LifeBrandz Ltd.

Annual Report 2020

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This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This annual report 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 annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

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

Corporate Profile

LifeBrandz Group was established in 2001, and has been listed in Singapore since 2004. LifeBrandz is a brand development and management Group with interests in sectors related to lifestyle and entertainment, leveraging on its core competency to set up brands. In FY2006, LifeBrandz focused on developing the lifestyle business, catering to hip and trend-setting crowds in Singapore, quickly establishing itself amongst the most dynamic lifestyle players in both the country and the region. Since FY2017, LifeBrandz Group initiated its transformation and diversification into comprehensive services and multi-faceted solutions – including, *inter alia*, brand development and management, travel, food and beverages ("F&B") and trading – while continuously striving to achieve growth and profitability.

Chairman's Message

Dear Shareholders,

The financial year ended 31 July 2020 ("FY2020") was indeed a challenging year for businesses with geopolitical trade tensions, international conflicts and the onset of the COVID-19 global pandemic leading to a depressed global economy with no signs of uplift in the near future.

Way of life and business in FY2020 have been far from what we could ever imagine. The COVID-19 pandemic, which loomed over the significant part of this financial year, has made considerable impact to LifeBrandz Ltd. ("LifeBrandz" or the "Company", and together with its subsidiaries, the "Group"), particularly in F&B sector. Lockdowns, travel bans, and social distancing measures have made dining out a highly restricted luxury.

The F&B industry is expected to face even greater challenges, intensified by the uncertainties of the COVID-19 situation. Amidst this uncertain and difficult period, the Group will remain flexible in redeploying resources to sustain its business operations. The Group will stay vigilant in controlling its expenses while continuing to channel its existing resources into enhancing efforts for optimising the Group's F&B business.

The Group has explored to middle spending group market which was offering affordable and family friendly Japanese-style food in Japan and even planned to start to develop F&B business in Malaysia. The ongoing COVID-19 pandemic has added unprecedented complexity to the Group's businesses and operations, for which no one could have foreseen. The state of the virus outbreak remains fluid over the world. Having regard to the unpredictability of the length of time of disruption, as well as the depth of the economic impact, the Group will continue to closely monitor the situation and respond accordingly.

Saito Hiroyuki

Executive Chairman & CEO

Board of Directors

SAITO HIROYUKI

Executive Chairman / Chief Executive Officer

Mr. Saito was appointed as the Executive Chairman and Chief Executive Officer ("CEO") of the Group on 5 May 2017. As CEO, Mr. Saito is leading the business activities and is responsible for setting the strategic direction of our Group together with the Board. He oversees the overall management of our Group, including steering the business and operations for future growth and expansion. Mr. Saito has a wide network of business dealings and activities in various sectors which will benefit the Group's strategic direction and position. He was previously the Operating Partner of New Nippon Investment Limited Partnership related to investment and business activities, and the Managing Director of C-Wave Marketing Inc with activities in marketing and product agency in Japan. Mr. Saito has a broad business background in various industries for the past 20 years and sits on the board of several companies.

LIM YIT KEONG

Lead Independent Director

Mr. Lim was appointed as an Independent Director of the Group on 30 April 2019. He is currently the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. Mr. Lim is currently an independent director of China Kunda Technology Holdings Limited and a management consultant with Capital Consulting Pte Ltd. He founded Capital Consulting Pte Ltd in 2000. He has over 35 years of experience in finance with Global Knowledge Network Pte Ltd, KPMG, Dornier Asia Medical Systems Pte Ltd, Bena Consultancy Services, Braun GmbH and Wearnes Technology Pte Ltd., holding various senior financial positions. He is a Fellow Member of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

KUROKAWA SHINGO

Independent Director

Mr. Kurokawa was appointed as an Independent Director of the Group on 27 October 2017. He is currently a member of the Audit, Nominating and Remuneration Committees. Mr. Kurokawa has wide exposure in technology development and software designs for both manufacturing and marketing establishments. He was the Chief Technology Officer of Plate Inc., where he was in charge of system development and web designing for entities involving in production and business sales services. Prior to that, he had worked in sales and marketing, and also as a Project Leader where he was responsible in areas of CRM, analysis and diagnostics services, and the setting up of related CMS and SEM projects for various companies. He has good knowledge in handling and implementing technological and information systems for various portfolio in the related industry. Mr. Kurokawa was also the Representative Director of FASTCODING Inc., which provides system development and web content designing service.

NAOKI WATANABE

Independent Director

Mr. Watanabe was appointed as an Independent Director of the Group on 5 August 2020. He is currently the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. Mr. Watanabe has over 6 years' experience in real estate industry. Mr. Watanabe graduated with a Bachelor's Degree in Property Management from Meikai University, Japan.

ANG PUAK HUEN

Executive Director / Chief Operating Officer

Ms. Ang was appointed as the Executive Director and Chief Operating Officer ("COO") of the Group on 10 February 2021. She is responsible for designing and implementing business strategies, plans and procedures of the Company, and overseeing the day-to-day operations of the Company. Ms. Ang has more than 10 years' experience in project management, operational management and stakeholder management.

WANG XIAOLAN

Independent Director

Ms. Wang was appointed as the Independent Director of the Group on 10 February 2021. She is currently the Chairman of the Nominating Committee, a member of the Audit and Remuneration Committees. Ms. Wang joined Yinda group in 2017 and took various roles there, including HR cum Finance Manager and Assistant Operation Manager, and now is the Corporate Development Manager of Yinda Infocomm Limited who focuses on the corporate development of the company. Prior to that, Ms. Wang was working in Saipem's Beijing and Singapore offices as Project Document Control Supervisor, Project Document Control Manager and Project Assistant HR Manager. Ms. Wang graduated with Bachelor of Science in Management with Accounting from Royal Holloway, University of London.

Executive Officer

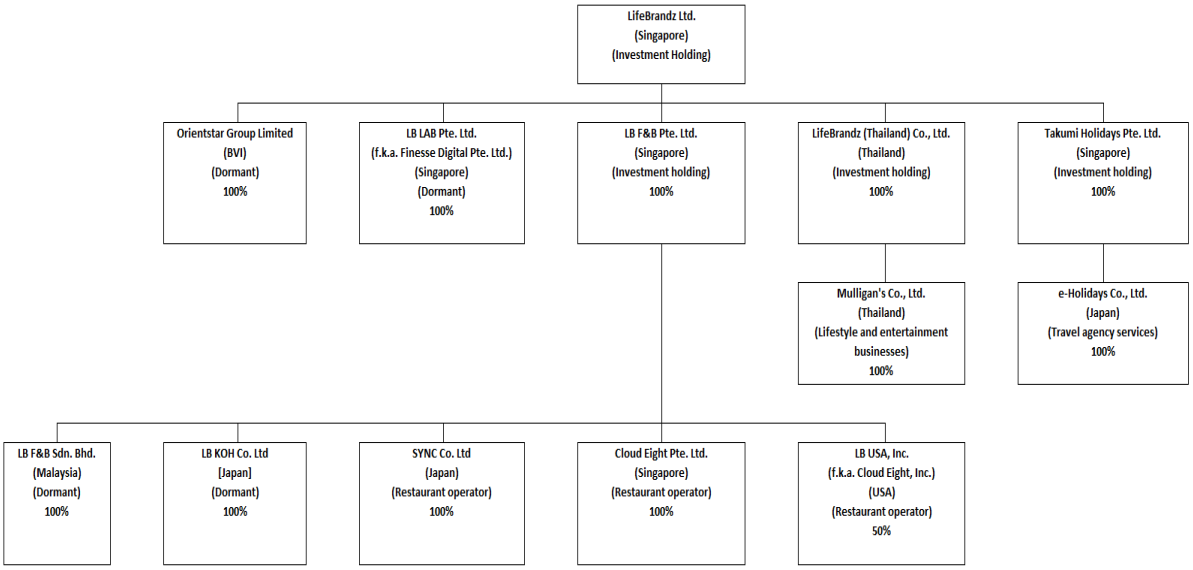
TERRY CHEUNG

Chief Financial Officer

Mr. Terry Cheung was appointed as the Financial Controller of the Group on 1 November 2018 and he has been re-designated as the Chief Financial Officer ("CFO") of the Group with effect from 3 June 2019. Mr. Cheung oversees the financial, accounting, corporate and business development, corporate secretarial and operation management matters of the Group. He has more than 10 years' experience in audit, financial accounting and business management. He holds a Bachelor Degree of Accountancy from Hong Kong Baptist University and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a Certified Public Accountant of CPA Australia.

Corporate Structure

As at 10 February 2021



Operations and Financial Review

Given the uncertain and fast-changing global economic conditions in FY2020, weak consumer sentiment coupled with the required implementation of stringent COVID-19 preventive measures disrupted the operations of businesses, especially those operating in the F&B and travel sectors.

Review of Income Statement for FY2020

Revenue

Business uncertainties have adversely affected the Group's financial performance with reduced revenue for the financial year ended 31 July 2020 ("FY2020") of S$3.3 million, a decrease of 40% as compared to S$5.6 million for the previous financial year ended 31 July 2019 ("FY2019").

The decrease in food and beverage ("F&B") revenue was mainly due to ceased operations of Hashida Sushi in Singapore ("Hashida Sushi") and Sushi Nagai in the United States ("Sushi Nagai") in April and May 2020, respectively.

The decrease in travel booking service revenue was mainly due to border control of countries and social distancing measures taken by the local government in controlling the spread of the COVID-19. Other operating income increased by S$0.5 million due mainly to government grant and renovation grant received.

Costs and expenses

Travel booking services costs saw a decrease of S$1.3 million, consistent with the decrease in revenue of FY2020.

Amortisation and depreciation charges increased by S$1.1 million was mainly due to the recognition of depreciation charge for right-of-use ("ROU") assets of Hashida Sushi and Sushi Nagai arising from the adoption of the new SFRS(I) 16 in FY2020 and the amortisation of intangible asset arising from the acquisition of e-Holidays Co., Ltd.

Lease expenses decreased by S$0.7 million mainly due to ceasing operation of the F&B outlets.

Other operating expenses saw an increase of S$5.0 million mainly due to the impairment of ROU assets and written off of fixed assets as result of ceased operation of Hashida Sushi and Sushi Nagai.

Review of financial position of the Group as at 31 July 2020

Current assets

The Group's current assets decreased by S$0.6 million, from S$1.3 million as at 31 July 2019 to S$0.7 million as at 31 July 2020. This was mainly due to the decrease in cash and cash equivalents of S$0.2 million, and the decrease in trade and other receivables of S$0.4 million.

