

**UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 JANUARY 2021**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	The Group		Increase/ (Decrease) %
	6 months ended 31 January		
	2021 S\$'000	2020 S\$'000	
<b>Continuing operations</b>			
Revenue	19	1,499	(99%)
Other operating income	2,545	10	>100%
Expenses			
- Inventories and consumables used	(5)	(510)	(99%)
- Advertising, media and entertainment	(6)	(30)	(80%)
- Employee benefits	(400)	(793)	(50%)
- Amortisation and depreciation	(6)	(500)	(99%)
- Finance cost	(2)	(93)	(98%)
- Rental on operating lease	(28)	(116)	(76%)
- Transportation	(1)	(5)	(80%)
- Legal and professional fees	(271)	(161)	68%
- Other operating expenses	(112)	(222)	(50%)
Total expenses	<u>(831)</u>	<u>(2,430)</u>	(65%)
Profit/(loss) before income tax	1,733	(921)	N.M.
- Income tax expense	-	-	N.M.
<b>Profit/(loss) from continuing operation for the financial period</b>	<u>1,733</u>	<u>(921)</u>	N.M.
<b>Discontinued operations<sup>1</sup></b>			
<b>Profit/(loss) from discontinued operations for the financial period</b>	<u>3,467</u>	<u>(607)</u>	N.M.
<b>Total profit/(loss) for the financial period</b>	<u>5,200</u>	<u>(1,528)</u>	N.M.

<sup>1</sup> This pertains to businesses under SYNC Co., Ltd., LB KOH Co., Ltd, LifeBrandz USA, Inc. and e-Holidays Co., Ltd which have been identified for disposal in February 2021. Such disposals have been completed as of today.

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Attributable to:

Owners of the Company	3,122	(1,282)	N.M.
Non-controlling interest	2,078	(246)	N.M.
	<b>5,200</b>	<b>(1,528)</b>	N.M.

Profit/(Loss) attributable to owners of the Company related to:

From continuing operations	(345)	(675)	(49%)
From discontinued operations	3,467	(607)	N.M.
	<b>3,122</b>	<b>(1,282)</b>	N.M.

**A statement of comprehensive income (for the group), together with a comprehensive statement for the corresponding period of the immediate preceding financial year.**

<b>The Group</b>			
<b>6 months ended 31 January</b>			
	<b>2021</b>	<b>2020</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Profit/(loss) for the financial period	5,200	(1,528)	N.M.
Other comprehensive income/(loss):			
<i>Item that may be reclassified subsequently to profit or loss, net of taxation</i>			
Exchange differences on translating foreign operations	4	(17)	N.M.
Total comprehensive income/(loss) for the financial period	<b>5,204</b>	<b>(1,545)</b>	N.M.
Attributable to:			
Owners of the Company	3,126	(1,299)	N.M.
Non-controlling interest	2,078	(246)	N.M.
	<b>5,204</b>	<b>(1,545)</b>	N.M.

1(a)(ii) The Group's profit/(loss) for the financial period is arrived after charging/(crediting) the following:

<b>The Group</b>			
<b>6 months ended 31 January</b>			
	<b>2021</b>	<b>2020</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Waiver of loans from shareholders	<b>(2,124)</b>	-	N.M.
Gain on derecognition of lease liabilities	<b>(3,382)</b>	-	N.M.
Reversal of provision for reinstatement	<b>(242)</b>	-	N.M.
Depreciation on plant and equipment	<b>16</b>	713	(98%)
Amortisation of intangible asset	-	38	N.M.
Government grant	<b>(36)</b>	(8)	>100%
Net foreign exchange gain	-	(4)	N.M.
Interest expense	<b>2</b>	94	(98%)

N.M.: Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**STATEMENTS OF FINANCIAL POSITION**

