (Singapore) Pte. Ltd.
<b><i>“New Businesses”</i></b>	: The Travel Business, the Fintech Business, and the Fund Management Business collectively
<b><i>“Notice of EGM”</i></b>	: The notice of the EGM as set out on pages N-1 to N-3 of this Circular
<b><i>“NTA”</i></b>	: Net tangible assets
<b><i>“Ordinary Resolutions”</i></b>	: The ordinary resolutions as set out in the Notice of EGM
<b><i>“Placement”</i></b>	: Placement of 10,420,000 Shares in the capital of the Company at S\$0.048 for each subscription Share to Yoshio Ono and Kayoko Francis issued under the general Share issue mandate approved by Shareholders at the annual general meeting of the Company held on 21 November 2016



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## DEFINITIONS

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<b><i>“Proposed Acquisition”</i></b>	: The proposed acquisition of the Share Capital by the Purchaser from the Vendors
<b><i>“Proposed Diversification”</i></b>	: The proposed diversification of the Group’s Existing Business to include the New Businesses
<b><i>“Purchaser”</i></b>	: Takumi Holidays Pte. Ltd., a wholly-owned subsidiary of the Company
<b><i>“RFMC”</i></b>	: A registered fund management company, a corporation which is exempted from holding a CMS Licence pursuant to paragraph 5(1)(i) of the Second Schedule of the SF(LCB)R
<b><i>“Rights cum Warrants Issue”</i></b>	: Renounceable non-underwritten rights cum warrants issue of up to 122,400,000 rights Shares at an issue price of S\$0.025 for each rights Share, with up to 122,400,000 warrants, each warrant carrying the right to subscribe for one (1) warrant Share at an exercise price of S\$0.05 for each warrant Share, on the basis of two (2) rights Share with two (2) warrants for every one (1) existing Share (adjusted for the Share Consolidation (as defined below)) held by Shareholders as at the rights issue books closure date, fractional entitlements to be disregarded
<b><i>“Securities Account”</i></b>	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b><i>“Securities and Futures Act”</i></b>	: Securities and Futures Act (Cap. 289) of Singapore, as may be amended, modified, or supplemented from time to time
<b><i>“SF(LCB)R”</i></b>	: Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Regulation 10), as may be amended, modified, or supplemented from time to time
<b><i>“SGX-ST”</i></b>	: Singapore Exchange Securities Trading Limited
<b><i>“SGXNET”</i></b>	: The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<b><i>“Share Capital”</i></b>	: The entire paid-up and issued share capital of the Target Company
<b><i>“Share Consolidation”</i></b>	: Consolidation of every fifty (50) existing Shares held by Shareholders as at the share consolidation books closure date into one (1) consolidated Share, fractional entitlements to be disregarded
<b><i>“Shareholders”</i></b>	: Registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares, and each a <b>“Shareholder”</b>
<b><i>“Shares”</i></b>	: Ordinary shares in the capital of the Company, and each a <b>“Share”</b>
<b><i>“SingAlliance”</i></b>	: SingAlliance Pte Ltd



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## DEFINITIONS

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<b>“Singapore”</b>	: The Republic of Singapore
<b>“Substantial Shareholder”</b>	: A person (including a corporation) who holds (directly or indirectly) not less than five per cent (5%) of the total votes attached to all the voting Shares in the Company
<b>“S\$” and “cents”</b>	: Singapore dollars and cents respectively, the lawful currency of Singapore
<b>“Target Company”</b>	: e-Holidays Co., Ltd.
<b>“Travel Business”</b>	: The business of providing leisure and travel consultancy services and the provision of ticketing and agency services, more particularly described in Section 3.3.1. of this Circular
<b>“Vendors”</b>	: LL and MO collectively
<b>“US\$”</b>	: United States Dollars, the lawful currency of the United States of America
<b>“¥”</b>	: Japanese yen, the lawful currency of Japan
<b>“%” or “per cent”</b>	: Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”**, and **“Depository Register”** have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

The expressions **“subsidiary”** or **“related corporations”** shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations where applicable.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Listing Manual, or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual, or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to **“we”**, **“us”** and **“our”** in this Circular is a reference to the Group or any member of the Group as the context requires.



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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “**seek**”, “**expect**”, “**anticipate**”, “**estimate**”, “**believe**”, “**intend**”, “**project**”, “**plan**”, “**strategy**”, “**forecast**” and similar expressions or future or conditional verbs such as “**will**”, “**if**”, “**would**”, “**should**”, “**could**”, “**may**” and “**might**”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.



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## LETTER TO SHAREHOLDERS

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### LIFEBRANDZ LTD.

(Incorporated in the Republic of Singapore on 7 November 2003)  
(Company Registration Number 200311348E)

#### BOARD OF DIRECTORS

Mr Saito Hiroyuki	<i>(Executive Chairman / Chief Executive Officer)</i>
Mr Chng Weng Wah	<i>(Non-Executive Director)</i>
Mr Lim Kee Way Irwin	<i>(Independent Director)</i>
Mr Nishijima Osamu	<i>(Independent Director)</i>
Mr Yamaguchi Hiroyuki	<i>(Independent Director)</i>

#### REGISTERED OFFICE:

80 Raffles Place  
#41-02 UOB Plaza 1  
Singapore 048624

15 August 2017

To : The Shareholders of Lifebrandz Ltd.

Dear Sir / Madam

- (1) **THE PROPOSED ACQUISITION OF 100% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF E-HOLIDAYS CO., LTD.;**
- (2) **THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE TRAVEL BUSINESSES (AS DEFINED HEREIN);**
- (3) **THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE FINTECH BUSINESSES (AS DEFINED HEREIN); AND**
- (4) **THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE FUND MANAGEMENT BUSINESSES (AS DEFINED HEREIN)**

#### 1. INTRODUCTION

- 1.1. The Board is convening the EGM to be held on 30 August 2017 at 3.00 pm at 2 Bukit Merah Central (formerly known as Spring Singapore), Podium Block, Level 3, Room P303, Singapore 159835 to seek Shareholders' approval for the Proposed Acquisition and the Proposed Diversification.
- 1.2. The purpose of this Circular is to provide Shareholders with relevant information pertaining to, and to explain the rationale for, the Proposed Acquisition and the Proposed Diversification, as well as to seek Shareholders' approval for the Ordinary Resolutions relating to the same to be tabled at the forthcoming EGM. The Notice of EGM is set out on pages N-1 to N-3 of this Circular.
- 1.3. This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched to by the Company) or for any other purpose.

#### 2. THE PROPOSED ACQUISITION

##### 2.1. **The Agreement**

- 2.1.1. On 28 July 2017, the Company announced that the Company's wholly-owned subsidiary, Takumi Holidays Pte. Ltd. (the Purchaser), whose principle businesses are in the leisure and travel consultancy industries and the provision of ticketing and agency services, had entered into the Agreement with the Vendors,



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## LETTER TO SHAREHOLDERS

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pursuant to which the Purchaser had agreed to acquire the Share Capital of the Target Company from the Vendors.

- 2.1.2. In connection therewith, the Company also announced its intention to diversity into the Travel Business (elaborated in Section 3 below).

**2.2. Information on the Vendors and the Target Company**

**2.2.1. The Vendors**

The Vendors are collectively the existing legal and beneficial owners of 100% of the Share Capital of the Target Company.

LL is a company incorporated in Japan located in Tokyo, Japan. LL holds 550 shares out of 765 shares, being the total number of issued shares of the Target Company. The shares owned by LL represents, approximately, 71.9% of the total voting rights of the Target Company.

MO, a Japanese citizen, is currently a director of the Target Company and holds the remaining 215 shares of the Target Company. This represents, approximately, 28.1% of the total voting rights of the Target Company.

**2.2.2. The Target Company**

The Target Company is a company incorporated in Japan carrying on the business of providing travel agency services, non-life insurance services and such related services. As at the date of the Agreement, the Target Company has a Share Capital of ¥69,500,000.00 which is divided into 765 shares (which is approximately S\$848,596.00 based on an approximate exchange rate of S\$1.00 : ¥81.90 as at 27 July 2017).

The Target Company provides enquiry services for leisure travel, which includes advising and making arrangements for air tickets and accommodation and advising on leisure travel packages. The Target Company also offers other travel-related services and products such as arranging for travel insurance, visa applications, and land transfers between airport and accommodation.

**2.3. Principal terms of the Proposed Acquisition**

**2.3.1. Sale of Share Capital**

On the terms and subject to the conditions in the Agreement, each of the Vendors agrees to sell and transfer to the Purchaser, and the Purchaser thereby agrees to acquire from the Vendors, all of the Vendors' rights, title, and interest in the Share Capital free and clear of all Encumbrances, together with all rights, entitlements and benefits then and thereafter attaching thereto.

**2.3.2. Consideration**

The total Consideration for the Proposed Acquisition payable to the Vendors by the Purchaser is S\$850,000.00, payable by way of cash upon Completion.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendors and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the NTA of the Target Company, which is ¥41,399,168.00 based on the audited accounts of the Target Company as at 31 October 2016 (which is approximately S\$505,484.00 based on an approximate exchange rate of S\$1.00 : ¥81.90 as at 27 July 2017).