Non-current assets

The Group's non-current assets decreased by S$2.3 million, from S$2.5 million as at 31 July 2019 to S$0.2 million as at 31 July 2020. This was mainly due to impairment of ROU assets and written off of fixed assets for Hashida Sushi and Sushi Nagai which have ceased operation in April and May 2020, respectively.

Current liabilities

The Group's current liabilities increased by S$2.4 million, from S$3.3 million as at 31 July 2019 to S$5.7 million as at 31 July 2020 mainly due to an increase in trade and other payables of S$1.8 million, which consist of increase of S$0.9 million loan from Bounty Blue Capital Ltd. ("Bounty Blue") and Capital Square Co., Ltd. ("Capital Square"), and trade payable balance owing to vendors and suppliers incurred from business activities of F&B and travel business segments. The Group recorded current lease liabilities of S$0.6 million arising from the property lease in the United States as a result of the adoption of the new SFRS(I) 16.

Non-current liabilities

The Group recorded non-current lease liabilities of S$2.8 million arising from the property lease in the United States as a result of the adoption of the new SFRS(I) 16.

Equity

The Group's equity decreased by S$8.1 million, from S$0.4 million as at 31 July 2019 to a deficit of S$7.7 million as at 31 July 2020. The decrease was due to the net loss of S$8.6 million recorded by the Group, an increase in foreign currency translation of S$0.1 million, partially offset by an increase in share capital of S$0.4 million arising from the placement exercise completed in January 2020.

Working capital and going concern statement

The Group is in a net current liabilities position of S$5.1 million and a net liabilities position of S$7.7 million as at 31 July 2020.

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

(a) the Company had, on 26 November 2020, entered into a deed of settlement ("Settlement Deed") with Bounty Blue Capital Ltd. ("Bounty Blue") and Mr. Saito Hiroyuki ("Mr Saito"), the Executive Chairman and CEO of the Company for the settlement of certain interest-free loans in the aggregate sum of $2,918,923 extended by Bounty Blue to the Group and the Company

for working capital and business expansion. Pursuant to the Settlement Deed, with effect from 31 October 2020, the Company shall cease all payments to Mr Saito of his monthly salary payable to him under his service agreement with the Company dated 21 April 2017 in order to support the working capital sufficiency of the Group and the Company. The loan amount of S$2,918,923 shall be fully settled and satisfied by the payment by the Group and the Company to Bounty Blue of S$1,000,000 in cash;

(b) the Company had, on the same day, entered into a deed of waiver with one of its shareholders, Capital Square Co., Ltd. ("Capital Square") for the waiver of a loan of S$200,000 extended by Capital Square to the Company and its interest charges;

(c) the Company had, on 10 December 2020, successfully completed a placement exercise and raised placement proceeds amounting to S$450,000. As of the date of authorisation for the issuance of these financial statements, the proceeds have been fully utilised for working capital purpose;

(d) 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 of new ordinary shares in the capital of the Company (the "subscription exercise") 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. As of the date of authorisation for the issuance of these financial statements, S$200,000 has been drawn down by the Company. 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 subscription exercise is subject to the approval of shareholders at Extraordinary General Meeting;

(e) the Company, as announced on 9 February 2021, plans to conduct a rights issue exercise at a pricing similar to that offer in the subscription exercise. The terms of the proposed rights issue have not been determined by the directors as of the date of authorisation for the issuance of these financial statements; and

(f) the Group has identified certain business opportunities and is in discussion with potential third-party business partners, and will look for more fundraising opportunities to support the execution of its strategic business plans, which will in turn generate operating cash flows.

The Directors acknowledge the existence of uncertainties involving:

(a) the outcome of the aforementioned subscription exercise which is subject to the approval of shareholders at Extraordinary General Meeting;

(b) the eventual execution and timing of the rights issues; and

(c) the ability of the Group to raise funds to support its strategic business plans to generate operating cash flows.

Review of Statement of Cash Flows

The Group's net cash flows used in operating activities in FY2020 was S$1.3 million, mainly due to negative operating cash flows before working capital of S$1.5 million, partially offset by working capital inflow of S$0.2 million.

The Group's net cash flows used in investing activities in FY2020 was S$0.1 million.

The Group's net cash flows generated from financing activities in FY2020 was S$1.2 million, mainly due to advances from Bounty Blue of S$1.5 million, the proceeds of S$0.5 million from the placement, partially offset by repayment of lease liabilities of S$0.8 million.

As a result, cash and cash equivalents stood at approximately S$105,000 as at 31 July 2020.

Corporate Information

BOARD OF DIRECTORS

Saito Hiroyuki
Executive Chairman & CEO
Ang Puak Huen
Executive Director & COO
Lim Yit Keong
Lead Independent Director
Kurokawa Shingo
Independent Director
Naoki Watanabe
Independent Director
Wang Xiaolan
Independent Director

AUDIT COMMITTEE

Lim Yit Keong
Chairman
Kurokawa Shingo
Member
Naoki Watanabe
Member
Wang Xiaolan
Member

REMUNERATION COMMITTEE

Naoki Watanabe
Chairman
Lim Yit Keong
Member
Kurokawa Shingo
Member
Wang Xiaolan
Member

NOMINATING COMMITTEE

Wang Xiaolan
Chairman
Lim Yit Keong
Member
Kurokawa Shingo
Member
Naoki Watanabe
Member

COMPANY SECRETARY

Shirley Tan Sey Liy (ACS)

REGISTERED OFFICE

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Singapore 239351
Tel: (65) 6221 9344
Fax: (65) 6491 6498
Email: invest@lifebrandz.com
Website: www.lifebrandz.com

REGISTRATION NUMBER

200311348E

AUDITORS

Mazars LLP
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536

PARTNER-IN-CHARGE

Ooi Chee Keong
(since financial year ended 31 July 2020)

SPONSOR

SAC Capital Private Limited
1 Robinson Road, #21-00
AIA Tower
Singapore 048542

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

RHT Corporate Advisory Pte. Ltd.
30 Cecil Street
#19-08
Prudential Tower
Singapore 049712

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

Corporate Governance Report

INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of LifeBrandz Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to ensuring that the highest standards of corporate governance and transparency are practised by the Group.

The Board views compliance with high standards of corporate governance and transparency as a fundamental part of discharging its responsibilities to act in the best interests of the Company and to protect and enhance long-term value for its shareholders (the "**Shareholders**"). On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance 2018 (the "**Code**") and accompanying Practice Guidance. The Code supersedes and replaces the Code of Corporate Governance 2012, and applies to annual reports covering financial years commencing from 1 January 2019. To this end, the Board embraces the good corporate governance principles embodied in the Code, and adopts, where practical, best practices embodied by the Code throughout the Group.

This report outlines the corporate governance policies adopted and practised by the Group for the financial year ended 31 July 2020 ("**FY2020**") with specific reference made to the principles and provisions as set out in the Code and its accompanying Practice Guidance. Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company confirms that it has complied with the principles of the Code and in respect of any deviation from any provisions of the Code, it has explicitly stated the provision from which it has varied, explained the reason for variation, and explained how the practices it had adopted are consistent with the intent of the relevant principle.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Catalist Rules.

This report is divided into five main sections: (1) Board Matters; (2) Remuneration Matters; (3) Accountability and Audit; (4) Shareholder Rights and Engagement; and (5) Managing Stakeholders Relationships.

1. BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1: Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is accountable to the Shareholders and oversees the overall management of the business and affairs of the Group, including providing leadership and supervision to the Management of the Group (the "**Management**") so as to protect and enhance long-term value and returns for its Shareholders.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and are fiduciaries who are obliged to act in good faith and to make objective decisions in the best interests of the Group and its Shareholders.

Besides carrying out its statutory responsibilities, the Board sees its role as follows, and acts accordingly to fulfil its role in the Company:

(a) sets the strategic direction and long-term goals of the Group and ensures that adequate resources are available to meet these objectives;

(b) reviews and approves corporate strategies, annual budgets and financial plans, investment and divestment proposals, and major funding proposals of the Group to achieve its long-term goals;

(c) reviews and monitors the Management's performance towards achieving the goals that have been set;

(d) reviews the adequacy and effectiveness of the Group's internal controls, risks management systems, and the financial information reporting systems;

(e) ensures the Group's compliance to laws, regulations, policies, directives, guidelines and internal code of conduct;

(f) approves nominees for Directors or key executives put forward by the Nominating Committee ("**NC**") to the Board, and deliberates on the appointment of the external auditor recommended by the Audit Committee ("**AC**");

(g) delegates the task, but retains the responsibility, of viewing and approving the remuneration packages for the Board and key executives to the Remuneration Committee ("**RC**");

(h) ensures accurate, adequate and timely reporting to, and communication with Shareholders;

(i) sets the Group's values and standards, to identify and ensure that obligations to Shareholders and other stakeholders are understood and met; and

(j) considers sustainability issues, such as environmental and social factors as part of its strategic formation.

The Company has in place Employee Handbook which covers, *inter alia*, Conflict of Interest and Code of Conduct guidelines. All employees of the Group are to uphold the principles set out in the Employee Handbook and conduct themselves with high standards of integrity that are in compliance with laws and regulations of the jurisdictions in which it operates.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as it is practicable after the relevant fact has come to his/her knowledge. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is abstained from voting in relation to the conflict-related matters.

Provision 1.2: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

The Board ensures that newly-appointed Directors will be orientated on the Group's business strategies, operations and governance practices to facilitate the effective discharge of their duties. The Executive Directors are appointed by way of service agreements while the Non-Executive Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.

Pursuant to the amended Rule 406(3)(a) of the Catalist Rules, the Company will arrange newly-appointed Directors who do not have prior experience as a director of a public listed company in Singapore ("**First-time Directors**") to attend SGX-ST's prescribed training courses organised by the Singapore Institute of Directors ("**SID**") on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties. As at the date of this report, there are three (3) new First-time Directors appointed during or after FY2020, including Mr. Naoki Watanabe, Ms. Ang Puak Huen and Ms. Wang Xiaolan. Except for Mr. Naoki Watanabe who has expressed his intention to step down upon completion of the transactions announced by the Company on 9 February 2021, the Company will ensure the remaining First-time Directors complete the SGX-ST's prescribed training courses organised by the SID within one (1) year from their respective appointment dates.

To ensure that the Board keeps pace with regulatory changes, the Company works closely with professionals to provide its Directors with pertinent information in relation to changes to relevant laws, regulations and accounting standards. Any updates relating to changes in the Catalist Rules and/or corporate governance guidelines are circulated to Directors from time to time. Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors at the Company's expense. The Chief Executive Officer ("**CEO**") will update the Board regularly on business and strategic developments relating to the Group.