Assets	The Group		The Company	
	31/1/2021	31/7/2020	31/1/2021	31/7/2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current assets</u>				
Cash and cash equivalents	16	105	-	10
Trade and other receivables	357	540	254	294
Inventories	11	6	-	-
	<b>384</b>	<b>651</b>	<b>254</b>	<b>304</b>
<u>Non-current assets</u>				
Plant and equipment	11	27	5	9
Guarantee deposit	183	183	-	-
Investment in subsidiaries	-	-	-	-
	<b>194</b>	<b>210</b>	<b>5</b>	<b>9</b>
<b>Total assets</b>	<b>578</b>	<b>861</b>	<b>259</b>	<b>313</b>
<u>Current liabilities</u>				
Trade and other payables	2,611	4,890	1,100	3,155
Income tax liabilities	3	3	-	-
Lease liabilities	-	557	-	-
Provision for reinstatement	-	242	-	-
Bank borrowings	19	27	-	-
	<b>2,633</b>	<b>5,719</b>	<b>1,100</b>	<b>3,155</b>
<u>Non-current liabilities</u>				
Lease liabilities	-	2,825	-	-
	<b>-</b>	<b>2,825</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,633</b>	<b>8,544</b>	<b>1,100</b>	<b>3,155</b>
<b>Equity</b>				
Share capital	63,498	63,074	63,498	63,074
Foreign currency translation reserve	(160)	(164)	-	-
Accumulated losses	(65,063)	(68,185)	(64,339)	(65,916)
<b>Equity attributable to owners of the Company</b>	<b>(1,725)</b>	<b>(5,275)</b>	<b>(841)</b>	<b>(2,842)</b>
<b>Non-controlling interest</b>	<b>(330)</b>	<b>(2,408)</b>	<b>-</b>	<b>-</b>
<b>Total deficit</b>	<b>(2,055)</b>	<b>(7,683)</b>	<b>(841)</b>	<b>(2,842)</b>
<b>Total deficit and liabilities</b>	<b>578</b>	<b>861</b>	<b>259</b>	<b>313</b>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	The Group			
	As at 31/1/2021		As at 31/7/2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less or on demand	-	1,158	-	3,151
Amount repayable after one year	-	-	-	-

**Notes:**

Total borrowings as at 31 January 2021 consist of the followings:

- (a) bank borrowings of approximately S\$19,000 (as at 31 July 2020: approximately S\$27,000);
- (b) interest-free advances of approximately S\$139,000 (as at 31 July 2020: Nil) from a substantial shareholder of the Company, Mr Michael Marcus Liew;
- (c) interest-free advances of S\$200,000 (as at 31 July 2020: Nil) from third party lenders; and
- (d) interest-free advances of approximately S\$800,000 (as at 31 July 2020: approximately S\$2,924,000) from the controlling shareholder, Bounty Blue Capital Ltd ("**Bounty Blue**"), ultimately owned by the Executive Chairman and CEO of the Company, Mr Saito Hiroyuki ("**Mr Saito**").

There were interest-bearing advances of S\$200,000 as at 31 July 2020 from a substantial shareholder of the Company, Capital Square Co., Ltd ("**Capital Square**") which has subsequently been fully waived as at 31 January 2021.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>31 January 2021 \$'000</b>	<b>31 January 2020 \$'000</b>
<b>Operating activities</b>		
Profit/(loss) before income tax	5,200	(1,527)
Adjustments for:		
Gain on derecognition of lease liabilities	(3,382)	-
Reversal of provision for reinstatement	(242)	-
Depreciation of property, plant and equipment	16	694
Amortization of intangible asset	-	38
Operating cash flows before changes in working capital	1,594	(795)
<u>Movement in working capital</u>		
Inventories	(5)	(4)
Trade and other receivables	183	(270)
Trade and other payables	(2,279)	1,214
Cash flows used in operations	(507)	145
Income tax paid	(2)	(1)
<b>Net cash flows used in operating activities</b>	<b>(509)</b>	<b>144</b>
<b>Investing activities</b>		
Purchase of fixed assets and right-of-use	-	(3,908)
Exchange realignment	4	(17)
<b>Net cash flows generated from/(used in) investing activities</b>	<b>4</b>	<b>(3,925)</b>
<b>Financing activities</b>		
Proceeds from issuance of shares	450	450
Share issuance expense	(26)	(26)
Lease liabilities	-	3,094
Proceeds from borrowings	-	23
Repayment of borrowings	(8)	-
<b>Net cash flows generated from financing activities</b>	<b>416</b>	<b>3,541</b>
Net decrease in cash and cash equivalents	(89)	(240)
Cash and cash equivalents at beginning of financial period	105	320
<b>Cash and cash equivalents at end of financial period</b>	<b>16</b>	<b>80</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