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## LETTER TO SHAREHOLDERS

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### 2.4. Conditions Precedent in relation to the Proposed Acquisition

Completion of the Proposed Acquisition shall be conditional upon the following Conditions Precedent being satisfied (or waived):

- (1) the resolution of the board of directors of the Purchaser having been obtained for the entry into and completion of the Proposed Acquisition;
- (2) the resolution of the board of directors and (if applicable), the approval of shareholders (or equivalent persons) of the Vendors having been obtained for the entry into and the completion of the Proposed Acquisition;
- (3) the resolution of the board of directors and (if applicable) the approval of the shareholders of the Target Company having been obtained for the completion of the Proposed Acquisition;
- (4) the resolution of the Board and (if applicable) the approval of Shareholders having been obtained for the entry into and completion of the Proposed Acquisition;
- (5) service agreements to be entered into between the Target Company and each of the key management personnel of the Target Company, being MO, Daiki Fujiyoshi, Hiromi Ko, Yusaku Goto, and Yat Nien Wang, each an existing director of the Target Company as at the date of the Agreement, on terms to be mutually agreed between the Vendors, the Purchaser, the Target Company, and the respective key management personnel;
- (6) all necessary consents, approvals, and waivers of any government bodies, stock exchange, and other regulatory authority having jurisdiction over the Proposed Acquisition (whether in Singapore, Japan, and/or any other applicable jurisdiction) and all other transactions in connection therewith and incidental thereto, having been obtained or procured by the Purchaser or the Vendors, as the case may be, including without limitation:
  - (a) (if required) the approval in-principle of the SGX-ST being obtained by the Company for the Proposed Acquisition; and
  - (b) (if applicable) the approval of the relevant authorities being obtained by the Vendors for the Proposed Acquisition,

such consents, approvals and waivers not having been amended or revoked before the Completion Date, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled;

- (7) no relevant authority taking, instituting, implementing, or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:
  - (a) make the transactions contemplated in the Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
  - (b) render the Purchaser unable to purchase or acquire the Share Capital in the manner set out in the Agreement; and/or
  - (c) render the Vendors unable to sell or dispose the Share Capital in the manner set out in the Agreement;



## LETTER TO SHAREHOLDERS

- (8) each of the representations, undertakings, and warranties of the Vendors under the Agreement being complied with, true, complete, accurate, and correct in all material respects and not misleading in any material respect as at the Completion Date, as if repeated as at the Completion Date and at all times between the date of the Agreement and as at the Completion Date;
- (9) the satisfactory outcome of due diligence carried out by the Purchaser into the financial, legal and business of the Target Company and title to its assets; and
- (10) there being no material adverse changes to the financial condition or operations of the Target Company.

### 2.5. Relative Figures under Rule 1006 of the Listing Manual

- 2.5.1. Based on the audited consolidated financial results of the Group for FY2016, the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

BASE OF CALCULATION		RELATIVE FIGURES (%)
(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 the Proposed Acquisition
(b)	The net profits attributable to the Target Company, compared with the Group's net profits	Not meaningful as the relative figure is a negative figure due to the net loss position of the Group for FY2016 <sup>(1)</sup>
(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	11.2% <sup>(2)</sup>
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities of the Company previously in issue	This basis is not applicable as the Proposed Acquisition does not entail the issuance of equity securities by the Company as consideration for the Proposed Acquisition
(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 not applicable as it is only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company

#### Notes:

- (1) The relative figure computed is a negative figure of 12.8% based on the audited net profit of the Target Company of approximately ¥11,181,414.00 (which is approximately S\$136,525.00 based on an approximate exchange rate of S\$1.00 : ¥81.90 as at 27 July 2017) for the financial year 31 October 2016.
- (2) The market capitalisation of the Company was approximately S\$7,586,182.00 determined by multiplying the 194,019,988 shares in Shares in issue as at the announcement dated 28 July 2017, by the weighted average price of the Company's Shares of S\$0.0391 per Share based on trades done on the Catalist board on 27 July 2017 (being the last market day preceding the date of the Agreement).



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## LETTER TO SHAREHOLDERS

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2.5.2. Based on the relevant figures computed under Rule 1006 of the Listing Manual, as the relative figures computed under Rule 1006(c) exceeds 5.0% but does not exceed 75.0%, the Proposed Acquisition constitutes a disclosable transaction under Rule 1010 of the Listing Manual. As such, Shareholders' approval will not be required for the Proposed Acquisition.

2.5.3. Notwithstanding that the Proposed Acquisition constitutes a disclosable transaction under Rule 1010 of the Listing Manual and as such would not require Shareholders' approval, the Company will nevertheless be seeking Shareholders' approval for the Proposed Acquisition at the EGM.

### 2.6. **Pro forma financial effects**

2.6.1. The *pro forma* financial effects of the Proposed Acquisition are based on the audited accounts of the Company for FY2016. The *pro forma* financial effects are only presented for illustration, and are not intended to reflect the actual future financial situation of the Company after completion of the Proposed Acquisition.

2.6.2. For clarity, the *pro forma* financial effects of the Proposed Acquisition set out below do **not** take into account:

- (1) the Rights cum Warrants Issue, which was approved by Shareholders during the extraordinary general meeting convened on 13 April 2017. Pursuant the Rights cum Warrants Issue, 122,399,992 rights Shares and 122,399,992 warrants had been issued;
- (2) the Share Consolidation, which was also approved by Shareholders during the extraordinary general meeting convened on 13 April 2017. Following the Share Consolidation, the Company had 183,599,988 issued Shares; and
- (3) the Placement, following the completion of which the issued and paid-up Share capital of the Company increased from S\$58,016,003.00 comprising 183,599,988 Shares to approximately S\$58,500,163.00 comprising 194,019,988 Shares.

### 2.6.3. **NTA**

Assuming that the Proposed Acquisition had been completed on 31 July 2016, the effect on the NTA per Share of the Company as at 31 July 2016 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to Shareholders (SGD \$'000)	(158)	(502)
Number of shares in the capital of the Company ('000)	3,060,000	3,060,000
NTA per Share attributable to Shareholders (SGD Cents)	(0.01)	(0.02)



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## LETTER TO SHAREHOLDERS

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### 2.6.4. Earnings per share ("EPS")

Assuming that the Proposed Acquisition had been completed on 31 July 2016, the effect on the EPS of the Company for FY2016 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Loss after tax attributable to Shareholders (SGD '000)	(1,064)	(928)
Weighted average number of shares ('000)	3,060,000	3,060,000
Loss per share (SGD Cents)	(0.035)	(0.030)

## 3. THE PROPOSED DIVERSIFICATION

### 3.1. Introduction

In connection with the Proposed Acquisition, the Company had also announced that it was intending to diversify into the Travel Business. On 3 August 2017, the Company announced that subject to the approval of Shareholders and in addition to the Travel Business, the Company also intended to diversify into the Fintech Business and the Fund Management Business.

### 3.2. Existing Business of the Group and background information

- 3.2.1. The Group's Existing Business focuses on brand development and management specialising in the lifestyle and entertainment sectors. The Group's entertainment venues seek to be the anchor entertainment concept both locally and internationally. Its brand portfolio comprises leading brands which are proprietary or are licensed from its valued principals, thus catering to a wide range of market tastes and needs.
- 3.2.2. The Group had been affected by the global economic slow-down which resulted in the Group incurring a substantial loss for the past few financial years. As part of the Board's ongoing strategic corporate strategy to better position the Group to achieve long-term sustainable growth across diverse economic conditions, the Company is and has been seeking and exploring opportunities in other businesses with good prospects for growth in the long run, and to adopt a diversification approach in its long-term growth strategy, with the priority of broadening the Group's revenue stream so as to sustain and enhance Shareholders' value and returns.
- 3.2.3. In order to achieve these objectives, the Company intends, subject to the approval of its Shareholders at the EGM, to diversify its Existing Business to include the New Businesses.

### 3.3. The New Businesses

#### 3.3.1. The Travel Business

The Travel Business will entail the provision of leisure and travel consultancy and ticketing agency services. The Target Company currently provides enquiry services for leisure travel, which includes advising and making arrangements for air tickets and accommodation and advising on leisure travel packages. The Target Company also offers other travel-related services and products such as arranging for travel insurance, visa applications, and land transfers between airport and accommodation.

In addition to this, the Travel Business is also intended to:

- (1) provide customised travel arrangements, such as providing charter services of private jets and helicopters, for high net-worth individuals;
- (2) in conjunction with the aforementioned, this will also include the arrangement of meetings, incentives, conferences, and exhibitions trips for these individuals as well as their corporate clients. This service may entail the planning of the itineraries for its customers, pre-booking



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the necessary air-tickets and accommodation, sourcing for the location of the meetings, and assisting with visa applications; and

- (3) enter into the medical tourism industry by providing travel arrangements for such interested clients. It will seek to partner with airlines and medical facilities in order to facilitate this part of the business.

In order to achieve the Group's aims for the Travel Business, it is also envisioned that internet platforms and partnerships with online travel agents will be utilised in order to capture market and generate revenue growth. The Travel Business will focus on the Japan travel market with the aim of expanding its services to the Asia-Pacific region.

The Group will operate the Travel Business independently via the Proposed Acquisition of the Target Company, which will allow the Travel Business to commence immediately upon Shareholders' approval.

### 3.3.2. The Fintech Business

Briefly, the Fintech industry is generally composed of companies which utilise new technology and innovation in order to compete in the marketplace of traditional financial institutions and intermediaries in the delivery of financial systems. The provision of Fintech usually entails the automation of finance via online platforms and covers areas such as insurance, trading, financing (for example, crowdfunding, micro-loans and credit facilities), money transfers, payments and investments (for example, equity crowdfunding and peer-to-peer lending (P2P lending) via the use of blockchain technology and infrastructure). The Company's proposed diversification into the Fintech Business is a recognition that technology in the financial industry has entered into an era of accelerated growth, both on a domestic and international scale.

In light of the growing demand for innovative Fintech products, the Fintech Business is intended to:

- (1) develop new platforms and products, such as tools for consolidated portfolio and monitoring and portfolio analysis, for the financial industry. In particular, the Fintech Business aims to provide Fintech products and the relevant support to both financial and non-financial institutions which will enable such institutions to provide automated (financial) advice to their clients. These platforms developed will provide its institutional customers with an efficient and reliable platform to handle their back-end transactional and operational needs;
- (2) provide internet-based tools and mobile-friendly applications for financial institutions and financial advisers to be utilised in their portfolio and investment planning. The Fintech Business will also seek to develop its own applications in order to allow its institutional customers to work on the move; and
- (3) provide IT maintenance solutions to the Fintech platforms developed and utilised by the Fintech Business, as well as other necessary maintenance for the Group's existing IT infrastructure. While the aforementioned is the short-term objective in relation to the provision of IT maintenance solutions, it is envisaged that depending on the market conditions in the future such services may also be provided to third party entities outside of the Group. The focus of the IT solutions component of the Fintech Business will primarily be on the areas of (a) systems integration, (b) maintenance services, and (c) hosting services.

The Fintech Business will become a new segment of the Group's business, which will be operated via a new vehicle or vehicles for the purpose of risk management. The Company intends to take the necessary steps, including but not limited to setting up new subsidiaries, exploring joint ventures or strategic alliances with third parties who have the relevant expertise and resources to carry out the Fintech Business as and when the opportunity arises in order to undertake the Fintech Business. In the event that the Group enters into joint venture(s) and/or strategic alliances with third parties, the Group



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will be able to leverage on the knowledge and expertise of such potential joint venture partners for the Fintech Business by drawing on their expertise and network of contacts to facilitate further strategic partnerships and commercial opportunities to support and strengthen the Group's investments and venture into the Fintech Business. The Group may have to invest in hardware or software if it sets up a subsidiary to conduct the Fintech Business, which may be financed through internal resources or hire purchase arrangement(s). Further to this, the Group could also either seek to develop its own proprietary technology or acquire such technology so as to develop the necessary Fintech platforms that it deems necessary to achieve the aims of the Fintech Business.