During FY2020, the Directors were provided with briefings and updates on: (i) the developments in financial reporting by the external auditor, Mazars LLP; (ii) changes in the relevant laws and

regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board and/or Board Committee meetings; and (iii) updates relating to changes in the Catalist Rules and the Code by the Company Secretary and the continuing sponsor, SAC Capital Private Limited.

Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

Matters which are specifically reserved to the full Board for decision and approval include, among others, those involving:

(i) corporate strategic plans and budgets;

(ii) material acquisitions and disposal of assets;

(iii) major funding proposals and investments;

(iv) corporate and financial restructuring;

(v) Group's quarterly and full-year financial result announcements;

(vi) share issuances, dividends and other returns to Shareholders;

(vii) matters involving conflict of interests for a substantial Shareholder or a Director; and

(viii) interested person transactions.

Provision 1.4: Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

The Board has delegated specific responsibilities to three (3) board committees. These committees include the Audit Committee ("**AC**")AC, the Nominating Committee ("**NC**")NC and the Remuneration Committee ("**RC**")RC (collectively, the "**Board Committees**"). These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Catalist Rules and the Code.

These committees have the authority to examine particular issues within their terms of reference and report back to the Board with a fair recommendation. The ultimate responsibility for the final decision on all matters lies with the Board. The effectiveness of each committee is also constantly reviewed by the Board.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the further sections of this report.

Provision 1.5: Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board meets at least two (2) times a year, with additional meetings convened as necessary. Board meetings are held in Singapore and the Directors attend the meetings regularly. To facilitate meetings, the Company's Constitution (the "**Constitution**") allows for meetings to be held through telephone and/or videoconference.

For FY2020, the matrix on the frequency of the meetings and the attendance of Directors at these meetings is set out as follows:

	Board	**AC**	**NC**	**RC**	**AGM**	**Extraordinary General Meeting**
No. of meetings held	3	2	1	1	1	1
No. of meetings attended by each respective Directors						
Mr. Saito Hiroyuki	3	1*	0	0	1	1
Mr. Lim Yit Keong(1)	3	2	1	1	1	1
Mr. Kurokawa Shingo(2)	3	2	1	1	1	1
Mr. Naoki Watanabe(3)	1	1	1	1	NA	NA
Ms. Ang Puak Huen(4)	NA	NA	NA	NA	NA	NA
Ms. Wang Xiaolan(5)	NA	NA	NA	NA	NA	NA
Mr. Yoshio Ono(6)	2	1	0	0	1	1

**By invitation*

Notes:

(1) Mr. Lim Yit Keong was re-designated as Lead Independent Director and Chairman of AC and relinquished his role as Chairman of RC on 5 August 2020 while remains as member of NC and RC.

(2) Mr. Kurokawa Shingo relinquished his role as Chairman of NC with effect from 10 February 2021. He will retire as Independent Director at the forthcoming annual general meeting of the Company ("**AGM**") and will relinquish his role as member of all Board Committees.

(3) Mr. Naoki Watanabe was appointed as Independent Director, Chairman of RC and member of AC and NC on 5 August 2020.

(4) Ms. Ang Puak Huen was appointed as Executive Director and Chief Operating Officer ("**COO**") on 10 February 2021.

(5) Ms. Wang Xiaolan was appointed as Independent Director, Chairman of NC and member of AC and RC on 10 February 2021.

(6) Mr. Yoshio Ono resigned and ceased being Lead Independent Director, Chairman of AC and member of NC and RC on 6 May 2020.

While the Board considers Directors' attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodic reviews and the provision of guidance and advice on various matters relating to the Group.

When a Director has multiple board representations, the NC will consider whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other

principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

Provision 1.6: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at Board and Board Committee meetings. Board papers which contain sufficient information on the issues to be considered are prepared and circulated to the Directors in advance for each meeting to give the Directors sufficient time to review the matters to be discussed. The Directors are entitled to request from the Management and should be provided with such additional information as needed to make informed decisions and the Management shall provide the same in a timely manner.

Provision 1.7: Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have separate and independent access to the to the Management, the Company Secretary and the external advisers (where necessary) at all times. Queries by individual Directors on the Company's developments, management proposals or papers are directed and answered by the Management.

The Company Secretary or her representative(s) will attend Board and Board Committee meetings and ensure that Board procedures and other applicable rules and regulations including the provisions of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the Constitution and the Catalist Rules are followed. The Company Secretary also ensures good information flows within the Board and the Board Committees and between the Management and Non-Executive Directors, and also assist with the circulation of Board papers and the updating of the Directors on changes in laws and regulations relevant to the Group. The appointment and removal of the Company Secretary is subject to the Board's approval.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, may direct the Company to appoint professional advisers to render professional advice. The Board takes independent professional advice as and when necessary to enable it or the Independent Directors to discharge their responsibilities effectively. The cost of such service shall be borne by the Group.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1: An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

As at the date of this report, the Board comprises six (6) members, consisting of two (2) Executive Directors, and four (4) Independent Directors as follows:

Name of Directors	Designation	AC	NC	RC
Mr. Saito Hiroyuki	Executive Chairman & CEO	-	-	-
Ms. Ang Puak Huen	Executive Director & COO	-	-	-
Mr. Lim Yit Keong	Lead Independent Director	Chairman	Member	Member
Mr. Naoki Watanabe	Independent Director	Member	Member	Chairman
Ms. Wang Xiaolan	Independent Director	Member	Chairman	Member
Mr. Kurokawa Shingo	Independent Director	Member	Member	Member

The independence of each Director is reviewed annually and as and when circumstances required by the NC based on the guidelines set out in the Code and the Catalist Rules. Particularly rigorous review is applied when assessing the continued independence of a Director with attention paid to ensuring that his allegiance remains clearly aligned with interests of the Company and all Shareholders.

The criterion for independence is determined based on the definition as provided in the Code and the Catalist Rules. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its officers or its substantial Shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Group.

In line with the Code, the NC also introduced the peer assessment of independence of each Director who has served the Board beyond nine (9) years. The peer assessments considered, *inter alia*, the contribution by the Director, the uniqueness of his skills and participation at meetings. The NC also considers a Director's competency, participation in meetings, and ability to exercise independent and objective judgement, and ensures that there are no relationships or circumstances which will affect his judgement and ability to discharge his duties and responsibilities as a Director.

The Board, taking into account the NC's view, has confirmed that Mr. Lim Yit Keong, Mr. Naoki Watanabe, Ms. Wang Xiaolan and Mr. Kurokawa Shingo are independent in character and judgment in accordance to the Code and the Catalist Rules. None of the Independent Directors has served the Company for more than nine (9) years from his date of first appointment to the Board.

Provision 2.2: Independent directors make up a majority of the Board where the Chairman is not independent.

As the Chairman of the Board and CEO of the Company is the same person, the Independent Directors comprise more than half of the Board. Accordingly, the Board is of the view that no individual or group is able to dominate the Board's decision-making process.

Provision 2.3: Non-executive directors make up a majority of the Board.

The Board comprises of six (6) Directors, four (4) of whom are Non-Executive Directors and representing a majority of the Board.

All the Board Committees are chaired by Independent Directors and the NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

Provision 2.4: The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Board examines its size, taking into account the nature and scope of the Company's operations, to ensure that it is appropriate for effective decision making. The NC is of the view that the current Board size is appropriate and able to function effectively and efficiently. The NC, together with the Board, will continuously and progressively refresh the Board to instill greater knowledge and expertise to the Group. Such direction takes into account the business needs and requirement of the Group and to avoid unnecessary disruption during the time of succession and refreshment to the composition of the Board and Board committees.

The Board is made up of business leaders and professionals with business management experience, industry knowledge, financial and strategic planning experience. A brief description on the background of each Director is presented on "Board of Directors" section in the Annual Report. The Board, taking into account the NC's views, considers that the current Board provides an appropriate balance and diversity of skills, experiences and knowledge to the Company that will provide effective governance and stewardship for the Group.

The Board recognises the benefits of having a diverse Board to help bring in new ways of thinking, insights and different perspectives to the Board, which will result in productivity and quality of board deliberations. While the Board and the NC have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise, experience, educational, gender, age and other relevant aspects of diversity of perspectives appropriate to its business, so as to avoid groupthink, foster constructive debate, and enable the Board to make decisions in the best interests of the Company. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments will be based on merit, in the context of the skills, knowledge, experience and independence which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board

Provision 2.5: Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

The Independent Directors participate actively in the Board meetings. With their professional expertise and competency in their respective fields in the finance, accounting and commercial sectors, the Independent Directors collectively provide constructive advice and guidance for effective discharge by the Board of its principal function over the Group's strategies, businesses and other affairs. The Independent Directors constructively challenge and support the Board on strategy and review Management objectives and monitor the reporting performance.

Where warranted, Independent Directors meet without the presence of Management to review any matter that may be raised privately. During FY2020, the Independent Directors met 1 time without the presence of Management.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1: The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

Mr. Saito Hiroyuki is the Chairman of the Board and CEO of the Group. As the Chairman of the Company, his duties and responsibilities include:

- leads the Board;
- manages the Board and various Board Committees businesses;
- sets the Board agenda and ensures timeliness and adequacy of information flow;
- ensures effective communication with Shareholders;
- encourages constructive relationship and interaction within the Board and the Management;
- facilitates effective support and contribution of all Directors; and
- continuously pursues high standards of corporate governance.

As the CEO of the Company, Mr. Saito Hiroyuki is responsible for the business strategy and direction, the implementation of corporate plans, policies and executive decision-makings of the Group.

There is no concentration of power as the Group is run objectively on a transparent basis and the Board feels that there is adequate representation of Independent Directors (more than half) on the Board. All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority in the spirit of good corporate governance.

Provision 3.1 of the Code sets out that the Chairman and CEO should be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. However, taking into account the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and CEO, and there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent, based on collective decisions without any individual or group of individuals being able to exercise considerable concentration of power or influence.

Provision 3.3: The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

As Mr. Saito Hiroyuki is the Executive Chairman and CEO, the Board has appointed Mr. Lim Yit Keong as the Lead Independent Director of the Company. The Lead Independent Director is available to Shareholders in circumstances where Shareholders' concerns raised through normal channels to the Executive Chairman and CEO, Executive Director or Chief Financial Officer ("**CFO**") have failed to resolve or where such communication is inappropriate. Led by the Lead Independent Director, the Independent Directors meet and communicate periodically, via meetings, telephone, electronic devices, to discuss issues without the presence of other Directors and provide feedback to the Chairman of the Board as appropriate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1: The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
(c) the review of training and professional development programmes for the Board and its directors; and
(d) the appointment and re-appointment of directors (including alternate directors, if any).