(i) Consolidated statement of changes in equity for the 6-month period ended 31 January 2021 - Group

	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Non- Controlling Interest S\$'000	Total S\$'000
<b>Balance at 1 August 2020</b>	63,074	(164)	(68,185)	(2,408)	(7,683)
Issuance of shares	450	-	-	-	450
Share issuance expenses	(26)	-	-	-	(26)
Profit for the financial period	-	-	3,122	2,078	5,200
Other comprehensive income for the financial period	-	4	-	-	4
<b>Balance at 31 January 2021</b>	<b>63,498</b>	<b>(160)</b>	<b>(65,063)</b>	<b>(330)</b>	<b>(2,055)</b>
Balance at 1 August 2019	62,650	(237)	(62,341)	342	414
Issuance of shares	450	-	-	-	450
Shares issuance expenses	(26)	-	-	-	(26)
Loss for the financial period	-	-	(1,282)	(246)	(1,528)
Other comprehensive income for the financial period	-	(17)	-	-	(17)
Balance at 31 January 2020	63,074	(254)	(63,623)	96	(707)

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(ii) Statement of changes in equity for the 6-month period ended 31 January 2021 - Company

	<b>Share Capital S\$'000</b>	<b>Accumulated Losses S\$'000</b>	<b>Total S\$'000</b>
<b>Balance at 1 August 2020</b>	<b>63,074</b>	<b>(65,916)</b>	<b>(2,842)</b>
Issuance of shares	450	-	450
Share issuance expenses	(26)	-	(26)
Profit for the financial period	-	<b>1,577</b>	<b>1,577</b>
<b>Balance at 31 January 2021</b>	<b>63,498</b>	<b>(64,339)</b>	<b>(841)</b>
Balance at 1 August 2019	62,650	(59,970)	2,680
Issuance of shares	450	-	450
Share issuance expenses	(26)	-	(26)
Loss for the financial period	-	(854)	(854)
Balance at 31 January 2020	63,074	(60,824)	2,250

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Changes in share capital of the Company during the financial period

Financial period	Number of ordinary shares	Share capital
		(S\$'000)
As at 31 July 2020	611,670,246	63,074
As at 31 January 2021	724,170,246	63,498

On 26 November 2020, the Company entered into a subscription agreement with I Concept Global Growth Fund ("I Concept") and Liw Chai Yuk ("LCY"). I Concept and LCY have agreed to subscribe for an aggregate of 125,000,000 new ordinary shares in the share capital of the Company (the "Subscription Shares") at an issue price of S\$0.004 for each Subscription Share amounting to an aggregate cash consideration of S\$500,000 (the "Proposed Subscription"). Pursuant to the completion of the Proposed Subscription, 112,500,000 new ordinary shares were allotted and issued on 10 December 2020. I Concept was issued 100,000,000 Subscription Shares for a total consideration of S\$400,000. However, due to certain legal constraints applicable to LCY, LCY's portion was reduced from 25,000,000 Subscription Shares to 12,500,000 Subscription Shares, for a total consideration of S\$50,000.

There were no outstanding convertibles, treasury shares and subsidiary holdings held or issued as at 31 January 2020 and 31 January 2021.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Group	
	31/1/2021	31/07/2020
Total number of issued shares excluding treasury shares	<b>724,170,246</b>	611,670,246

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors of the Company.

3. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- a) **Updates on the efforts taken to resolve each outstanding audit issue.**  
b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited financial statements for the financial year ended 31 July 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements of the Group for the current financial period ended 31 January 2021 compared to the most recently audited financial statements of the Group for the financial year ended 31 July 2020.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all new and revised Singapore Financial Reporting Framework (International) ("**SFRS(I)**") and Interpretations of SFRS(I) that are relevant to its operations and effective for the financial period on or after 1 August 2020, where applicable. The adoption of these new and revised standards from the effective date did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results for the current financial period ended 31 January 2021.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>	
	6 months ended 31 January	
	2021	2020
Earnings/Loss per share (" <b>EPS</b> "/" <b>LPS</b> ") for the financial period attributable to the owners of the Company:		
Weighted average number of ordinary shares	<b>683,485,314</b>	574,067,506
Based on the weighted average number of ordinary shares	<b>0.46</b>	(0.23)
- Basic & Diluted (cents)		

Diluted EPS/LPS is the same as basic EPS/LPS as there was no dilutive instruments as at 31 January 2021 and 31 July 2020.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31/1/2021	31/07/2020	31/1/2021	31/07/2020
Net liabilities value (attributable to the owners of the Company) per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on (cents)	<b>(0.24)</b>	(0.86)	<b>(0.12)</b>	(0.46)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### Review of Income Statement

#### Continuing operations

#### Revenue

	Group		Increase / (Decrease)
	HY2021	HY2020	
	Contribution	Contribution	
	S\$'000	S\$'000	%
Food and beverage revenue			
- Singapore	-	1,250	N.M.
- Thailand	19	249	(92%)
	19	1,499	(99%)

The Group recorded approximately S\$19,000 from food and beverage ("**F&B**") revenue for the six months period ended 31 January 2021 ("**HY2021**"), a decrease of S\$1.5 million compared to the six months period ended 31 January 2020 ("**HY2020**").

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

#### **Other income**

Increase in other operating income of S\$2.5 million is mainly due to (i) waiver of loans from shareholders, namely Bounty Blue and Capital Square amounting to S\$2.1 million in HY2021; (ii) a gain on derecognition of lease liabilities of S\$0.3 million due to ceasing operation of Hashida Sushi; and (iii) reversal of reinstatement cost of S\$0.1 million in relation to the reinstatement of premise rented for Hashida Sushi.

### Cost & expenses

Inventories and consumables used decreased by S\$0.5 million which is consistent with the decrease in the Group's revenue, mainly contributed by the loss of business of Hashida Sushi.

Employee benefits decreased by S\$0.4 million mainly due to the loss of business of Hashida Sushi.

The decrease of S\$0.5 million in amortisation and depreciation charges to approximately S\$6,000 in HY2021 was mainly due to full impairment of the right-of-use assets arising from ceasing operation of Hashida Sushi.

The decrease of S\$0.1 million in finance cost incurred to approximately S\$2,000 in HY2021 was due to right-of-use assets being fully impaired.

Operating lease expense decreased by S\$0.1 million to approximately S\$28,000 in HY2021 due to change of Singapore registered office with a lower monthly rental rate.

Legal and professional fees saw an increase of S\$0.1 million mainly due to increase in corporate exercises undertaken in HY2021.

Other operating expenses in HY2021 saw a decrease of S\$0.1 million mainly due to ceasing operation of Hashida Sushi.

As a result of the factors mentioned above, the Group recorded total expenses of S\$0.8 million in HY2021 as compared to S\$2.4 million in HY2020.

### Discontinued operations

On 8 February 2021, the Company's wholly-owned subsidiaries, LB F&B Pte. Ltd. and Takumi Holidays Pte. Ltd., each entered into two separate conditional share sale and purchase agreements with Capital Square to dispose their entire interests in SYNC Co., Ltd. ("**SYNC**"), LB KOH Co., Ltd, LifeBrandz USA, Inc. and e-Holidays Co., Ltd for a consideration of S\$1 each. The loss before tax and net operating cash outflow from discontinued operations as of 31 July 2020 is S\$5,578,000 and S\$678,000, respectively. SYNC recorded S\$0.2 million revenue in HY2021.