The Group may in this regard require licence(s) to operate the Fintech Business in Singapore as well as any other jurisdictions into which the Group may venture, depending on the evolving regulatory environment in relation to the Fintech industries of the Asia-Pacific region. The Group may apply for such licence(s) on its own or may collaborate with third parties who have such licence for its Fintech Business, in which case the Group may be required to pay royalty payments to such third parties. In the initial stage of the Fintech Business, the Group is likely to focus on the Singapore market, with a view to expand into the Asia-Pacific region.

The Group is currently considering several opportunities to commence and undertake the Fintech Business upon Shareholders' approval for the same, but no specific opportunities have been selected or confirmed as at the date of this Circular. The Group will update Shareholders at an appropriate time as and when it has confirmed any Fintech Business opportunities.

### 3.3.3. The Fund Management Business

The Fund Management Business is envisaged to entail the business of fund management within the meaning of the Securities and Futures Act, which involves the undertaking on behalf of customers the management of a portfolio of securities or futures contracts, or foreign exchange trading and leveraged foreign exchange trading for the purpose of managing the customer's funds. The Fund Management Business is envisioned to focus on managing private equity funds and fund of funds, and does not intend to restrict itself to any particular business sector, industry or country that presents growth opportunities for the Group.

The activities of the Fund Management Business will include but is not limited to the managing and maintaining the investment portfolio of clients, conducting investments, producing research notes as well as formulating and implementing investment strategies and solutions.

The revenue for the Fund Management Business is expected to be substantially derived from the management fees charged to the clients, as well as performance fees calculated as an agreed profit sharing of the profits achieved by the funds under its management. The Group will also have the opportunity to earn additional investment income from investing its own capital alongside that of the Group's fund investors and from the carried interest the Group receives from its funds. A carried interest entitles the sponsor of a fund to a specified percentage of investment gains that are generated on third-party capital that is invested. The Group will set out its policy or policies relating to actual or potential conflicts of interest that may arise in the course of the Fund Management Business to the Group's fund investors.

Fund management in Singapore is a regulated activity under the Securities and Futures Act, and is subject to the supervision and regulation of the MAS. The current regulatory regime requires a corporation carrying on the business of fund management to either hold a CMS Licence authorising it to carry on the businesses of fund management or be registered with MAS as a RFMC. If a corporation holds the aforementioned CMS Licence, it may carry on the business of fund management as either a licensed accredited / institutional fund management company, or a licensed retail fund management company. In the initial stages, the Group intends to undertake the Fund Management Business via the RFMC facility.

RFMCs may carry on business in Singapore in fund management on behalf of not more than 30 qualified investors (as defined in the SF(LCB)R), of which not more than 15 may be collective investment schemes,



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closed-end funds, or limited partnerships, and the total value of the assets managed by each RFMC shall not exceed S\$250 million. RFMCs will not be involved with retail investors.

In order to be registered as a RFMC, the Company and/or a subsidiary of the Company must meet the following requirements:

- (1) ensure that the minimum competency requirements of its key individuals are met. These requirements include, *inter alia*:
  - (a) having a minimum of 2 directors, each with at least 5 years' relevant experience, 1 of whom is to be an executive director residing in Singapore and employed full time in the day-to-day operations of the Company and/or a subsidiary of the Company, and 1 of whom is to be the chief executive officer;
  - (b) employing at least 2 relevant professionals, each with at least 5 years' relevant experience and who are residing in Singapore. Relevant professionals may include the directors, chief executive officer and representatives of the Company and/or a subsidiary of the Company; and
  - (c) employing at least 2 representatives residing in Singapore. Representatives are individuals who conduct the regulated activity of fund management such as portfolio construction and allocation, research and advisory, business development and marketing or client servicing, and may include the directors and chief executive officer of the Company and/or a subsidiary of the Company;
- (2) satisfy MAS that the shareholders, directors, representatives and employees of the Company and/or a subsidiary of the Company, and the Company and/or a subsidiary of the Company itself, are fit and proper in accordance with the Guidelines on Fit and Proper Criteria issued by MAS;
- (3) ensure that the Company and/or a subsidiary of the Company shall at all times meet the base capital thresholds set out in the SF(LCB)R, which vary from S\$250,000.00 to S\$1,000,000.00, depending on the category of fund management in question;
- (4) ensure that the Company and/or a subsidiary of the Company has in place compliance arrangements that are commensurate with the nature, scale and complexity of its business;
- (5) ensure that the Company and/or a subsidiary of the Company has in place a risk management framework to identify, address and monitor the risks associated with client assets that it manages, as required by the SF(LCB)R;
- (6) ensure that the business activities of the Company and/or a subsidiary of the Company are subject to adequate internal audit; and
- (7) ensure that the Company and/or a subsidiary of the Company shall meet the annual audit requirements as set out in the Securities and Futures Act and the SF(LCB)R.

The Fund Management Business will become a new segment of the Group's business, which will be operated via a new vehicle or vehicles for the purpose of risk management. The Company intends to take the necessary steps, including but not limited to setting up new subsidiaries, exploring joint ventures or strategic alliances (in relation to the Fund Management Business, and/or applying for the relevant registration / licenses from the MAS and/or other relevant authorities) in order to undertake the Fund Management Business via the RFMC facility.

The Group may, in future, consider applying to MAS for the requisite CMS Licence to carry out the regulated activity of fund management in Singapore as a (i) licensed accredited / institutional fund management company, which would enable the Group carrying out the Fund Management Business



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to engage in fund management with qualified investors only, but without restriction on the number of qualified investors; or a (ii) licensed retail fund management company, which would enable the Group to carry on business in fund management with all types of investors.

In the event that the Company and/or a subsidiary of the Company does decide to apply for the requisite CMS Licence to carry out the regulated activity of fund management in the future, the Company and/or a subsidiary of the Company carrying on the Fund Management Business may be required to hold certain levels of assets or monies to meet any risk-based capital adequacy requirements imposed by MAS.

In the initial stage of the Fund Management Business, the Group is likely to focus on the Singapore market, with a view to expand into the Asia-Pacific region. Aside from the relevant approval from the MAS required by the Group for it to undertake the Fund Management Business in Singapore, the Group may in this regard require licence(s) to operate the Fund Management Business in such other jurisdictions into which the Group may venture, depending on the evolving regulatory environment in relation to the Fund Management industries of the Asia-Pacific region. The Group may apply for such licence(s) on its own or may collaborate with third parties who have such licence(s) for its Fund Management Business, in which case the Group may be required to pay royalty payments to such third parties.

The Group is considering several opportunities to commence and undertake the Fund Management Business upon Shareholders' approval for the same, but no specific opportunities have been selected or confirmed as at the date of this Circular. The Group will update Shareholders at an appropriate time as and when it has confirmed any Fund Management Business opportunities.

### 3.4. **Rationale for the Proposed Diversification**

The Company proposes to diversify its Existing Business to include the New Businesses for the following reasons:

#### 3.4.1. Potential in the New Businesses to provide additional and recurrent revenue streams with a view to achieving long-term growth

The Company has identified the New Businesses as business activities which will provide the Group with sustainable and long-term prospects of profitability and growth for the Group.

The Group, being in the business of brand development and management specialising in the business of lifestyle and entertainment sectors, would be able to leverage its expertise and contacts in the food and beverage industry to provide synergy with the Travel Business.

By entering into the New Businesses, the Company intends to rely on the New Businesses to provide it with an alternative revenue stream. This is part of its ongoing strategic corporate strategy to enter into high-growth opportunities industries.

As such, the Company believes that the New Businesses are expected to provide additional and recurrent revenue streams for the Group, with a view to enhancing Shareholder's value over the long term and achieving long-term growth.

#### 3.4.2. The Proposed Diversification may provide a more diversified business and income base, reducing reliance on the Existing Business

The Company is mindful of the need to diversify and create new profitable revenue streams. Given the uncertainties prevailing in the current global economic outlook, the Board believes that it is prudent to take active steps to reduce reliance on the Group's Existing Business. For a start, the Board believes that the Proposed Diversification will allow the Group to have better prospects of profitability and ensure longer-term growth, and the New Businesses represent the first step taken by the Company to building up a profitable revenue stream. The Proposed Diversification would provide the Group with diversified returns and would contribute an additional stream of revenue and earnings for the Group. This would



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enable the Group to extend its revenue base so that it is not dependent entirely on its Existing Business for its revenue.

By diversifying its business to include the New Businesses, the Group will also be able to gain access to new business opportunities, and if the New Businesses generate profit for the Group, it will likely enhance Shareholders' value. However, the Group is not closed to the possibility that it may need to venture into other businesses other than the New Businesses. As at the date of this Circular, save for the New Businesses, the Company has not finalised any substantive plans to diversify into any other specific businesses. It will make the relevant announcements to keep Shareholders updated when such other businesses are identified.

3.4.3. The Proposed Diversification will give the Group the flexibility to enter into transactions relating to the New Businesses in the ordinary course of business

Subject to Section 3.7 below, once the Shareholders approve the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the New Businesses without having to seek Shareholders' approval. This can be done as long as such transactions do not change the Group's risk profile, and will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions relating to the New Businesses arise. This will provide the Group with greater flexibility to pursue business opportunities which may be time-sensitive in nature, and is likely to substantially reduce the expenses associated with the convening of general meetings from time to time.

The Company, in accordance with Rules 1002 and 1014 of the Listing Manual and paragraphs 5 and 7 of Practice Note 10A of the Listing Manual, will in its normal course of business, be able to enter into any transactions relating to the New Businesses without the need for further Shareholders' Approval even if such transactions constitute a "**major transaction**" within the meaning of the Listing Manual. However, Shareholders' approval will nevertheless be required if these transactions change the risk profile of the Group. In particular, the Company will seek further Shareholders' approval for any transactions which will result in, *inter alia*, the following:

- (i) if the acquisition will increase of the scale of the Company's existing operations significantly. An acquisition is regarded as increasing the scale of operations significantly if any of the relative figures computed on the bases set out in Rule 1006(c) and 1006(d) of the Listing Manual is 100% or more. Rule 1015 of the Listing Manual requires Shareholder approval to be obtained for such an acquisition regardless of whether the acquisition is treated as in the Company's ordinary course of business. Such an acquisition may be treated as a "**very substantial acquisition**" within the meaning of the Listing Manual;
- (i) if the acquisition will result in a change in control of the Company. Rule 1015 of the Listing Manual requires Shareholder approval to be obtained if the acquisition will result in a change in control of the Company regardless of whether the acquisition is treated as in the Company's ordinary course of business. Such an acquisition may be treated as a "**reverse takeover**" within the meaning of the Listing Manual;
- (ii) whether the acquisition will have a significant adverse impact on the Company's earnings, working capital, and gearing; and
- (iii) the extent to which the acquisition will result in an expansion of the Company's business to a new geographical market and/or a new business sector.