The NC has adopted a written term of reference which describes the responsibilities of the NC and the proceedings at NC meetings. The NC's principal responsibilities are as follows:

(a) to make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board, as well as ensuring there are procedures in place for the selection and appointment of Non-Executive Directors;

(b) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(c) to be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominees have the requisite qualifications and whether or not they are independent;

(d) to recommend Directors who are retiring by rotation to be put forward for re-election;

(e) to oversee Management development and succession planning of the Group;

(f) to decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he has multiple board representations;

(g) to be responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board; and

(h) to carry out such other duties as may be agreed to by the NC and the Board.

The NC also reviews induction programs for new Directors, as well as the training and professional development programs for the continuing training of the Directors.

Provision 4.2: The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

As at the date of this report, the NC comprises four (4) members, all of whom, including the Chairman of NC, are independent. The current members of the NC are:

Ms. Wang Xiaolan	Chairman and Independent Director
Mr. Lim Yit Keong	Member and Lead Independent Director
Mr. Naoki Watanabe	Member and Independent Director
Mr. Kurokawa Shingo	Member and Independent Director

The Lead Independent Director is also a member of the NC. The NC will meet at least once a year.

Provision 4.3: The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

Nomination and Selection

In the event a new Director is required, the search would be conducted via recruitment companies, contacts and recommendations so that the Company could cast its net as wide as possible for the right candidates. The NC will identify potential candidates for appointments based on and after taking into consideration the candidates' qualification, knowledge, skills and experience, as well as his/her ability to increase the effectiveness of the Board and the Group's business. The NC will then recommend their nominations to the Board for consideration.

Election and re-election

New Directors are appointed by way of a Board resolution, upon their nomination by the NC. In accordance with the Company's Constitution, these new Directors who are appointed by the Board are subject to re-election by Shareholders at the first opportunity after their appointment. The Constitution of the Company also requires one-third of the Board to retire from office at each AGM. Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years.

Mr. Naoki Watanabe, Ms. Ang Puak Huen and Ms. Wang Xiaolan were appointed during or after FY2020 by way of Board resolutions. Pursuant to Article 117 of the Constitution, they shall retire at forthcoming AGM.

Pursuant to Article 107 of the Constitution, Mr. Kurokawa Shingo is due for retirement by rotation at the forthcoming AGM.

Mr. Naoki Watanabe, Ms. Ang Puak Huen and Ms. Wang Xiaolan have re-submitted themselves for re-election at the forthcoming AGM. Mr. Kurokawa Shingo has indicated his intention to retire and not seeking for re-election at the forthcoming AGM.

Mr. Naoki Watanabe will, upon re-election as a Director, remain as an Independent Director, the Chairman of RC, a member of AC and NC. Ms. Ang Puak Huen will, upon re-election as a Director, remain as an Executive Director and COO. Ms. Wang Xiaolan will, upon re-election as a Director, remain as an Independent Director, the Chairman of NC, a member of AC and RC.

Mr. Naoki Watanabe and Ms. Wang Xiaolan are considered independent for the purpose of Rule 704(7) of the Catalist Rules.

The NC has recommended to the Board in which the Board has accepted the re-election of the Directors at the forthcoming AGM. In making the above recommendations, the NC had considered the said Directors' qualification, experience, independence and/or overall contribution and performance (as the case may be). Please refer to the Notice of AGM for the resolutions put forth on their proposed re-election and re-appointment.

The Board provides for appointment of alternate Director only in exceptional cases such as when a Director has a medical emergency. The Board will take into consideration the same criteria for selection of Directors such as his/her qualifications, competencies and independence. Currently, the Company does not have alternate Directors.

Provision 4.4: The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

In determining the independence of the Directors, the NC has developed a form "Return on Independence" which is required to be completed by all Independent Directors on an annual basis and submitted to NC for its review. The independence of each Director is reviewed by the NC with reference to the guidelines set out in the Code and the Catalist Rules and any other salient factors which would render a Director to be deemed not independent.

There are no relationships between the Independent Directors and the Company, its related corporations, its substantial Shareholders or its officers, if any, which may affect their independence. The Board, with the concurrence of the NC, has considered Mr. Lim Yit Keong, Mr. Naoki Watanabe, Ms. Wang Xiao Lan and Mr. Kurokawa Shingo to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Provision 4.5: The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

The NC will ensure that the selected candidate is aware of the expectations and the level of commitment required. The NC will continuously review the performance of the Directors with multiple board representations and other principal commitments to ensure that sufficient time and attention is devoted by these Directors to the affairs of the Group.

The NC is satisfied that all Directors are able to and have adequately carried out their duties as Directors of the Company, after taking into consideration the number of listed company board representations and other principal commitments.

The Code requires listed companies to fix the maximum number of board representations on other listed companies that their directors may hold and to disclose this in their annual report. The Board, with the concurrence of the NC, is of the view that there are currently no compelling reasons to impose a cap on the number of board representations each Director may hold as each Director is able to devote sufficient time and attention to adequately carry out his duties as a Director of the Company.

The Group also recognises that its Executive Directors may be invited to become non-executive directors of other companies and that the exposure to such non-executive duties can broaden the experience and knowledge of its Executive Directors which will benefit the Group. Executive Directors are therefore allowed to accept non-executive appointments as long as these are with non-competing companies, are not likely to lead to conflicts of interests and their commitment to the Group is not compromised.

The key information for each Director is disclosed in their profile as set out in the section entitled "Board of Directors" of the Annual Report. The dates of initial appointment and last re-election of each Director, together with his directorships in other listed companies, are set out below:

Name of Directors	Date of Appointment	Date of Last Re-election	Directorships in Other Listed Companies	
			Current	Past 3 years (preceding to the date of this report)
Mr. Saito Hiroyuki	5 May 2017	27 November 2019	-	-
Ms. Ang Puak Huen	10 February 2021	-	-	-
Mr. Lim Yit Keong	30 April 2019	27 November 2019	China Kunda Technology Holdings Limited	-
Mr. Naoki Watanabe	5 August 2020	-	-	-
Ms. Wang Xiaolan	10 February 2021	-	-	-
Mr. Kurokawa Shingo	27 October 2017	29 November 2017	-	-

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1: The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board

committee separately, as well as the contribution by the Chairman and each individual director to the Board.

In line with the principles of good corporate governance, the NC implements and performs the annual performance evaluation for assessing the effectiveness of the Board as a whole and each of the Board Committees. The performance of individual Directors are conducted whenever a Director is up for retirement and re-election and when a Director has multiple board representations.

A formal Board performance evaluation, led by the NC, is conducted annually by means of a confidential questionnaire designed to assess the state of affairs of corporate governance matters in the Company, including the performance of each individual Board Committee. The NC is of the view that it is more appropriate and effective to assess the performance of the Board as a whole, bearing in mind that each member of the Board contributes in different ways to the success of the Company and Board decisions are made collectively. The Board meets frequently and informally to discuss on Group business matters and evaluate on various assessments of the Group. With such effective interaction and regular communication by the Board, annual individual Directors' assessment is not necessary at this juncture.

The NC will initiate constant interaction to nurture better understanding and cohesion for Board members to establish good working relationship and commitment towards the Board's objectives. The purpose of such interaction and evaluation process is to increase the overall effectiveness and efficiency of the Board functions. Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance or re-nomination as Director.

Provision 5.2: The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

The Board assessment form and each of the Board Committees assessment forms are separately completed by each Director to elicit his/her individual input, collated, analysed and discussed with the NC and the Board with comparatives from the previous year. The Board assessment process focuses on the evaluation of factors such as the size and composition of the Board, independence component in the Board, the Board's access to information, Board processes and accountability, quality of agenda, communication with key Management personnel, Director's standard of conduct and quality of decision making. The Board Committee assessment process focuses on adequacy and effectiveness of each Board Committee in carrying out its roles and responsibilities. The performance criteria do not change from year to year. Recommendations to further enhance the effectiveness of the Board and the various Board Committees will be implemented, as appropriate. Each member of the NC shall abstain from voting on any resolutions in respect of his/her re-nomination.

The NC had conducted a performance evaluation of the Board and the Board Committees for FY2020. The NC is satisfied with the effectiveness of the Board and the Board Committees. Each Director continues to contribute effectively to the Board and is able to discharge responsibilities in the Board Committees without any issue of time commitment.

No external facilitator has been engaged for the purpose of Board assessment in FY2020.

2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1: The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

(a) A framework of remuneration for the Board and key management personnel; and
(b) The specific remuneration packages for each director as well as for the key management personnel.

Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The Code endorses, as good practice, a formal framework for fixing the remuneration packages of individuals, with the RC making recommendations to the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards and benefits-in-kind shall be covered by the RC. Each of the member of the RC shall abstain from voting on any resolution in respect of his/her own remuneration package.

The RC has adopted a written term of reference which describes the responsibilities of the RC and the proceedings at RC meetings. The RC's principal responsibilities are as follows:

(a) to approve the structure of the compensation programme for Directors and Senior Management, and to ensure that the programme is competitive and sufficient to attract, retain and motivate Management of the required quality to run the Company successfully;

(b) to review and recommend the remuneration packages of the Executive Directors, the CEO and key executives of the Company annually;

(c) to review the appropriateness of compensation for Non-Executive Directors, including but not limited to Directors' fees, allowances and share options;

(d) to review and recommend to the Board any long-term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith; and

(e) to carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

The Company's obligations arising in the event of termination of Executive Directors and key Management personnel are contained in the respective service contracts. The RC is satisfied that the termination clauses therein are fair and reasonable.

Provision 6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

As at the date of this report, the RC comprises four (4) members, all of whom, including the Chairman of RC, are independent. The current members of the RC are:

Mr. Naoki Watanabe	Chairman and Independent Director
Mr. Lim Yit Keong	Member and Lead Independent Director
Ms. Wang Xiaolan	Member and Independent Director
Mr. Kurokawa Shingo	Member and Independent Director

Provision 6.4: The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

If necessary, the RC has the right to seek professional advice internally and/or externally on fixing remuneration packages of all Directors and key Management personnel. The RC would ensure that any relationship between the appointed remuneration consultant and any of the Directors and key Management personnel will not affect the independence and objectivity of the remuneration consultant. The expenses of such advice shall be borne by the Company. No such consultants were engaged by the Company in FY2020.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1: A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Provision 7.3: Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The Company has sought to ensure that the level and structure of remuneration for Directors are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and to run the Group successfully. The component parts of remuneration are structured to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by the particular Non-Executive Director concerned.

The RC takes into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key Management personnel when determining their remuneration packages. In structuring and reviewing the remuneration packages, the RC seeks to align interests of Directors with those of Shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. Such performance-related remuneration is designed to be aligned with the interest of Shareholders and promote long-term

success of the Company. As and when appropriate, the Group will administer and manage long-term incentive schemes to nurture greater motivation and retention level within the Group.