Revenue	HY2021	Contribution	Group	Contribution	Increase / (Decrease)
	S\$'000	%	HY2020	%	
			S\$'000		%
Food and beverage revenue					
- Japan	240	100%	-	0%	N.M.
- USA	-	0%	454	40%	N.M.
Travel booking service revenue		0%	689	60%	N.M.
	240	100%	1,143	100%	(79%)

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

There were no travel booking services costs recognised during HY2021 mainly due to the precautionary measures in place to control the spread of the COVID-19 pandemic, resulting in no new booking from the customers in Tokyo, Japan.

### Other income

The Company record a S\$3.1 million gain on derecognition of lease liabilities of Sushi Nagai.

### **Cost & expenses**

Overall, discontinued operations recorded a profit of \$3.5 million in HY2021 as compared to a loss of S\$0.6 million in HY2020 due mainly to derecognition of lease liabilities of Sushi Nagai.

### **Review of Statement of Financial Position**

#### **Current assets**

The Group's current assets decreased by S\$0.3 million, from S\$0.7 million as at 31 July 2020 to S\$0.4 million as at 31 January 2021. This was mainly due to (i) the decrease of trade and other receivables of S\$0.2 million as a result of the decrease in advances paid to suppliers of travel business; and (ii) the decrease in cash and cash equivalent of S\$0.1 million.

#### **Non-current assets**

The Group's non-current assets decreased by approximately S\$16,000 due to the depreciation of plant and equipment.

#### **Current liabilities**

The Group's total current liabilities decreased by S\$3.1 million, from S\$5.7 million as at 31 July 2020 to S\$2.6 million as at 31 January 2021 mainly due to (i) waiver of loans from shareholders, Bounty Blue and Capital Square in total of S\$2.1 million; (ii) derecognition of lease liabilities of S\$0.6 million; and (iii) reversal of provision for reinstatement of \$0.2 million.

#### **Non-current liabilities**

There are no non-current liabilities for the Group as at 31 January 2021 due to derecognition of lease liabilities.

#### **Equity**

The Group's deficit decreased by S\$5.6 million, from S\$7.7 million as at 31 July 2020 to a deficit of S\$2.1 million as at 31 January 2021. The decrease was due to a profit of S\$5.2 million recorded by the Group in HY2021 and the fund raised from the Proposed Subscription amounting to S\$0.5 million.

#### **Working capital and going concern statement**

The Group is in a net current liabilities position of S\$2.2 million and a net liabilities position of S\$2.1 million as at 31 January 2021.

The Company had, on 8 February 2021, entered into separate subscription agreements with nine individuals who are not related to the Group to raise S\$1,530,000 by way of issuing 306,000,000 new ordinary shares in the capital of the Company (the "**2<sup>nd</sup> Proposed Subscriptions**") for the repayment of debts and liabilities and general working capital purposes. Pursuant to two separate loan agreements dated 25 January 2021 and 29 January 2021 entered into between the Company and two of the subscribers, the Company obtained an interest-free bridging loan of S\$730,000 ("**Loan Amount**") from these subscribers. The Company has drawn down S\$200,000 and S\$530,000 as at 31 January 2021 and the date of this announcement, respectively. The aggregate consideration payable by these two subscribers under their respective subscription agreements shall be satisfied in full by way of settlement and set-off against the Loan Amount. The 2<sup>nd</sup> Proposed Subscriptions has completed on 9 March 2021. Please refer to the Company's announcement dated 9 March 2021 for further information on completion. Please also refer to paragraph 14 for the use of proceeds from the 2<sup>nd</sup> Proposed Subscriptions.

Furthermore, the Company, as announced on 9 February 2021, plans to conduct a rights issue exercise at a pricing similar to that offer in the 2<sup>nd</sup> Proposed Subscriptions. The terms of the proposed rights issue have not been determined by the Directors as of the date of this announcement. The

Group will look for more financing and fundraising opportunities to support the execution of its strategic business plans, which will in turn generate operating cash flows. Subject to the foregoing, the Group is expected to be able to operate as a going concern.

**Review of Statement of Cash Flows**

The Group's net cash flows used in operating activities in HY2021 was S\$0.5 million, mainly due to net working capital outflow of S\$2.1 million, partially offset by positive operating cash flows before changes in working capital of S\$1.6 million.