3.4.4. The New Businesses are expected to bring the Group a wider network of contacts and business opportunities

The Board believes that the New Businesses will augment and strengthen the Group, as well as its Existing Business, by, *inter alia*, providing access to financial services and funding, and exponentially



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increasing the Group's network of contacts, which may potentially lead to fresh business opportunities for the Group. When the New Businesses become successful, the Group will then be able to demonstrate to the market that it has developed a new and viable business, granting the Group to easier access to the financial market for funding.

3.4.5. The New Businesses seek to capitalise on growth prospects of Singapore, Japan and the Asia-Pacific region

The Board believes that the New Businesses will place the Group in a better position to capitalise on the growth prospects of Singapore, Japan and the Asia-Pacific region. The Group intends to position itself to take advantage of these growth prospects in order to strengthen the Group's turnover and profit, and thereby enhance Shareholders' value and return.

3.4.6. The New Businesses are expected to bring the Group additional funds for enhancing of Shareholder value

The Board believes that the revenue generated from the New Businesses may provide the Group with additional funds, which can be channelled towards the enhancement of Shareholder value over the long-term.

3.5. **Key management personnel for the New Businesses**

3.5.1. Key management personnel for the Travel Business

The Travel Business will be overseen by Mr Wyne Png Chee Chen ("**Mr Png**"), a director of Takumi Holidays Pte. Ltd., a wholly-owned subsidiary of the Company. Mr Png has approximately 14 years of experience in the travel and tourism industry, having started his career with Chan Brothers Travel Pte Ltd. He has developed a skillset in developing travel packages and products during his 14 years in the travel and tourism industry. Mr Png is also experienced in the area of marketing and business development through his time at H.I.S International Travel Pte. Ltd. (Singapore Branch).

3.5.2. Key management personnel for the Fintech Business and Fund Management Business

The Fintech and Fund Management Businesses will be overseen by Ms Kayoko Francis ("**Ms Francis**"), who has more than 14 years of experience in Capital Markets and Private Wealth Management in China (Beijing & Shanghai), Hong Kong and Singapore. She has dealt with and advised both institutional and high net worth individuals.

Ms Francis graduated from University of London, United Kingdom, with a degree in Bachelor of Arts (Hons), majoring in Chinese and Economics. She has also attained the relevant banking regulatory qualifications to work in Singapore and Hong Kong. Ms Francis started her career with Deloitte Touche Tohmatsu (China) Limited in 2003, focusing on financial and commercial due diligence work, based in Beijing and Shanghai. She has also worked for SingAlliance as a portfolio manager for five years. She has managed over US\$600 million worth of assets. Ms Francis is experienced in the workings of the capital markets, particularly in fixed income, equities, foreign exchange and alternative investment for European and Asian clients.

Prior to working in SingAlliance, she was an investment advisor of the private wealth management division with Morgan Stanley where she managed portfolios for ultra-high net worth clients & institutional clients from Asia as well as Europe. During her time at Morgan Stanley, she developed comprehensive market knowledge and investment expertise.

Ms Francis has also worked for Citigroup Global Markets in Hong Kong as an equity trader in the Asia/ Japan proprietary team, focusing on Japan equities for 4 years.

3.5.3. Hiring of key management personnel

The Group intends to hire qualified personnel with suitable expertise and experience to support the growth of the New Businesses, as and where appropriate. Each management team of the New



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Businesses may also, where appropriate, seek the advice of external consultants and industry experts when making decisions in respect of the New Businesses. The Board will also receive updates directly from the management on the health of the New Businesses and where necessary or appropriate, direct the appointment of in-house or external consultants or professional advisers to assist the management in the New Businesses.

### 3.6. Funding for the Proposed Diversification

#### 3.6.1. Funding for the Proposed Diversification for the New Businesses

The Group may fund the New Businesses through a combination of internal resources of funds, project financing, and borrowings from financial institutions. The Board will determine the optimal mix of internal funding and external funding, taking into account the cash flow of the Group and prevailing bank borrowing costs. Excluding the Existing Business, the Group currently has no major liabilities.

In addition, the Company may consider tapping the capital markets in various ways including but not limited to issuance of securities for cash by way of rights issues and placements and issuance of debt instruments as and when necessary and deemed appropriate.

### 3.7. Requirements under the Listing Manual

3.7.1. As the Proposed Diversification will involve new business areas which are substantially different from the Group's Existing Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek the Shareholders' approval to approve the Proposed Diversification.

3.7.2. Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in, or in connection with, the New Businesses, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a **"transaction"** under Chapter 10 of the Listing Manual.

3.7.3. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the New Businesses which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the New Businesses arise, even where they crossed the thresholds of a **"major transaction"**. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

3.7.4. Pursuant to Rule 1014 of the Listing Manual, **"major transaction"** is a transaction (as defined in Rule 1014 of the Listing Manual) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 75% but is less than 100% (for an acquisition) or exceeds 50% (for a disposal) and must be made conditional upon approval by Shareholders at a general meeting. Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in, or in connection with, the New Businesses, may be deemed to be in the ordinary course of business and therefore not fall under the definition of a **"major transaction"** under the Listing Manual for which Shareholders' approval is required.

3.7.5. For the avoidance of doubt, notwithstanding the Proposed Diversification, in respect of transactions:

- (1) which fall within the definition of Rule 1002(1) of the Listing Manual, Rules 1010 and 1014 of the Listing Manual will still apply;
- (2) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 100% or results in a change in control of the issuer, Rule 1015 of the Listing Manual will still apply to such transactions and such transactions will be, among others, made conditional upon approval by Shareholders at a general meeting;



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- (3) which constitute “**interested person transactions**” as defined under the Listing Manual, Chapter 9 of the Listing Manual will apply to such transactions and the Company will comply with the provisions of Chapter 9 of the Listing Manual; and
- (4) which involve the expansion of the New Businesses into other countries beyond Singapore, Japan and the Asia-Pacific region resulting in a consequential change in the risk profile of the Group, the Company will make the relevant announcement(s) and seek the approval of the Shareholders at a general meeting before venturing into countries other than in Singapore, Japan and the Asia-Pacific region.

### 3.8. Risk Factors

- 3.8.1. To the best of the Directors’ knowledge and belief, all the risk factors that are material to Shareholders in making an informed judgment on the Proposed Diversification are set out in Appendix A of this Circular. The New Businesses involve a number of risks, some of which, including market, liquidity, credit, operational, legal, and regulatory risks, may be material. Some risks are not yet known to the Company and there may be risks which the Company currently believes are not material at present but may subsequently turn out to be. The risk factors set out in Appendix A of this Circular should not be construed as a comprehensive list of all risk factors relating to the New Businesses. Shareholders should carefully consider and evaluate the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification.
- 3.8.2. This Circular may contain projections or other forward-looking statements regarding future events or future financial performance of countries, markets, or companies. Such projections and statements are only predictions and actual events or results may differ materially. Such projections and statements may be subject to various risks and uncertainties. Accordingly, there may be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should be read in conjunction with other cautionary statements included in this Circular and other filings by the Company. The Company does not undertake any obligation to publicly update or review any projections or forward-looking statements, whether as a result of new information, future developments, or otherwise.

### 3.9. Risk Management Measures and Safeguards

- 3.9.1. The Board recognises the importance of internal control and risk assessment for the smooth running of the Group’s business, including the New Businesses. To address the risks presented by the New Businesses to the Group, the Group currently has in place a system of risk management and internal controls as required by the Singapore Code of Corporate Governance 2012. If and/or when the Proposed Diversification is approved, the risks presented by the New Businesses to the Group will be managed under the existing system of risk management and internal controls, which will determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.
- 3.9.2. The Group will involve external parties, including its external and internal auditors, after it has gained more experience in the New Businesses. Where necessary, the Audit Committee will:
  - (1) review with the management, external and internal auditors of the adequacy and effectiveness of the Group’s internal control procedures addressing financial, operational, compliance and informational technology risks relating to the New Businesses; and
  - (2) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group’s operating results and/or financial position.



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## 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 4.1. The direct and deemed interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) <sup>(1)</sup>	Number of Shares	Shareholding (%) <sup>(1)</sup>
<b>Directors</b>				
Saito Hiroyuki <sup>(2)</sup>	-	-	18,387,340	9.48
Chng Weng Wah	-	-	180	-
<b>Substantial Shareholders (other than Directors)</b>				
Bounty Blue Capital Ltd <sup>(3)</sup>	-	-	18,387,340	9.48
Coffee Square Co., Ltd <sup>(4)</sup>	-	-	9,840,000	5.07

**Notes:**

- (1) Calculated based on 194,019,988 Shares.
- (2) Mr Saito Hiroyuki is deemed to be interested in the 18,387,340 Shares and 11,191,560 warrants held by Bounty Blue Capital Ltd. It is wholly owned by Rockwills Trustee Ltd, being the trustee of Blue Bay Trust (the "Trust"). The beneficiary and settlor of the Trust is Mr Saito Hiroyuki.
- (3) Bounty Blue Capital Ltd. is deemed to be interested in the 18,387,340 Shares held through UOB Kay Hian Private Limited.
- (4) Coffee Square Co., Ltd is deemed to be interested in the 9,840,000 Shares held through UOB Kay Hian Private Limited. It is wholly owned by Mr. Yoshitaka Kono.

- 4.2. Saved as disclosed above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition and the Proposed Diversification other than through their respective shareholdings in the Company.

## 5. DIRECTORS' RECOMMENDATION

The Directors, having considered, *inter alia*, the rationale for the Proposed Acquisition and the Proposed Diversification as set out in Section 3.4 of this Circular, are of the opinion that the Proposed Acquisition and Proposed Diversification are in the best interest of the Group and is not prejudicial to the interests of the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Acquisition and the Proposed Diversification at the EGM.