The remuneration for Executive Directors and key Management personnel comprise a basic salary and bonus component. The Company entered into a service agreement with the Executive Chairman and CEO, Mr. Saito Hiroyuki, for an initial appointment period of three (3) years from 5 May 2017. The service agreement allows for termination by either party giving not less than six (6) months' notice in writing to the other. The Company also entered into a service agreement with the Executive Director and COO, Ms. Ang Puak Huen, for an initial appointment period of three (3) years from 10 February 2021. The service agreement allows for termination by either party giving not less than six (6) months' notice in writing to the other.

The RC is responsible for the review of compensation commitments in the service agreements, if any, in the event of early termination. The Board is of the view that the remuneration packages offered to the Executive Directors and key Management personnel are fair and competitive. The RC will continue to carry out annual reviews of the remuneration packages of the Executive Directors and key Management personnel, having due regard to their contributions as well as the financial and commercial needs of the Group.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key Management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company. The Executive Directors owe fiduciary duties to the Company, and hence, the Company should be able to avail itself to remedies against him/her in the event of such breach of fiduciary duties. Similarly, for the key Management personnel, the Company believes that there are alternative legal avenues to specific contractual provisions that will enable the Company to recover financial losses arising from exceptional circumstances above from the key Management personnel. The RC will review the need to insert such contractual provisions into the service agreements with the Executive Directors and key Management personnel in the future as and when necessary.

Provision 7.2: The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as efforts and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. All Independent Directors are paid Directors' fees that are subject to Shareholders' approval at the AGM.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1: The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

The fixed component of remuneration for the Executive Directors is based on the service agreements entered between the Company and the Executive Directors. Similarly, the remuneration for the key Management personnel is based on the employment contract with them. The variable component of remuneration for both Executive Directors and key Management personnel is linked to the performance of the Group and individual.

Remuneration of Directors and the CEO

A breakdown showing the level and mix of each individual Director's remuneration in bands of S$250,000 for FY2020 is as follows:

Name of Director	Director's fees %	Salary* %	Bonus* %	Allowances and Benefits* %	Total %
S$250,000 to below S$500,000					
Mr. Saito Hiroyuki	-	100	-	-	100
Below S$250,000					
Mr. Lim Yit Keong	100	-	-	-	100
Mr. Kurokawa Shingo	100	-	-	-	100
Mr. Yoshio Ono(1)	100	-	-	-	100

**Inclusive of Central Provident Fund Contributions*

Notes:

(1) Mr. Yoshio Ono resigned and ceased being the Lead Independent Director of the Company on 6 May 2020.

(2) Ms. Ang Puak Huen, Mr. Naoki Watanabe and Ms. Wang Xiaolan were appointed after FY2020.

The RC has recommended that the Directors' fee of S$81,785 for FY2020, which will be tabled at the forthcoming AGM for the Shareholders' approval.

For competitive reasons, the Company discloses each individual Director's remuneration by way of respective bands of remuneration of each Director. The Company is of the view that due to confidentiality and sensitivity attached to remuneration matters, it would not be in the best interests of the Company to disclose the exact details of the remuneration of each individual Director. In arriving at this decision, the Board had taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, and the need of the Group to attracting and retaining talent at the Board level on a long-term basis.

Remuneration of Key Management Personnel

Currently, the Company only has one (1) key Management personnel (who is not a Director or CEO of the Company), being the CFO. A breakdown showing the remuneration amount and mix of the Company's CFO is as follows:

Name of Key Management Personnel	Salary* %	Bonus* %	Allowance and Benefits* %	Total %
Below S$250,000				
Mr. Terry Cheung	100	-	-	100

**Inclusive of Central Provident Fund Contributions*

The Board believes that disclosure of the exact or aggregate remuneration of the key Management personnel as recommended by the Code would be disadvantageous to the business interest of the Company, in view of the sensitive nature of such information and high competition for talent.

Provision 8.2: The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

The Company does not have any employee who is a substantial Shareholder, or is an immediate family member of a Director, the CEO or a substantial Shareholder whose remuneration in FY2020 exceeded S$100,000 per annum.

Provision 8.3: The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

The RC recommends to the Board the framework of executive remuneration and the remuneration package for each Executive Director. In its deliberations, the RC will take into consideration industry practices and norms in compensation in addition to the Company's relative performance in the industry and the performance of the individual Directors. The remuneration packages recommended by the RC are ultimately approved by the Board. No Director is involved in deciding his/her own remuneration.

The Company adopts a remuneration policy that comprises a fixed component and a variable component. The fixed component is in the form of a base salary, fixed allowances and benefits, and bonus. The variable component is in the form of a variable bonus which is linked to the Group's performance, as well as the individual's performance assessed based meeting key performance indicators allocated to them and their level of efficiency and productivity. Staff appraisals are conducted at least once every year.

During FY2020, there were no termination, retirement and post-employment benefits granted to the Directors or the key Management personnel.

The Company does not have any employee share scheme or other long-term incentive schemes.

3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1: The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

Provision 9.2: The Board requires and discloses in the company's annual report that it has received assurance from:

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Board is responsible for the governance of risk by ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interest. The Group has established a risk identification and management framework. Using the aforesaid framework, the Group identifies key risks and undertakes appropriate measures to control and mitigate these risks. Action plans to manage the risks are continually being monitored and refined by the Management together with the Board. All significant control policies and procedures are reviewed regularly, and significant matters are highlighted to the AC and the Board.

The internal controls structure of the Group has been designed and put in place by the Management of the Group's business units to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations.

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board. During FY2020, there were no material weaknesses being identified.

The Group's internal auditor, Baker Tilly TFW LLP, carries out internal audit on the system of internal controls at least annually and reports the findings to the AC. The Group's material internal controls are also reviewed by the Group's external auditor, Mazars LLP, in the course of their statutory audit. The Management will then take corrective measures to strengthen the internal controls. Any material non-compliance and internal control weaknesses and recommendations for improvements are noted during the audit and will be reported to the AC. The Board, with the assistance of the AC, internal and external auditors, will review the adequacy and effectiveness of the Group's key internal controls.

However, no cost-effective internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgment in decision-making, losses, fraud or other irregularities. Thus, the Board and the Management will continue to review and strengthen the Group's control environment, and further refine its internal policies and procedures.

For FY2020, the Board has received assurances from the CEO and the CFO that financial records have been properly maintained, the financial statements provide a true and fair view of the Company's operations and finances, and that the Company's risk management and internal control systems are adequate and operating effectively.

The Board, with the concurrence of the AC, concludes that based on (i) the internal control systems established and maintained by the Group, (ii) work performed by the internal auditor during the financial year, (iii) statutory audit by the external auditor and (iv) review performed by Management, the Group's system of risk management and internal controls, addressing financial, operational, compliance and information technology controls risks, were adequate and effective for FY2020.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.1: The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC has adopted a written term of reference which describes the responsibilities of the AC and the proceedings at AC meetings. The AC's principal responsibilities are as follows:

(a) review with the external auditor of the Company, its audit plan, evaluation of the internal accounting controls, audit reports and any matters which the external auditor wishes to discuss (in the absence of the Management);

(b) ensure co-operation is given by the Management to the internal and external auditors;

(c) review the announcement of the quarterly and year-end results to SGX-ST;

(d) review the annual financial statements and the auditor's report on the Company's annual financial statements before they are presented to the Board, focusing on:
- going concern assumption;
- compliance with accounting standards and regulatory requirements;
- any changes in accounting policies and practices;
- significant issues arising from the audit; and
- major judgmental areas;

(e) review with the Management and the external auditor the adequacy and effectiveness of the Company's risk management, internal controls, business and service systems and practices;

(f) monitor and review related and interested party transactions and conflict of interest situations that may arise within the Group. The AC is also required to ensure that the Directors report such transactions annually to Shareholders in the annual report;

(g) review the scope, adequacy and result of the internal audit procedures addressing financial, operational, information technology and compliance risks;

(h) make recommendations on the appointment and re-appointment of the external and internal auditors to the Board;

(i) review significant risks or exposures that exist and assess the steps taken by the Management to minimise such risks to the Company; and

(j) any other functions which may be agreed by the AC and the Board.

In performing its functions, the AC confirms that it has explicit authority to investigate any matter within its terms of reference, full access to and co-operation from the Management, and has been given full discretion to invite any Director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly. The AC is authorised to obtain independent professional advice if necessary, in the discharge of its responsibilities. Such expenses will be borne by the Company.

The AC keeps abreast of changes in accounting standards and issues which have a direct impact on the financial statement, through advices from the external auditor and other professionals. During FY2020, the external auditor was invited to attend the AC meeting to present their audit plan while the internal auditor was invited to attend the AC meeting once to present their internal audit report. In line with the recommendations by ACRA, Monetary Authority of Singapore and SGX-ST that the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on key audit matters ("**KAM**"), the AC considered the KAM presented by the external auditor together with Management. The AC reviewed the KAM and concurred and agreed with the external auditor and Management on the assessment, judgements, and estimates on the significant matter reported by the external auditor.

The AC reviews the independence of the external auditors annually. As disclosed in Note 7 to the audited financial statements of the Group for FY2020, the aggregate amount of fees paid/payable

to the external auditor of the Company, Mazars LLP, and its network firms for FY2020 was approximately S$123,000, comprising S$110,000 audit fees and S$13,000 non-audit fees for acting as tax agent.

The Group confirms that it has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors. The AC, having reviewed the range and value of non-audit services performed by the external-auditor, Mazars LLP, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The AC has also reviewed and confirmed that Mazars LLP is a suitable audit firm to meet the Company's audit obligations, having regards to the adequacy of resources and experience of the firm, the assigned audit engagement partner, other audit engagements, size and nature of the Group, and the number and experience of supervisory and professional staff assigned to the audit. The AC has recommended to the Board that, Mazars LLP, be nominated for re-appointment as external auditor at the forthcoming AGM.

The Company has put in place a whistle-blowing policy to provide a channel to employees and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The Group is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and the Group's commitment to open communication, cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. The objective for such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Reporting can be done through the Company's email to the attention of the AC at whistleblowing@lifebrandz.com.

Provision 10.2: The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

As at the date of this report, the AC comprises of four (4) members, all of whom, including the Chairman of AC, are independent. The current members of the AC are:

Mr. Lim Yit Keong	Chairman and Lead Independent Director
Mr. Naoki Watanabe	Member and Independent Director
Ms. Wang Xiaolan	Member and Independent Director
Mr. Kurokawa Shingo	Member and Independent Director

The Board constantly reviews and ensures that the members of the AC are qualified to discharge their responsibilities. The Board and the NC are of the view that the members of the AC are appropriately qualified to discharge their responsibilities as they bring with them many years of accounting, business management, marketing expertise and investment experience.