The Group's net cash flows generated from investing activities in HY2021 was approximately S\$4,000 due to exchange realignment.

The net cash flows generated from financing activities in HY2021 was S\$0.4 million, mainly due to the net proceeds from the Proposed Subscription of S\$0.4 million.

As a result, cash and cash equivalents stood at approximately S\$16,000 as at 31 January 2021.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The F&B industry is currently fraught with challenges brought about by the COVID-19 outbreak, which impacted the business in Singapore, the United States, Japan and Thailand. These developments have hit the Group's operating cash flows and financial situation. The Company has performed a strategic review of its businesses and has decided to remove the underperforming entities/businesses within its business portfolio, continue looking for new business opportunities within its current scope of business and realign its cost base.

As a result of the strategic review, the Company has identified SYNC, LB KOH Co., Ltd, LifeBrandz USA, Inc. and e-Holidays Co., Ltd for divestment as they are all loss-making and/or under-performing entities held by the Group. Shareholders' approval has been obtained on 26 February 2021 for such disposals and the disposals have been completed as of today.

As mentioned earlier in this announcement, the Company plans to conduct a rights issue exercise at a pricing similar to that offer in the 2<sup>nd</sup> Proposed Subscriptions. The Company will continue to explore various sources of financing and fundraising exercises to strengthen its cash position for future business expansions.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None.

**(c) Date payable**

Not applicable.

**(d) Record date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommended for the financial period under review in view of the net current liabilities and net liabilities positions of the Group.

**13. If the group has obtained mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalyst Rules. If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate for interested person transactions. There were no interested person transactions which amounted to more than S\$100,000 during HY2021.

**14. Use of Proceeds**

The following table summarises the utilisation of the proceeds of S\$1.53 million raised from the 2<sup>nd</sup> Proposed Subscriptions as well as the re-allocation made as at the date of this announcement:

<b>Use of Proceeds</b>	<b>Amount allocated (S\$' million)</b>	<b>Amount utilised as at the date of this announcement (S\$' million)</b>	<b>Re-allocation (S\$' million)</b>	<b>Balance as at the date of this announcement (S\$' million)</b>
Repayment of the remaining settlement sum to Bounty Blue	0.70	(0.26)	(0.18)	0.26
Offset against the Loan Amount	0.73	(0.73)	-	-
General working capital purposes	0.10	-	0.18	0.28
<b>Total</b>	<b>1.53</b>	<b>(0.99)</b>	<b>-</b>	<b>0.54</b>

After deducting certain liabilities (including contingent liabilities) according to the terms and conditions of the deed of settlement dated 26 November 2020 and the deed of addendum dated 8 February 2021 entered into between the Company, Bounty Blue and Mr Saito, the final settlement sum is approximately S\$0.38 million, of which S\$0.26 million shall be paid today and the remaining sum of S\$0.12 million to be paid by 12 March 2021. As such, the difference of S\$0.18 million is re-allocated for general working capital purposes.

**15. Statement pursuant to Rule 705(5) of the Catalist Rules**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the HY2021 to be false or misleading in any material aspect.

**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers, in the format as set out in Appendix 7H pursuant to Rule 720(1) of Catalist Rules.

**17. Disclosure pursuant to Rule 706A of the Catalist Rules**

During the period under review from 1 August 2020 to 31 January 2021, the Group has incorporated the following:

- (a) two wholly-owned subsidiaries in Japan, namely SYNC and LB KOH Co., Ltd in September 2020; and
- (b) a wholly-owned subsidiary in Malaysia, namely LB F&B Sdn. Bhd..

Please refer to the Company's announcements dated 10 September 2020 and 29 December 2020 for more details.

As mentioned earlier in this announcement, the Company has completed the disposal of SYNC and LB KOH Co., Ltd. Please refer to the Company's announcements dated 9 February 2021, 8 March 2021 and 10 March 2021 as well as the circular to shareholders dated 9 February 2021 for more details in relation to the disposals.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Saito Hiroyuki  
Executive Chairman and Chief Executive Officer

10 March 2021

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").*

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

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