## 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held on 30 August 2017 at 3.00 p.m. for the purpose of considering and if, thought fit, passing, with or without modifications, the Ordinary Resolutions as set out in the Notice of EGM.

## 7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's registered office at 80 Raffles Place #41-02 UOB Plaza 1, Singapore 048624, not less than 48 hours before the time fixed for the holding of the EGM. The completion and return of the Proxy Form by such Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy should he subsequently wish to do so.



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Pursuant to the amended Section 81SJ(4) of the Securities and Futures Act, a Depositor will not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears of the Depository Register at least 72 hours before the EGM.

### 8. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Proposed Diversification, the New Businesses, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 Circular in its proper form and context.

### 9. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the Company's registered office at 80 Raffles Place #41-02 UOB Plaza 1, Singapore 048624 during normal business hours from the date hereof up to and including the date of the EGM:

- (1) the Agreement;
- (2) the Constitution of the Company; and
- (3) the Annual Report of the Company for FY2016.

Yours faithfully  
for and on behalf of the Board of Directors of  
**LIFEBRANDZ LTD.**

Saito Hiroyuki  
Executive Chairman / Chief Executive Officer



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## **APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION**

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### **1. GENERAL RISKS FACTORS ASSOCIATED WITH THE NEW BUSINESSES**

#### **(1) *The Group's performance in the New Businesses will be subject to exposure to macro-economic risks***

The markets in which the Group will operate its New Businesses are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests:

- (a) legal and regulatory changes;
- (b) government policies;
- (c) economic and political conditions;
- (d) concerns about natural disasters, terrorism and war;
- (e) the level and volatility of liquidity and risk aversion;
- (f) the level and volatility of equity, debt, property, commodity and other financial markets;
- (g) the level and volatility of interest rates and foreign currency exchange rates;
- (h) concerns over inflation; and
- (i) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the performance of the New Businesses, which in turn may affect the Group's business, operations, financial performance and/or financial position.

#### **(2) *The New Businesses are subject to competition risks***

The success of the New Businesses will depend to a large extent on the Group's ability to establish itself in the respective industries of the New Businesses, and build its clientele on an economically viable scale in line with the Group's business objectives. The Group will have to compete with other existing businesses in the respective industries, some of which may be larger, more established, better capitalised, offer a wider and more diverse range of services, have access to greater human resources, and be able to offer the same services for a more competitive price. There can be no assurance that the Group's plan to penetrate these markets will be commercially successful.

If the Group fails to compete effectively in this environment, the Group may lose clients and/or investee companies. The Group will need to increase its expenditure on marketing activities to develop market awareness and relationships with potential clients and/or investee companies. If such expenditure does not result in a corresponding increase in revenue, this may have an adverse impact on the Group's growth prospects and financial performance.

#### **(3) *The Group may be subject to exposure to litigation***

The New Businesses will be subject to a complex legal and regulatory environment. Any litigation brought against the Group by its clients or otherwise in the future in relation to the New Businesses could have a material adverse effect on the Group's reputation, business, growth prospects, income, operations and/or financial performance.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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**(4) *The Group's success in the New Businesses depends on the Group's ability to attract highly skilled personnel***

The Group's success in the New Businesses depends on its ability to attract, motivate, train and retain skilled employees and professionals (including the individuals mentioned in Section 3.5 of this Circular) in the relevant fields of expertise and with the relevant track record for the New Businesses. If the Group is unable to attract, motivate and/or retain the necessary highly skilled personnel, there may be a material adverse effect on the Group's business, growth prospects, fee income, operations and/or financial performance. The Group's ability to recruit, retain and motivate skilled employees and professionals is dependent on the Group's ability to offer attractive remuneration and incentives, among other benefits. Efforts to recruit, retain and motivate such personnel may result in additional significant expenses, which could adversely affect the financial performance of the Group.

**(5) *The Group may be affected by the actions of its employees and/or the professionals it engages***

The Group may be subject to the risk of employee misconduct or fraud, including but not limited to situations where material omissions, or false or misleading statements may be made to clients (inadvertently or otherwise), and/or where there is improper use or disclosure of confidential information by the Group's employees. While the Group intends to ensure a robust system of internal controls, including the appropriate checks and balances to prevent or minimise such risks, these precautions may not be effective in all cases and it may not always be possible to detect such instances of employee misconduct or fraud.

Employee misconduct and/or negligence may result in legal liability, regulatory sanctions and unquantifiable damage to the Group's reputation, and may materially and adversely affect the Group's business operations and financial performance. Furthermore, the laws, rules and regulations applicable to the professionals engaged by the Group may also impose restrictions and/or penalties on the Group in the event such laws, rules or regulations are breached, or alleged to be breached by the professionals, and the Group's competitiveness and financial performance may consequently be materially and adversely affected.

**(6) *The Group may not have the ability or sufficient expertise to execute the Proposed Diversification into New Businesses***

The Group's ability to successfully diversify into the New Businesses is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate each of the New Businesses. There is no assurance that the Group's existing experience and expertise will be sufficient for the New Businesses, or that the Group will be able to hire employees with the relevant experience and knowledge. The Group may not be able to successfully implement the New Businesses and this may adversely affect the Group's financial performance and profitability.

**(7) *The Group has no prior experience in the New Businesses***

As the Group does not have a proven track record in carrying out the New Businesses, there is no assurance that the New Businesses will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the New Businesses. The New Businesses may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses. The New Businesses also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the New Businesses effectively, the overall financial position and profitability of the Group may be adversely affected.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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**(8) *The New Businesses are subject to the general risk of doing business overseas***

The Group intends to embark on the Travel Business in Singapore and Japan and if the right opportunity presents itself, the Group could also explore the option of providing the Fintech and Fund Management Businesses to the Asia-Pacific region and other jurisdictions. These overseas ventures have inherent general risks. These general risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks may affect the Group's business and financial condition. In addition, if the governments in the jurisdictions which the Group intends to undertake the New Businesses tighten or otherwise change their laws and regulations relating to the repatriation of their local currency, it may adversely affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group may be adversely affected.

**(9) *The New Businesses may be exposed to risks associated with acquisitions, joint ventures, and/or strategic alliances***

Depending on available opportunities, feasibility and market conditions, the Company's expansion into the New Businesses may involve acquisitions, joint ventures, and/or strategic alliances with third parties in overseas markets that the Company may intend to focus on. There is no assurance that such acquisitions, joint ventures, strategic alliances and/or the joint management of such enterprises will be successful.

Participation in joint ventures, strategic alliances, acquisitions, and/or other investment opportunities involves numerous risks, including the possible diversion of the management's attention and loss of capital or other investments deployed in such ventures, alliances, acquisitions, and/or opportunities.

**(10) *New to the New Businesses***

As the Company is new to each of the industries of the New Businesses, there is no assurance that any New Business embarked upon by the Company will achieve the expected level of revenue and margins. If the Company fails to manage costs effectively, the overall financial position and profitability of the Company may be adversely affected. There is no assurance that the New Businesses will not fall short of expectations.

**(11) *Significant risks are faced by the New Businesses before benefits are realised***

Changes in the business environment and general economic climate, including changes in interest rates, may affect the revenue and cost of the New Businesses, which in turn has a direct impact on the profitability of the Company.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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### 2. **RISKS FACTORS ASSOCIATED WITH THE TRAVEL BUSINESS**

#### (1) ***The Travel Business may face competition from existing competitors and general market trends in the industry***

The Travel Business may be highly competitive, with strong competition from established industry participants who may have larger financial resources or a stronger track record. The Company may therefore not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records. The Company may also be at a disadvantage in responding to our competitors' pricing strategies, technological advances, advertising campaigns, strategic partnerships and other initiatives.

The Travel Business may also face competition from wholesalers of hotel accommodations, online travel reservations services and entities that maintain travel-related online platforms. Additionally, hotel and travel agents could cooperate and offer travel packages with accommodation directly to consumers thereby reducing the need to engage with the Travel Business.

Further, new competitors may enter the industry resulting in increased competition or saturation. There is no assurance that the Travel Business can compete successfully against its existing or potential competitors now or in the future. To compete effectively, the Travel Business will have to offer more competitive pricing or differentiate itself by adopting more creative marketing strategies.

In the event that the Travel Business fails to compete successfully, the Group's business, financial condition, results of operations and prospects may be adversely affected.

#### (2) ***Technology is constantly improving and current technology may become obsolete***

There is a variety of technologies and methods available for the booking of travel services. The development and deployment of new technologies may also bring about new competitors and may influence the supply and demand of existing types of products that the Travel Business will provide. New technology may render the technology currently in use uncompetitive (or non-competitive) or obsolete. The challenge for the Travel Business is to keep abreast of technological changes and ensure the relevance of the technologies and businesses that the Travel Business is engaged in. If the Travel Business does not keep up with technological changes, the Group's business, financial condition, results of operations, and prospects may be materially and adversely affected.

#### (3) ***The Company has a no prior track record and operating experience in the industry***

The Company has a no track record in the carrying out or implementation of the Travel Business. There is no assurance that the Company's foray into the Travel Business will be commercially successful and that the Company will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Travel Business. The Travel Business may require high capital commitment and may expose the Company to unforeseen liabilities or risks associated with its entry into new markets and new businesses.

The Travel Business involves business risks including the financial costs of setting up new operations, capital investments, and maintaining working capital requirements. If the Company does not derive sufficient revenue from or does not manage the costs of the Travel Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Company will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Company may be affected by factors affecting the market in the regions where the Group ventures into, such as general economic conditions, changes in interest rates, and relevant government policies and measures.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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The Company's future plans with regard to the Travel Business may not be profitable, may not achieve sales levels and profitability that justify the investments made and may take a long period of time before the Company is able to realise any return. The activities of the Travel Business may entail financial and operational risks, including diversion of the management's attention and difficulty in recruiting suitable personnel.

Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities, as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Company. The Company may face significant financial risks before it is able to realise any benefits from its investments in the Travel Business.

**(4) *The Travel Business may pursue business opportunities in businesses that are relatively new or do not have a long track record***

The Travel Business may decide to penetrate new market spaces by pursuing opportunities in incubator or start-up ventures that exploit new geographical markets. These businesses may not have an established track record and there is no guarantee that the products of the Travel Business can be successfully monetised in the markets in which they plan to expand to. There are substantial risks to establishing and operating a new business, and as such there is no assurance that these businesses will be successful. In the event that these businesses fail or do not capture the desired market share or achieve the desired revenue streams, the Group's business, financial condition, results of operations, and prospects may be materially and adversely affected.