Provision 10.3: The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The Board confirms that none of the AC members were former partners or directors of the Company's external audit firm within the last 12 months and none of the AC members hold any financial interest in the Company's external audit firm.

Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard Shareholders' investments and the Group's asset and business.

For FY2020, the Company outsourced its internal audit function to Baker Tilly TFW LLP, an external professional firm who reports directly to the Chairman of AC and administratively to the Management.

Baker Tilly Singapore is part of the 10th largest accounting global network providing a comprehensive range of services in the areas of assurance, tax, governance and risk, deal advisory, restructuring and recovery, outsourcing, corporate secretarial services and digital solutions, including blockchain, AI and cybersecurity. Baker Tilly Singapore's engagement team for the internal audit comprises an engagement partner, manager, supported by a number of internal auditors. The engagement team is staffed by members with relevant experiences and possesses professional qualifications such as Chartered Accountant and Certified Internal Auditor designations. Baker Tilly Singapore is also a corporate member of the Institute of Internal Auditors of Singapore and the internal audit engagement is carried out in line with the standards as stipulated by the International Professional Practices Framework (IPPF) as set out by the Institute.

The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner. The internal auditor has identified the Group's main business processes and developed an audit plan that covers the main business process.

To achieve its objectives, the internal auditor has unrestricted access to all record, properties and personnel of the Group. The internal auditor reports directly to the AC which assists the Board in monitoring and managing risks and internal controls of the Group. The internal audit functions primarily focusing on whether the current system of internal control provides reasonable assurance on (i) compliance with applicable laws, regulations, policy and procedures; (ii) reliability and integrity of information; and (iii) safeguarding of assets.

The internal auditor is guided by the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC will review the adequacy and effectively of the function of the internal audit annually. Based on the review of the internal audit function in FY2020, the AC believes that the internal auditor is independent and has appropriate standing and adequate resources to perform its function effectively and objectively.

Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

In FY2020, the AC has met with the external and internal auditors without the presence of the Management and have reviewed the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence and the observations of the auditors.

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1: The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Notice of general meeting is despatched to Shareholders together with explanatory notes or circular on items of special business (if necessary), at least fourteen (14) days (without special resolution) or twenty-one (21) days (with special resolution) prior to the meeting date.

All shareholders are entitled to attend the general meetings of the Company and are afforded the opportunity to participate effectively at such meetings. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings either through manual or electronic polling. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings. Announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meeting will be released on SGX-ST on the same day.

If any Shareholders are unable to attend the general meetings of the Company, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's current Constitution does not allow corporations which provide nominee or custodial services to appoint more than two (2) proxies. In line with the amendments to the Companies Act, 'relevant intermediary' which provide nominee or custodial services to third parties are entitled to appoint more than two (2) proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to different shares held by Shareholders.

Provision 11.2: The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

The Company practises having separate resolutions at general meetings on each substantially separate issue. "Bundling" of resolutions are kept to a minimum and are done only where the

resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved.

Provision 11.3: All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Company's strategy and goal. The Company encourages active Shareholders' participation. During the general meetings, Shareholders may raise questions or share their views regarding the proposed resolutions, and the Company's businesses and affairs. The respective Chairman of the AC, NC, RC and key Management personnel will attend to address questions relating to the progress and performance of the Group. The external auditor would also be present to assist the Directors in addressing any relevant queries by Shareholders about the conduct of audit and the preparation and content of the auditor's report.

Provision 11.4: The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Voting in absentia and electronic mail may only be possible following careful study to ensure the integrity of the information and authentication of the identity of members through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

Provision 11.5: The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management. These minutes are not published on the Company's website but are available to shareholders upon request and authentication of shareholder's identity by the Company.

There are potential adverse implications, including commercial and legal implications, for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting). The Company is of the view that its position is consistent with the intent of Principle 11 as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, shareholders are treated fairly and equitably by the Company

Provision 11.6: The company has a dividend policy and communicates it to shareholders.

Currently, the Company does not have a fixed dividend policy. The Board would consider establishing a dividend policy when appropriate. In considering the payment of dividend, the Board shall consider factors such as the Company's profits, cash flows, working capital and capital expenditure requirements, investment plans and other factors that the Board may deem relevant. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNET. Further, the Company will, in line with Rule 704(23) of the Catalist Rules, expressly disclose the reason(s) in the event that the Board decides not to declare or recommend a dividend, in its financial statement announcements.

Taking into account the above stated factors, the Company has not declared any dividends for FY2020 in view of the negative earnings.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1: The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Board is mindful of the obligation to provide regular, effective and fair communication with Shareholders. The Company believes that prompt disclosure of pertinent information and high standard of disclosure are the keys to raise the level of corporate governance. For all announcements (including financial performance reporting) made to the public via SGXNET and the annual reports issued to Shareholders, the Board is cognizant of its responsibility to present a fair assessment of the Group's current performance, position and its future prospects.

Information is disseminated to Shareholders on a timely basis through:

(a) SGXNET systems and news release;
(b) Annual reports prepared and issued to all Shareholders; and
(c) The Company's website at www.lifebrandz.com at which Shareholders can access information on the Group.

The Board takes adequate steps to ensure compliance with legislative and statutory requirements, and observes obligations of continuing disclosure under the Catalist Rules. The Management reviews and provides relevant compliance reports for the Board's approval. For issues relating to the Group's business development, the Board also provides the Shareholders with periodic updates and reports through announcements where necessary. The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules.

Provision 12.2: The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3: The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Company does not have an Investor Relations Policy in place. The Group has engaged an external investor relations firm to assist in communication with its investors on a regular basis and attends to their queries.

In line with continuous obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all Shareholders should be equally informed of all major developments impacting the Group. The Company does not practice selective disclosure.

Shareholders are strongly encouraged to participate at general meetings, which acts as the major platform for Shareholders to engage and dialogue with the Company directly. Shareholders are encouraged to have open communication with the Directors and key Management personnel during the general meetings on their views on matters relating to the Company.

Further, the Company provides its phone number and email address on the Company's website through which the Shareholders may contact the Company with questions and by which the Company may respond to such questions.

5. MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1: The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Provision 13.3: The company maintains a current corporate website to communicate and engage with stakeholders.

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectation and goals. The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised though stakeholder engagement and can be found in the Company's Sustainability Report 2020.

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. All materials on the interim and full year financial results are available on the Company's website – www.lifebrandz.com. Stakeholders can also contact the Company through phone or email, the details of which can be found on the Company's website.

OTHER CORPORATE GOVERNANCE MATTERS

Dealings in Securities

The Company has complied with Rule 1204(19) of the Catalist Rules. The Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Company for the period of (i) two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year, if the Company reports quarterly; or (ii) one (1) month prior to the announcement of the Company's half year financial statements, if the Company reports half yearly; and one (1) month prior to the announcement of the Company's full year financial statements, and ending on the date of the announcement of the relevant results.

In addition, the Company, Directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term consideration.

Material Contracts

Save as disclosed via SGXNET, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling Shareholder, either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

There is no non-sponsor fee paid/payable to its sponsor, SAC Capital Limited for FY2020.

Interested Person Transactions ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Shareholders.

There have been no IPTs equal to or exceeding S$100,000 in value for FY2020. The Company does not have a Shareholders' mandate for IPTs.

Additional Information on Directors Seeking Re-election

Mr. Naoki Watanabe, Ms. Ang Puak Huen, and Ms. Wang Xiaolan are the Directors seeking re-election ("Retiring Directors") at the forthcoming annual general meeting of the Company to be convened on 26 February 2021.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is set out below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" in this annual report:

Name of Director	**Naoki Watanabe**	**Ang Puak Huen**	**Wang Xiaolan**
Date of appointment	5 August 2020	10 February 2021	10 February 2021
Date of lasts-reappointment	Not applicable	Not applicable	Not applicable
Age	43	42	32
Country of principal residence	Japan	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered the recommendation of the Nominating Committee and assessed Mr. Naoki Watanabe's qualifications, work experience and independence, is of the view that Mr. Naoki Watanabe has the requisite experience and capabilities to assume the duties and responsibilities of an Independent Director of the Company.	The Board having considered the recommendation of the Nominating Committee and assessed Ms. Ang Puak Huen's qualifications and work experience, is of the view that Ms. Ang Puak Huen has the requisite experience and capabilities to assume the duties and responsibilities of an Executive Director and COO of the Company.	The Board having considered the recommendation of the Nominating Committee and assessed Ms. Wang Xiaolan's qualifications, work experience and independence, is of the view that Ms. Wang Xiaolan has the requisite experience and capabilities to assume the duties and responsibilities of an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Executive. Ms. Ang Puak Huen will be responsible for designing and implementing business strategies, plans and procedures of the Company and overseeing the day-to-day operations of the Company.	Non-executive

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of Remuneration Committee, member of Audit and Nominating Committees	Executive Director and Chief Operating Officer	Independent Director, Chairman of Nominating Committee, member of Audit and Remuneration Committees
Professional qualifications	Bachelor Degree in Property Management, Meikai University, Japan	Diploma Level 1 in Business Studies, Stamdord College, Malaysia	Bachelor of Science in Management with Accounting, Royal Holloway, University of London Secretarial Certification, Lu Dong University
Working experience and occupation(s) during the past 10 years	September 2018 – Present Sales Executive of Cosmo Union Co., Ltd. July 2014 – September 2018 Executive Director of Cosmo Union Co., Ltd. January 2012 – July 2014 Director of Loop Connect Co., Ltd. June 2009 – August 2011 General Manager of BOND Co., Ltd.	December 2020 – Present Director of LB F&B Sdn. Bhd. (indirect wholly-owned subsidiary of the Company) May 2019 – February 2021 Administration Manager of Healthpro Life Sdn. Bhd. June 2013 – May 2019 TC Management Services Corporation Sdn Bhd Administration, Assistant Manager (July 2015 – March 2019) Administration, Senior Executive (January 2014 – June 2015) Administration, Executive (June 2013 – December 2013) November 2011 – May 2013 Manager of Rujia Inn Sdn. Bhd.	2019 – Present Corporate Development Manager of Yinda Infocomm Limited 2017 – 2018 Assistant Operation Manager of Yinda Technology Singapore Pte. Ltd. 2017 Human Resource (“HR”) and Accounting Manager of Yinda Pte. Ltd. 2014 – 2016 Project Assistant HR Manager of Saipem Beijing Technical Services Co., Ltd 2011 – 2013 Project Document Control Manager of Saipem Singapore Pte Ltd

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
		April 2009 – October 2011 Manager of EARNS Network Sdn Bhd	2011 Project Document Control Manager of Saipem Beijing Technical Services Co., Ltd
Shareholding interest in the listed issuer and its subsidiaries	No	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes	Yes

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
Other principal commitments including directorships			
Past (for the last 5 years)	Directorships: Cosmo Union Co., Ltd Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Directorships: None Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Directorships: None Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"
Present	Directorships: None Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Directorships: LB F&B Sdn. Bhd. Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"	Directorships: 1. Yinda Pte. Ltd. 2. Yinda Technology Singapore Pte. Ltd. 3. Yinda Communications (Philippones), Inc. 4. Yinda Technology Malaysia Sdn. Bhd. 5. Yinda Technology (Thailand) Co., Ltd Other principal commitments: Please refer to "Working experience and occupation(s) during the past 10 years"

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
1) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
2) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

Name of Director	Naoki Watanabe	Ang Puak Huen	Wang Xiaolan
3) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or 4) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No No	No No	No No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

Director's Statement

The directors present their statement to the members together with the audited consolidated financial statements of LifeBrandz Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2020.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Executive Chairman and Chief Executive Officer
Saito Hiroyuki

Independent non-executive directors
Kurokawa Shingo
Lim Yit Keong
Naoki Watanabe (Appointed on 5 August 2020)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

	Direct interest			Deemed interest		
Name of director	As at 1 August 2019	As at 31 July 2020	As at 21 August 2020	As at 1 August 2019	As at 31 July 2020	As at 21 August 2020
Ordinary shares of the Company						
Saito Hiroyuki	-	-	-	**155,148,030**	**155,148,030**	**155,148,030**

By virtue of Section 7 of the Act, Saito Hiroyuki is deemed to have an interest in all wholly owned subsidiaries of the Company.

5. Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

6. Audit Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this statement, they are:

Lim Yit Keong (Chairman)
Kurokawa Shingo
Naoki Watanabe

The Audit Committee has convened two meetings during the financial year with key management and has met up once with the internal and external auditors of the Company without the presence of the management during the financial year.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

(i) the audit plans and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;

(ii) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) the adequacy and effectiveness of the Group's risk management processes;

(vi) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) the interested person transactions in accordance with SGX listing rules;

(viii) the nomination of external auditors and gave approval of their compensation; and

(ix) the submission of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

_____	_____
Saito Hiroyuki	**Lim Yit Keong**
Director	Director

Singapore
9 February 2021

Independent Auditors' Report

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of LifeBrandz Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 July 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group, the statement of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2020 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Material Uncertainty Related to Going Concern

We draw your attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred loss before tax of S$8,623,000 and net operating cash outflows of S$1,320,000 for the financial year ended 31 July 2020 and, as of that date, the Group reported net current liabilities and net liabilities of S$5,068,000 and S$7,683,000 respectively. As of 31 July 2020, the Group reported cash position of S$105,000. After permanently closing Hashida Sushi in Singapore during the financial year with the plan to change the concept to "Kappo" style, the Group continues to be adversely affected by the COVID-19 outbreak with planned cessation of its tourism operations in Japan and food and beverage operations in the United States of America ("USA") subsequent to 31 July 2020 (Note 30). As of the date of authorisation for the issuance of the financial statements, the Group's food and beverage operations in the USA have ceased and the food and beverage operations in Thailand remain halted because of the outbreak. Meanwhile, the plan to change the concept to "Kappo" style did not go through with the termination of the corresponding agreement with the counterparty. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgment in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current financial year's financial statements, we identified 4 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

These significant components were audited by other Mazars offices as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other than the matter described in the *Material Uncertainty Relating to the Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entity incorporated have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ooi Chee Keong.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
9 February 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 July 2020

	Note	Group 2020 $'000	Group 2019 $'000
Revenue	4	3,342	5,573
Other operating income	5	667	129
		4,009	5,702
Expenses			
Inventories and consumables used	16	(933)	(1,171)
Travel booking services costs		(683)	(2,005)
Amortisation and depreciation		(1,636)	(515)
Employee benefits	6	(2,506)	(2,725)
Finance cost		(203)	(1)
Advertising, media and entertainment		(101)	(280)
Lease expenses		(136)	(788)
Transportation		(9)	(25)
Legal and professional fees	7	(327)	(557)
Other operating expenses	8	(6,098)	(1,102)
Changes in inventories of finished goods		*	22
Loss before income tax		(8,623)	(3,445)
Income tax expense	9	(24)	(1)
Loss for the financial year		(8,647)	(3,446)
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss, net of taxation			
Exchange differences on translating foreign operations		126	(188)
Total comprehensive loss for the financial year		(8,521)	(3,634)
Loss for the financial year attributable to:			
Owners of the Company		(5,844)	(3,094)
Non-controlling interest		(2,803)	(352)
Loss for the financial year		(8,625)	(3,446)
Total comprehensive loss for the financial year attributable to:			
Owners of the Company		(5,771)	(3,282)
Non-controlling interest		(2,750)	(352)
Total comprehensive loss for the financial year		(8,521)	(3,634)
Loss per share attributable to owners of the Company (Cents)			
Basic and diluted loss per share	10	(1.01)	(0.62)

** Denotes amount less than $1,000*

Statements of Financial Position as at 31 July 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	27	2,051	9	21
Goodwill	12	-	194	-	-
Intangible asset	13	-	89	-	-
Guarantee deposit	14	183	177	-	-
Investments in subsidiaries	15	-	-	*	100
Total non-current assets		210	2,511	9	121
Current assets					
Inventories	16	6	25	-	-
Trade and other receivables	17	540	905	294	4,305
Cash and cash equivalents	18	105	320	10	73
Total current assets		651	1,250	304	4,378
Total assets		861	3,761	313	4,499
EQUITY AND LIABILITIES					
Equity					
Share capital	19	63,074	62,650	63,074	62,650
Foreign currency translation reserve		(164)	(237)	-	-
Accumulated losses		(68,185)	(62,341)	(65,916)	(59,970)
Equity attributable to owners of the Company		(5,275)	72	(2,842)	2,680
Non-controlling interest		(2,408)	342	-	-
Total equity		(7,683)	414	(2,842)	2,680
Non-current liability					
Lease liabilities	20	2,825	-	-	-
Total non-current liability		2,825	-	-	-
Current liabilities					
Bank borrowings	21	27	9	-	-
Provision for reinstatement	22	242	216	-	-
Trade and other payables	23	4,890	3,122	3,155	1,819
Lease liabilities	20	557	-	-	-
Income tax liabilities		3	-	-	-
Total current liabilities		5,719	3,347	3,155	1,819
Total liabilities		8,544	3,347	3,155	1,819
Total equity and liabilities		861	3,761	313	4,499
Net current (liabilities)/assets		(5,068)	(2,097)	(2,851)	2,559

**Denotes amount less than $1,000*

Statement of Changes in Equity for the Financial Year Ended 31 July 2020

Group	Attributable to owners of the Company					
	Share capital $'000	Foreign currency translation reserve(a) $'000	Accumulated losses $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
At 1 August 2018	62,265	(49)	(59,247)	2,969	-	2,969
Contributions by owners:						
Issuance of shares	560	-	-	560	-	560
Share issuance expense	(175)	-	-	(175)	-	(175)
Total contributions by owners	385	-	-	385	-	385
Capital contribution from non-controlling interest	-	-	-	-	694	694
Loss for the financial year	-	-	(3,094)	(3,094)	(352)	(3,446)
Other comprehensive income:						
Exchange differences on translating foreign operations	-	(188)	-	(188)	-	(188)
Total comprehensive loss for the financial year	-	(188)	(3,094)	(3,282)	(352)	(3,634)
At 31 July 2019	62,650	(237)	(62,341)	72	342	414
Contributions by owners:						
Issuance of shares	450	-	-	450	-	450
Share issuance expense	(26)	-	-	(26)	-	(26)
Total contributions by owners	424	-	-	424	-	424
Loss for the financial year	-	-	(5,844)	(5,844)	(2,803)	(8,647)
Other comprehensive income:						
Exchange differences on translating foreign operations	-	73	-	73	53	126
Total comprehensive loss for the financial year	-	73	(5,844)	(5,771)	(2,750)	(8,521)
At 31 July 2020	63,074	(164)	(68,185)	(5,275)	(2,408)	(7,683)

(a) The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Company	Share capital $'000	Accumulated losses $'000	Total $'000
At 1 August 2018	62,265	(58,223)	4,042
Contributions by owners:			
Issuance of shares	560	-	560
Share issuance expense	(175)	-	(175)
Total contributions by owners	385	-	385
Loss for the year, representing total comprehensive loss for the financial year	-	(1,747)	(1,747)
At 31 July 2019	62,650	(59,970)	2,680
Contributions by owners:			
Issuance of shares	450	-	450
Share issuance expense	(26)	-	(26)
Total contributions by owners	424	-	424
Loss for the year, representing total comprehensive loss for the financial year	-	(5,946)	(5,946)
At 31 July 2020	63,074	(65,916)	(2,842)

Consolidated Statement of Cash Flows for the Financial Year Ended 31 July 2020

	Note	2020 $'000	2019 $'000
Operating activities			
Loss before income tax		(8,623)	(3,445)
Adjustments for:			
Amortisation of intangible asset	13	74	74
Bad debt written off	8	305	-
Depreciation of property, plant and equipment	11	1,562	441
Impairment loss on intangible assets	13	15	-
Impairment loss on property, plant and equipment	11	4,304	-
Impairment of goodwill	12	194	-
Inventory written off	8	12	-
Loss allowance (trade)	8	150	-
Property, plant and equipment written off	8	334	-
Interest expense		203	-
Operating cash flows before changes in working capital		(1,470)	(2,930)
Movement in working capital			
Inventories		7	(22)
Trade and other receivables		(90)	639
Trade and other payables		254	415
Cash flows used in operations		(1,299)	(1,898)
Income tax paid		(21)	(1)
Net cash flows used in operating activities		(1,320)	(1,899)
Investing activities			
Purchase of plant and equipment	11	(223)	(2,062)
Exchange realignment		159	(188)
Net cash flows used in investing activities		(64)	(2,250)
Financing activities			
Amount due to related party		1,509	1,667
Proceeds from issuance of shares	19	450	560
Proceeds from borrowings		26	-
Share issuance expense	19	(26)	(175)
Capital contribution from non-controlling interest		-	694
Repayment of borrowings		(9)	(32)
Repayment of lease liabilities	20(a)	(801)	-
Guarantee deposit		-	(5)
Exchange realignment		20	-
Net cash flows generated from financing activities		1,169	2,709
Net decrease in cash and cash equivalents		(215)	(1,440)
Cash and cash equivalents at beginning of financial year		320	1,760
Cash and cash equivalents at end of financial year	18	105	320

Reconciliation of (asset)/liability arising from financing activities:

	At beginning of financial year	Cash inflow/ (outflow)	Non-cash movement: Interest expenses	Non-cash movement: Exchange realignment	At end of financial year
	$'000	$'000	$'000	$'000	$'000
2020					
Asset					
Guarantee deposit	(177)	-	-	(6)	(183)
Liabilities					
Amounts due to related parties	1,667	1,509	-	-	3,176
Bank borrowings	9	17	1	-	27
Lease liabilities	3,986	(801)	197	-	3,382
Provision for reinstatement cost	216	-	-	26	242
2019					
Asset					
Guarantee deposit	(172)	(5)	-	-	(177)
Liabilities					
Amount due to related party	-	1,667	-	-	1,667
Bank borrowings	41	(32)	-	-	9

Notes to the Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

LifeBrandz Ltd. (the "Company") (Registration Number 200311348E) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The registered office and principal place of business of the Company is located at 46 Kim Yam Road, #03-06 The Herencia, Singapore 239351.