**(5) *The Travel Business's operations may be affected by the political, social, economic, and regulatory conditions affecting the industries relevant to it in the countries where it operates***

Any changes in the government legislation, regulations, or policies in Japan affecting the industries relevant to the Travel Business in Japan, could have a negative effect on the Company's operations. The compliance with any changes or new government legislation, regulations or policies in the Japan may also increase the Company's costs and any significant increase in compliance costs arising from such amended or new government legislation, regulations, or policies may adversely affect the Company's financial performance. There is no assurance that any changes in government legislation, regulations and policies in the Japan will not have an adverse effect on the Company's financial performance.

**(6) *The Travel Business may be adversely affected by the loss of the travel agent licenses***

The Company's wholly-owned subsidiary, Takumi Holidays Pte. Ltd., has entered into the Agreement to acquire the entire Share Capital of the Target Company. In the event that the Target Company loses its license(s), the Company's ability to operate as a travel agency would be hampered, thereby adversely affecting the Group's profitability.

**(7) *The Travel Business will rely on third party systems and services and it may suffer if they become unavailable in the future***

The Company will rely on third-party computer systems and third-party service providers. For example, the Company will rely on PayPal, banks and online payment services platform to process payments for the transactions. The website of the Travel Business will be hosted with an external vendor. Any disruption or termination in these third-parties' services or deterioration in their performance could adversely disrupt the business and negatively affect the Travel Business operating results. Any termination of these services would mean that the Travel Business would have to negotiate new commercial terms that might affect the Travel Business.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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**(8) *The enactment of new internet rules and regulations may hamper the Travel Business and increase the its business costs***

The enactment of new laws and regulations relating to the internet, such as collection and use of data from website users and related privacy issues, pricing, content and/or copyrights may adversely affect the Travel Business. This is because the Travel Business relies substantially on online transactions and if new regulations are enacted in Japan or other jurisdictions, the Travel Business will have to incur additional compliance costs or restrict its services.

**(9) *The Travel Business is liable for any fraudulent online credit card transactions committed by its customers***

The Travel Business faces the risks of fraudulent customers using credit cards that do not belong to them to enter into transactions. When this occurs, the Travel Business will suffer losses as payments would not be made while it has to pay its counterparts for any charges incurred.

**(10) *The Travel Business is dependent on computer and online security***

The Travel Business needs to transmit confidential information, such as customers credit cards numbers, over public networks securely to maintain the confidence of its customers. Any breach of computer and online security could expose the Travel Business to a risk of litigation.

**(11) *The Travel Business may face liquidity and non-payment risks***

For all projects transactions that the Travel Business engages in, any indebtedness for amounts payable by its customer to it is unsecured and its customer is not required to provide security or provide to it any evidence of their ability to make good the full value of the transaction, as and when they fall due, prior to transacting with it. Accordingly, the Travel Business can only rely on the credit-worthiness of the customers to make payments as and when they fall due. Furthermore, some of the customers may default on their payments to the Travel Business, which would result it having to make allowances for doubtful debts, or to incur write-offs. This may have an adverse effect on our operating results, financial position and financial performance.

**(12) *Claims***

The Travel Business may face claims by its customers and counterparts in respect of delays, and cancelled travel packages. These disputes may lead to legal and other proceedings, and may cause the Travel Business to suffer additional costs and delays. In addition, the Travel Business may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that result in financial losses of the Travel Business. Any delays arising from the above will affect the Company's business and financial performance.

**(13) *Risks in relation to foreign exchange movements***

As the Travel Business operates overseas, the Travel Business' revenue will be denominated in several currencies. To the extent that the Group's revenue and purchases are not sufficiently matched in the same currency and to the extent that there are timing differences between collection and payments, the Group will be exposed to any adverse fluctuations in the exchange rates between the various foreign currencies and the Singapore dollar. Additionally, as the Group's reporting currency is the Singapore dollar, the financial results of the Travel Business invested in foreign countries will need to be translated to Singapore dollars for consolidation purposes. As such, any material fluctuations in foreign exchange rates will result in translation gains or losses on consolidation, which will in turn be recorded as translation reserves or deficits as part of Shareholders' equity.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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**(14) *Insufficient resources, experience and necessary expertise***

The Company's existing management and workforce may not have sufficient resources, experience and necessary expertise in the Travel Business. The Company may experience operational difficulties and its business operations and financial performance may be adversely affected.

**(15) *The Travel Business faces the risks of natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Company***

The operations of the Travel Business may be adversely affected by natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Company. Such events could adversely affect the economies and financial markets of many countries including Japan and may have a material adverse effect on the Travel Business. These could include disruptions to air travel as well as weakening tourism demand. Such developments would severely disrupt operations and adversely affect the Company's financial condition and results.

**(16) *The Travel Business may be affected by the increase in consumption tax in Japan***

In the event that the Japanese government increases consumption tax in Japan and this may reduce the purchasing power of consumers and may erode general market confidence, which may contribute to economic slowdown especially in the real estate market in Japan. An increase in consumption tax may affect the purchasing power of potential buyers and dampen the general sentiments of the tourism industry and the economy in Japan. If any of the above occurs, the business, financial condition, results of operations and/or prospects of the Travel Business may be adversely affected.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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### 3. **RISK FACTORS ASSOCIATED WITH THE FINTECH BUSINESS**

(1) ***The Fintech Business is subjected to evolving laws and regulations relating to the securities and financial services industry, user privacy, data protection, and other related matters***

The Fintech Business is subjected to a variety of laws and regulations in Singapore and in other jurisdictions in which it will operate that involve matters related to its business, including but not limited to securities, fee structure, commissions, user privacy, data protection, intellectual property, competition, consumer protection, taxation, and online payment services.

In addition, the application and interpretation of these laws and regulations may be uncertain, particularly in relation to new legislation. New or revised legislation can also be costly to comply with and can delay operations or increase operating costs, decrease its fees and/or commissions, eliminate the Fintech Business' ability to charge fees and/or commissions, require significant management time and attention, and subject it to claims or other remedies, including fines or demands that the Fintech Business modify or cease existing business practices.

Any claims, increased costs, reduction of or inability to collect fees and/or commissions, obligations for compliance, changes to our business practices may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, there is no assurance that our interpretation of the applicability of any existing or new laws, rules, regulations or policies will not differ from the interpretation of the regulators or the authorities in the jurisdictions in which we operate. If the Fintech Business is found to be non-compliant in respect of any licensing, registration or other legal or regulatory requirements, it may be subject to negative consequences, including monetary fines or the revocation of licences, that may materially and adversely affect our business, financial condition, results of operations and prospects.

(2) ***The Fintech Business, its customers and its suppliers operate in the securities and financial services industry and a changing regulatory landscape in such industry could alter the relationships between the Fintech Business***

The securities and financial services industry has been subject to increasing and changing regulations in recent years. The Fintech Business will derive substantially all of its revenue from the provision of services to its customers. Changes in the regulatory conditions of the securities and financial services industry in Singapore and in other jurisdictions in which the Fintech Business operates could directly affect its customers, its suppliers and it as well as alter the relationship between the Fintech Business and the suppliers and customers in a manner that could materially and adversely affect our business, financial condition, results of operation and prospects. For example, the Fintech Business' customers' and suppliers' incentive for dealing with it and the supply or demand for the products and services could be altered by changes in regulations and it could also be made to limit or alter the range of investment products or services to comply with regulatory requirements. Such changes could materially and adversely affect the business, financial condition, results of operation and prospects.

(3) ***The Fintech Business may be affected by any revocation, suspension or non-renewal of the licences and permits held by its licensed entities in Singapore and the other jurisdictions in which it operates***

The Fintech Business may be required to obtain various licences and permits in order to operate and these licences and permits are subject to the fulfilment of conditions stipulated in them and/or compliance with relevant laws and regulations under which such licences and permits are issued. In addition, some of our licences and permits are subject to annual or periodic renewals. If any of the licences or permits are revoked or suspended, or if the Fintech Business is unable to renew these licences or permits in a timely manner or at all, all or part of its operations may have to be suspended or ceased.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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**(4) *The Fintech Business will face intense competition in business***

The Fintech Business will face intense competition in its business, as an internet-based investment platform because the securities and financial services industry is characterised by the continuous roll-out of new technological infrastructure. Competition also arises from existing and new investment platform service providers. If the Fintech Business is unable to compete effectively and successfully against the new entrants and existing competitors, its business, financial condition, results of operations and prospects could be adversely affected. The Fintech Business may not be able to compete effectively with some of its competitors which may have greater financial, technical and marketing resources, stronger public relations expertise and longer operating track records than the new Fintech Business. These competitors may also have the ability to adapt quicker to new or emerging technologies, respond faster to changes in customer preferences and devote more resources to the development of new technology than the Fintech Business.

Additionally, as the Fintech Business relies on its platforms, which is a substantial part of its business, the Fintech Business will have to continue to develop and enhance its platforms in order to remain competitive. Such development or enhancement may require the Fintech Business to acquire additional equipment and software and engage independent consultants and developers.

**(5) *The Fintech Business relies rely heavily on information technology in the administration of our business***

It is envisioned that the Fintech Business will utilise a proprietary platform to provide trade functionalities. Security breaches, errors, malfunctions or breakdowns of the information technology systems either as a one-off event or repeatedly could result in adverse publicity and reputational damage to the Fintech Business or could also cause it to materially breach its contracts with its customers.

Security breaches could also expose the Fintech Business to claims from customers or subject it to disciplinary action by governmental and regulatory authorities. For instance, the Fintech Business may possess sensitive personal and confidential data of its customers which could be compromised and made public by a security breach. Inability to maintain confidentiality of data in its possession due to security breaches, errors, malfunctions or breakdowns of its information technology systems could cause customer confidence in the Fintech Business to decline and subject it to liability under data protection laws or breach of confidentiality provisions, which, either alone or in aggregate could have a material adverse effect on our business, financial condition, results of operations and prospects.

The platform is internet-based and the Fintech Business also provide its services via the internet which is not controlled by any single entity or regulated by a single jurisdiction. The platform and provision of services over the internet exposes the Fintech Business to cyber risks which include but are not limited to, security and hacking threats, and distributed denial of service attacks, which could result in the failure of the associated physical infrastructure. The manifestation of such risks either alone or in aggregate, have a material adverse effect on our business, financial condition, results of operations and prospects.

**(6) *The Fintech Business may be affected by the inability to protect or enforce our intellectual property rights***

The Fintech Business' intellectual property portfolio is envisaged to comprise its proprietary platform, trademarks, brand names and registered domain names. The success of the Fintech Business would be highly dependent on its ability to protect its intellectual property and other proprietary rights. The Fintech Business will rely on trademarks trade secrets, copyrights and unfair competition laws as well as licence agreements and other contractual provisions to protect its intellectual property and other proprietary rights. There is no assurance that any steps it takes to protect its intellectual property rights and other proprietary rights including registering and/or applying for registration of its trademarks will be adequate to protect the intellectual property that it currently owns or may develop in the future.



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It may be possible for third parties to unlawfully pass-off the Fintech Business' trademarks, platform or services as theirs or it may unknowingly infringe on the intellectual property rights of third parties. Intellectual property litigation for enforcing of its intellectual property rights and defending any infringement claims made against the Fintech Business could be costly and divert the attention of the management away from the day-to-day operations of its business. This could have a material adverse effect on its business, financial condition, results of operations and prospects. The Fintech Business may also face the risk of losing its rights to the intellectual property in question which could result in the interruption or cessation of our business.

**(7) *The Company has a no prior track record and operating experience in the Fintech Business***

The Company has a no track record in the carrying out or implementation of the Fintech Business. There is no assurance that the Company's foray into the Fintech Business will be commercially successful and that the Company will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Travel Business. The Fintech Business may require high capital commitment and may expose the Company to unforeseen liabilities or risks associated with its entry into new markets and new businesses.

The Fintech Business involves business risks including the financial costs of setting up new operations, capital investments, and maintaining working capital requirements. If the Company does not derive sufficient revenue from or does not manage the costs of the Fintech Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Company will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Company may be affected by factors affecting the market in the regions where the Group ventures into, such as general economic conditions, changes in interest rates, and relevant government policies and measures.

The Company's future plans with regard to the Fintech Business may not be profitable, may not achieve sales levels and profitability that justify the investments made and may take a long period of time before the Company is able to realise any return. The activities of the Fintech Business may entail financial and operational risks, including diversion of the management's attention and difficulty in recruiting suitable personnel.

Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities, as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Company. The Company may face significant financial risks before it is able to realise any benefits from its investments in the Fintech Business.

**(8) *The Fintech Business is heavily reliant on a limited number of service providers for our business operations in Singapore***

In Singapore, the Fintech Business depends on certain key service providers, including (a) a data centre to support its information system needs, and (b) a mailing and logistics service provider to support the dissemination of transaction and fund information. Both service providers are key to its day-to-day operations and there is no assurance that such service providers will not cease to provide the Fintech Business with their services. In the event that such service providers cease to provide it with their services, there can be no assurance that the Fintech Business can find suitable alternatives in a timely manner so as to minimise disruption to its business and operations. If the Fintech Business is unable to find suitable alternatives in a timely manner, or are required to engage suitable alternatives at higher prices, this could have a material adverse effect on its business, financial condition, results of operations and prospects.



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**(9) *The IT solution component of the Fintech Business will be dependent on the demand of clients who outsource their IT maintenance services***

The current trend is for companies to outsource the setting up and maintenance of their computer systems to third-party service providers instead of engaging permanent IT staff to perform such functions in-house. This outsourcing trend will affect the IT solution component of the Fintech Business. Our customers may decide to perform their IT functions in-house if our services are unreliable or have become too expensive. Additionally, if software companies develop tools which are sufficiently user-friendly, clients may no longer require such IT solution services. In such events, the business prospects and financial performance of the IT solution component will be adversely affected thus affecting the Fintech Business and the Group as a whole.

**(10) *The revenue of the Fintech Business could decline if its customers do not renew their maintenance contracts with them***

If the revenue contributed by the maintenance contracts forms a substantial part of the IT solution component of the Fintech Business, any non-renewal of these maintenance contracts by the customers either because they are dissatisfied with the products and services provided or if they are able to secure better contractual terms from other service providers, could adversely impact the profitability of the Fintech Business.

**(11) *The Fintech Business may be subjected to disruptions to its business operations***

The Fintech Business may be subjected to business disruptions at either its own premises or at project sites due to unforeseen circumstances such as the occurrences of fire, bad weather, stoppage in the supply of utilities, power failures and equipment breakdown. As the Fintech Business is heavily reliant on the smooth operations of the internet, any such disruptions would affect its business. Further disruptions could come in the form of hacking, viruses or sabotage that will adversely affect its ability to provide services to its customers which will undermine their confidence in the Fintech Business. These disruptions will also affect the IT solutions component of the Fintech Business as it would be unable to service their clients and any existing network infrastructure projects could be affected. These disruptions could adversely affect the business and financial performance of the Fintech Business.

**(12) *Securing new projects that are profitable and/or at favourable terms to the IT solution component of the Fintech Business***

The systems integration will be on a project basis and non-recurring in nature. Hence, the financial performance of the IT solution component of the Fintech Business is dependent on the ability to secure new projects. In addition, in order for the Fintech Business to secure certain projects, in particular larger projects or projects with higher profit margins, it may have to offer more favourable terms to its customers. This will require the Fintech Business to balance the profit margins and payment terms extended to its customers when securing projects. In the event that it fails to balance the profit margins and payment terms extended to its customers when securing the projects, its profitability and/or cash flow may be adversely affected.

**(13) *The Fintech Business may not have adequate financing and may require additional funding for its future growth***

The Fintech Business is capital-intensive in nature and the Company may require a substantial amount of capital for its operations and for any future expansion. As the Company establishes and grows its Fintech Business, its working capital requirements may increase. To the extent that funds generated from operations have been exhausted, the Company may have to raise additional funds to meet new



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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financial requirements. These additional funds may be raised by way of equity offerings (which would be subject to Shareholders' approval if necessary) or by way of borrowings. The raising of capital through equity offerings may result in a dilution to Shareholders' investment in the Company. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund-raising exercises and other financial and operational matters. If the Company is unable to procure the additional funding that may be required, its growth or financial performance will be adversely affected.

**(14) *The successful operation of the Fintech business depends upon the performance and reliability of the internet infrastructure in the countries where it could potentially operate in and also the safety of the network and infrastructure of the Fintech Business***

The Fintech Business depends on the performance and reliability of the internet infrastructure in the countries that it could potentially operate in. In certain countries, access to the internet is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the local governments providing basic internet infrastructure. In the event that these countries cannot develop more sophisticated internet infrastructure in a timely manner to support the products and services of the Fintech Business and/or if it does not have access to alternative networks in the event of disruptions, failures or other problems with the state-owned internet infrastructures, the Fintech Business future financial results and growth prospects may be materially and adversely affected.

Although the Fintech Business believes that it will have sufficient controls in place to prevent intentional disruptions, the network and infrastructure of the Fintech Business may be targets of attacks specifically designed to impede the performance of our products and services, misappropriate proprietary information or harm its reputation. As the techniques used by hackers to access or sabotage networks change frequently and may not be recognised until launched against a target, the Fintech Business may be unable to anticipate these techniques. The theft and/or unauthorized use or publication of its trade secrets and other confidential business information as a result of such an event could adversely affect the Fintech Business's competitive position, brand reputation and user base, and its users and customers may assert claims against the Fintech Business related to resulting losses arising from security breaches. The Fintech business could be subject to significant disruption as a result, its financial results and its operations may be adversely affected.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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### 4. **RISK FACTORS ASSOCIATED WITH FUND MANAGEMENT BUSINESS**

(1) ***The Group may not be able to obtain the requisite registration and/or licence to engage in fund management***

Upon Shareholders' approval for the Proposed Diversification, the Group intends to apply to MAS for the registration of the Company and/or a subsidiary of the Company as a RFMC. The Group also intends to apply for various other requisite licences, permits, approvals and/or exemptions from the relevant authorities in the jurisdictions in which the Group may operate, in order to conduct the Fund Management Business. Any failure to obtain, maintain and/or renew the Group's licences, permits, approvals and/or exemptions may impede or hinder operations for the Group's Fund Management Business, and may adversely affect its prospects and business plans.

(2) ***The Group will be subject to strict regulation and supervision by MAS for the Fund Management Business***

MAS is empowered to establish standards, codes, rules, and regulations to be observed by capital markets services providers, and regulate the conduct of these registrants and licensees in the provision of capital markets services. If a registrant or licensee is found to be in breach of any condition of its registration or licence, or any provision of any code, practice, standard of performance, regulation, or directive, MAS may issue a written order for compliance, impose a financial penalty cancel the registration or licence or part thereof, suspend the registration or licence or part thereof for a specified period, or reduce the term of the registration or licence. In the event that the Group engages in, *inter alia*, the Fund Management Business, the Group will be subject to strict regulation and supervision by MAS. MAS may require the Company and/or a subsidiary of the Company to hold certain levels of assets or monies, to meet any risk-based capital adequacy requirements imposed by MAS. Further, MAS may impose requirements on the Company itself in its capacity as parent company, such as having the Company provide a letter of responsibility or letter of undertaking to MAS, and in such event the Company may be required to devote significant time and resources to overseeing a subsidiary's operations, financial position, compliance with laws, management, and other issues, and/or provide financial support for such a subsidiary's liquidity requirements or financial obligations. Also, in the event of any breach or alleged breach of any applicable law, rules, regulation, policy, practice, note or directive, the Group may be subject to various measures imposed by MAS, including but not limited to extended investigations, revocation or suspension of the Group's registrations and/or licences and/or substantial financial penalties. In such events, the Group's growth prospects, business operations and financial performance may be materially and adversely affected.

(3) ***The Fund Management Business could be dependent on the continuing and collaborative efforts of its management team and other key personnel***

The success of the Fund Management Business will depend heavily upon the continuing services of its management team and other key personnel. If one or more executives or other key personnel in the Fund Management Business are unable or unwilling to continue in their positions, it may be difficult to procure suitable replacements due to the strong competition in the market for such personnel. Consequentially the Fund Management Business may be disrupted, and the Group's financial position and results of operations may be materially and adversely affected.

Additionally, as competition for management and key personnel is intense, and as there is a limited pool of qualified candidates in the industry, the Group may not be able to retain the services of executives or key personnel, or attract experienced candidates in the future. This could have an adverse impact on the Fund Management Business and consequently the Group's financial position.



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## APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION

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**(4) *Insufficient resources, experience and necessary expertise***

The Company's existing management and workforce may not have sufficient resources, experience and necessary expertise in the Fund Management Business. The Company may experience operational difficulties and its business operations and financial performance may be adversely affected.

**(5) *The Fund Management Business may face competition from existing competitors and general market trends in the industry***

The Fund Management Business will face intense competition in its business, as a new entrant into the financial services industry that is characterised by well-known and established financial institutions providing the same services as it. Competition also arises from new entrants. If the Fund Management Business is unable to compete effectively and successfully against the new entrants and existing competitors, its business, financial condition, results of operations and prospects could be adversely affected.

The Fund Management Business may not be able to compete effectively with some of its competitors which may have greater financial, technical and marketing resources, stronger public relations expertise and longer operating track records than the new Financial Management Business. These competitors may also have the ability to adapt quicker to new or emerging technologies, respond faster to changes in customer preferences and devote more resources to the development of new investment strategies than the Fund Management Business.

**(6) *The Company has a no prior track record and operating experience in the financial services industry***

The Company has a no track record in the carrying out or implementation of the Fund Management Business. There is no assurance that the Company's foray into the Fund Management Business will be commercially successful and that the Company will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Fund Management Business. The Fund Management Business may require high capital commitment and may expose the Company to unforeseen liabilities or risks associated with its entry into new markets and new businesses.

The Fund Management Business involves business risks including the financial costs of setting up new operations, capital investments, and maintaining working capital requirements. If the Company does not derive sufficient revenue from or does not manage the costs of the Fund Management Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Company will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Company may be affected by factors affecting the market in the regions where the Group ventures into, such as general economic conditions, changes in interest rates, and relevant government policies and measures.

The Company's future plans with regard to the Fund Management Business may not be profitable, may not achieve sales levels and profitability that justify the investments made and may take a long period of time before the Company is able to realise any return. The activities of the Fund Management Business may entail financial and operational risks, including diversion of the management's attention and difficulty in recruiting suitable personnel.

Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities, as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Company. The Company may face significant financial risks before it is able to realise any benefits from its investments in the Fund Management Business.



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## **APPENDIX A – RISK FACTORS ASSOCIATED WITH THE PROPOSED DIVERSIFICATION**

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- (7) *The Fund Management Business is a highly regulated industry and it may be affected by changes in government regulations relating to the securities and financial services industry in Singapore and in the other jurisdictions in which it operates***

The securities and financial services industry is highly regulated and the Fund Management Business is subject to regulation under various applicable laws, regulations, rules, guidelines and codes in Singapore and in the other jurisdictions in which the Fund Management Business operate or any extraterritoriality legislation that it might be subject to as our business is conducted via the internet (the “**Applicable Legislation**”). For example, the laws and regulations that the Fund Management Business are subject to in Singapore include the Securities and Futures Act (in respect of capital markets activities), the Financial Advisers Act (in respect of financial advisory services), the subsidiary regulations promulgated under the Securities and Futures Act and the Financial Advisers Act and directions and guidelines issued by the MAS. The Fund Management Business may be subject to investigations, enforcement actions or potential liabilities under the Applicable Legislation and if found to be in contravention of any of the Applicable Legislation, the penalties or adverse actions taken against it could have a material adverse effect on our business, financial condition, results of operations and prospects.

- (8) *Regulatory changes may limit the Group's activities in the Fund Management Business and/or subject the Group to regulatory risk***

Any changes in the applicable regulatory framework may restrict or modify the range of services the Group is able to offer, or the fees the Group is able to charge for its Fund Management Business. The Group may need to incur additional costs and/or modify its operations to ensure that they continue to comply with the changes to the regulatory framework. If any of these events occur, it may have an adverse effect on the Group's growth prospects, operations and/or financial performance.

- (9) *Fluctuations in stock markets could affect the performance of the funds managed by the Company***

Fluctuations in stock markets could affect the performance of the funds managed by the Company. Unstable and/or unfavourable market conditions may affect the value of the investments held by the funds managed by the Company. Lack of liquidity or price volatility may reduce the value of the funds managed by the Company, which in turn may result in a material adverse effect on the business, growth prospects, fee income, operations and/or financial performance of the Company's Fund Management Business.

- (10) *Performance of the funds managed by the Group cannot be guaranteed***

The success of the Fund Management Business depends on factors such as the Company's ability to accurately predict market conditions and developments, the Group's ability to perform the relevant research analysis of market trends, and the Group's ability to correctly interpret such market trends and other data/information.

The Group cannot guarantee that the Company's investment strategies will be successful under all or any market conditions. In the event that the funds do not perform as envisioned, there may be a material adverse effect on the Company's reputation, fee income, business operations and financial performance.



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# NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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## LIFEBRANDZ LTD.

(Incorporated in the Republic of Singapore on 7 November 2003)  
(Company Registration Number 200311348E)

*All capitalised terms in the resolutions below and defined in the Circular dated 15 August 2017 to the shareholders of the Company (the “Circular”) shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.*

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of the Company will be held at 2 Bukit Merah Central (formerly known as Spring Singapore), Podium Block, Level 3, Room P303, Singapore 159835 on 30 August 2017 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

### ORDINARY RESOLUTIONS

1. **ORDINARY RESOLUTION 1 – THE PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE TARGET COMPANY WHICH CONSTITUTES A DISCLOSABLE TRANSACTION UNDER THE LISTING MANUAL**

Subject to and contingent upon the passing of Resolution 2, resolved that:

- (1) the Company’s proposed acquisition of the Share Capital of the Target Company upon the terms and conditions of the Agreement be and is hereby approved (the “**Proposed Acquisition**”); and
- (2) the Directors of the Company and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Acquisition as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

2. **ORDINARY RESOLUTION 2 – THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE TRAVEL BUSINESS**

Resolved that:

- (1) the Company’s proposed diversification of its Existing Business into the Travel Business (the “**Proposed Diversification into the Travel Businesses**”) be and is hereby approved; and
- (2) the Directors of the Company and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Diversification into Travel Business as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

3. **ORDINARY RESOLUTION 3 – THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE FINTECH BUSINESS**

Resolved that:

- (1) the Company’s proposed diversification of its Existing Business into the Fintech Business (the “**Proposed Diversification into the Fintech Business**”) be and is hereby approved; and
- (2) the Directors of the Company and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Diversification into the Fintech Business as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.



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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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### 4. ORDINARY RESOLUTION 4 – THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE FUND MANAGEMENT BUSINESS

Resolved that:

- (1) the Company's proposed diversification of its Existing Business into the Fund Management Business (the "**Proposed Diversification into the Fund Management Business**") be and is hereby approved; and
- (2) the Directors of the Company and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Diversification into the Fund Management Business as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

### BY ORDER OF THE BOARD

Saito Hiroyuki  
Chief Executive Officer / Executive Director

15 August 2017

### **Notes:**

- (1) *A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act) entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.*
- (2) *A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.*
- (3) *A proxy need not be a Member of the Company.*
- (4) *The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument of proxy must be executed under seal or the hand of its duly authorised officer or attorney.*
- (5) *The instrument appointing a proxy must be deposited at the registered office of the Company's at 80 Raffles Place #41-02 UOB Plaza 1, Singapore 048624, not less than forty-eight (48) hours before the time appointed for holding the EGM.*
- (6) *A depositor shall not be regarded as a member of a Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register (as defined in Section 81SF of the Securities and Futures Act 72 hours before the time fixed for the EGM.*

### **Personal Data Privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:*

- (a) *consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and*



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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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*compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, the Listing Manual, regulations and/or guidelines (collectively, the “Purposes”),*

- (b) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and*
- (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.*



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**LIFEBRANDZ LTD**

(Incorporated in the Republic of Singapore  
on 7 November 2003)  
(Company Registration Number 200311348E)

**IMPORTANT**

1. For investors who have used their CPF moneys to buy shares in the capital of Lifebrandz Ltd., this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the EGM as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the company, Lifebrandz Ltd.

**PROXY FORM  
EXTRAORDINARY  
GENERAL MEETING**

\*I/We \_\_\_\_\_ (Name) \*NRIC/Passport No. \_\_\_\_\_ of  
\_\_\_\_\_ (Address)

being a member/members of **LIFEBRANDZ LTD** (the “**Company**”), hereby appoint

Name	NRIC / Passport Number	Proportion of shareholdings (%)	
		No. of shares	(%)
Address			

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of shareholdings (%)	
		No. of shares	(%)
Address			

or failing \*him/her, the Chairman of the Extraordinary General Meeting (the “**EGM**”) of the Company as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the EGM to be held at 2 Bukit Merah Central (formerly known as Spring Singapore), Podium Block, Level 3, Room P303, Singapore 159835 on 30 August 2017, at 3.00 p.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

No.	Ordinary Resolutions	For	Against
1.	To approve the Proposed Acquisition		
2.	To approve the Proposed Diversification into the Travel Business		
3.	To approve the Proposed Diversification into the Fintech Business		
4.	To approve the Proposed Diversification into Fund Management Business		

*\* If you wish to exercise all your votes “**For**” or “**Against**”, please indicate your vote “**For**” or “**Against**” with “**X**” within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Signature(s) of Member(s) / Common Seal

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE.**



## LIFEBRANDZ LTD

### Notes:

- (1) Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, or any statutory modification thereof, as the (case may be), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares registered your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- (2) A member entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- (3) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
- (4) A member who is a relevant intermediary entitled to attend the EGM and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.  
**"Relevant intermediary"** means:
  - (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (5) The submission of an instrument or form appointing a proxy by a Shareholder of the Company does not preclude him from attending and voting in person at the EGM, if he is able to do so. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
- (6) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company's at 80 Raffles Place #41-02 UOB Plaza 1, Singapore 048624.
- (7) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- (8) Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (9) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.
- (10) The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy 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 set for the EGM, as certified by The Central Depository (Pte) Limited to the Company.
- (11) A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the EGM in order for him to be entitled to vote at the EGM.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies)/and/or representative(s) to attend, speak or vote at the EGM and/or any adjournment thereof, a shareholder of the Company:

- (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis of proxies and representatives appointed for the EGM (including adjournment thereof) and the preparation and compilation of the attendance lists, minute and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or services providers) to comply with any applicable laws, Listing Manual, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the shareholder discloses the personal data of his proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the Shareholder shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

Fold here

AFFIX  
STAMP  
HERE

The Company Secretary

**LIFEBRANDZ LTD**  
80 Raffles Place #41-02 UOB Plaza 1  
Singapore 048624