The principal activity of the Company is that of investment holding. The principal activities of the respective subsidiaries are those of the lifestyle and entertainment businesses as disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the cessation of restaurants under Cloud Eight Pte. Ltd. and LifeBrandz USA, Inc. (f.k.a. Cloud Eight Inc).

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2020 were authorised for issue by the Board of Directors on the date of directors' statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INT that are relevant to its operations and effective for annual periods beginning on or after 1 August 2019. Other than SFRS(I) 16 *Leases*, the adoption of these new or revised SFRS(I)s and SFRS(I) INT did not result in changes to the Groups' and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods. The effects of adopting SFRS(I) 16 is disclosed in Note 31.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

SFRS(I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-1, SFRS(I) 1-8	Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*	1 January 2020
SFRS(I) 3	Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7	Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: *Interest Rate Benchmark Reform*	1 January 2020
SFRS(I) 16	Amendment to SFRS(I) 16: *Covid-19 – Related Rent Concessions*	1 June 2020
SFRS(I) 3	Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current of Non-current	1 January 2023
SFRS(I)10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
Various	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed off.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.4 Revenue recognition

The Group is principally in the business of food and beverages and travel booking service. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service. Revenue is presented net of rebates, discounts and sales relates taxes.

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Food and beverages revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of food and beverages in the ordinary course of the Group's activities and recognised at a point in time upon delivery and acceptance by customers. Revenue is shown net of sale discounts.

Travel booking service revenue

Revenue from travel booking service is recognised at a point in time upon rendering of services.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

2. Summary of significant accounting policies (Continued)

2.8 Income tax (Continued)

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2. Summary of significant accounting policies (Continued)

2.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

2. Summary of significant accounting policies (Continued)

2.10 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computer equipment	3 years
Office and operating equipment	3 years
Furniture and fixtures	3 years
Plant and equipment	3 years
Leasehold improvement and renovation	3 - 10 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 20.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.11 Intangible assets

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary.

2. Summary of significant accounting policies (Continued)

2.11 Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Customer relationships

Customer relationships which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships have estimated useful lives of 3 years.

2.12 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has decreased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 27.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Groups accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase costs of raw materials of food and other consumables and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first in first out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions, and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2. Summary of significant accounting policies (Continued)

2.16 Leases

The Group applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated. Accordingly, the comparative information was prepared and disclosures made in accordance with the requirements of SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a lease*.

The Group as a lessee from 1 August 2019

These accounting policies are applied on and after the initial application date of SFRS(I) 16 (i.e. 1 August 2019).

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within “property, plant and equipment”.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

The Group as a lessee from 1 August 2019 (Continued)

The lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

The Group as a lessee before 1 August 2019

At the lease commencement date, the Group assess and classify each lease as either a finance lease or operating lease.

Operating Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2. Summary of significant accounting policies (Continued)

2.17 Provisions (Continued)

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

2.19 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the respective entities operate and the respective entities' process of determining sales prices.

Impairment of financial assets

The Group follows the guidance of SFRS(I) 9 in assessing its financial assets for impairment. This assessment requires significant judgement. The Group first assesses whether objective evidence of impairment exists for individually significant debtors and collectively for debtors which are not individually significant. The Group evaluates, among other factors, financial status of the debtors, any changes in the collection status and changes in industry conditions that affect the debtors.

Impairment of non-financial assets

The Group assesses whether there is any indication of indefinite impairment for its non-financial assets other than goodwill and intangible assets with an indefinite useful life, before computing the recoverable value of asset value. Goodwill and intangible assets with an indefinite useful life are assessed for their recoverable amounts at each reporting date.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the Group's asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The Group evaluates among other factors, the reasonableness of the expected future cash flows in light of industry and business outlook and the appropriateness and relevant of the key assumption, including the discount rate, used in the value in use calculation.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

Going concern

The Group incurred loss before tax of S$8,623,000 and net operating cash outflows of S$1,320,000 for the financial year ended 31 July 2020 and, as of that date, the Group also reported net current liabilities and net liabilities of S$5,068,000 and S$7,683,000 respectively. As of 31 July 2020, the Group reported cash position of S$105,000. After permanently closing Hashida Sushi in Singapore during the financial year with the plan to change the concept to "Kappo" style, the Group continues to be adversely affected by the COVID-19 outbreak with planned cessation of its tourism operations in Japan and food and beverage operations in the United States of America ("USA") subsequent to 31 July 2020 (Note 30). As of the date of authorisation for the issuance of the financial statements, the Group's food and beverage operations in the USA have ceased and the food and beverages operations in Thailand remain halted because of the outbreak. Meanwhile, the plan to change the concept to "Kappo" style did not go through with the termination of the corresponding agreement with the counterparty. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above, these financial statements have been prepared on a going concern basis as the Directors are of the opinion that the use of the going concern assumption remains appropriate in consideration of the following:

a) the Company had, on 26 November 2020, entered into a deed of settlement ("Settlement Deed") with Bounty Blue Capital Ltd. ("Bounty Blue") and Mr. Saito Hiroyuki ("Mr Saito"), the Executive Chairman and CEO of the Company for the settlement of certain interest-free loans in the aggregate sum of $2,918,923 extended by Bounty Blue to the Group and the Company for working capital and business expansion. Pursuant to the Settlement Deed, with effect from 31 October 2020, the Company shall cease all payments to Mr Saito of his monthly salary payable to him under his service agreement with the Company dated 21 April 2017 in order to support the working capital sufficiency of the Group and the Company. The loan amount of $2,918,923 shall be fully settled and satisfied by the payment by the Group and the Company to Bounty Blue of $1,000,000 in cash;

b) the Company had, on the same day, entered into a deed of waiver with one of its shareholders, Capital Square Co., Ltd. ("Capital Square") for the waiver of a loan of $200,000 extended by Capital Square to the Company and its interest charges;

c) the Company had, on 10 December 2020, successfully completed a placement exercise and raised placement proceeds amounting to S$450,000. As of the date of authorisation for the issuance of these financial statements, the proceeds have been fully utilised for working capital purpose;

d) 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 "subscription exercise") 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. As of the date of authorisation for the issuance of these financial statements, S$200,000 has been drawn down by the Company. 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 subscription exercise is subject to the approval of shareholders at Extraordinary General Meeting;

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

Going concern (Continued)

e) the Company, as announced on 9 February 2021, plans to conduct a rights issue exercise at a pricing similar to that offer in the subscription exercise. The terms of the proposed rights issue have not been determined by the directors as of the date of authorisation for the issuance of these financial statements; and

f) the Group has identified certain business opportunities and is in discussion with potential third-party business partners, and will look for more fundraising opportunities to support the execution of its strategic business plans, which will in turn generate operating cash flows.

The Directors acknowledge the existence of uncertainties involving:

a) the outcome of the aforementioned subscription exercise which is subject to the approval of shareholders at Extraordinary General Meeting;

b) the eventual execution and timing of the rights issues; and

c) the ability of the Group to raise funds to support its strategic business plans to generate operating cash flows.

If the Group's and Company's use of going concern assumption were not appropriate and the financial statements were presented on a realisation basis, the carrying value of liabilities may be materially different from that currently recorded in the statements of financial position. If the outcome of the new capital fund injection were not favourable, the Group and Company may not be able to continue as going concerns. Should the use of the going concern assumption in the preparation of their financial statements be inappropriate, the Group and Company may be unable to discharge their liabilities in the normal course of business and provision may need to be made for any onerous contractual commitments as at the reporting date. In addition, the Group and Company may need to incur costs of terminating the business.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 July 2020 were $27,000 (2019: $2,051,000) and $9,000 (2019: $21,000) respectively (Note 11).

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment of investments in subsidiaries and amounts due from subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments and amounts due from subsidiaries are impaired. Where applicable, the Company's assessments are based on expected credit loss with reference to SFRS(I) 9 and the estimation of the value in use of the assets defined in SFRS(I) 36 by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investment in subsidiaries and amounts due from subsidiaries as at 31 July 2020 were $4 (2019: $100,000) (Note 15) and $194,000 (2019: $4,243,000) (Note 17) respectively.

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Impairment loss of $194,000 was recognised during the financial year (2019: $ Nil). The carrying amount of goodwill as at 31 July 2020 was $Nil (2019: $194,000) (Note 12). Determining whether goodwill is impaired requires an estimation of their recoverable amounts. Where such recoverable amounts are based on the assets' values-in-use, the determination of such value-in-use involves significant use of estimates and assumptions by management. These estimates and assumptions including a sensitivity analysis, where applicable, are disclosed and further explained in Note 12.

Useful life of intangible asset

Customer relationships which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships have estimated useful lives of 3 years.

Measurement of ECL of trade receivables and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting year. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The expected loss allowances on the trade and other receivables of the Group and of the Company as at 31 July 2020 are $150,000 and $5,598,000 (2019: $ Nil and $1,124,000) (Note 17) respectively.

4. Revenue

	Group	
	2020 $'000	2019 $'000
Revenue recognised at point in time		
- Food and beverage revenue	2,489	3,539
- Miscellaneous revenue	26	6
- Travel booking service revenue	827	2,028
	3,342	5,573

The disaggregation of revenue from contracts with customers is as follows:

	Food and beverage		Travel booking services		Miscellaneous		Total	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Geographical markets[(a)]								
Singapore	1,622	2,610	-	-	8	3	1,630	2,613
Thailand	317	590	-	-	-	2	317	592
United States of America	550	339	-	-	18	1	568	340
Japan	-	-	827	2,028	-	-	827	2,028
	2,489	3,539	827	2,028	26	6	3,342	5,573
Timing of revenue recognition								
Goods transferred at a point in time	2,489	3,539	827	2,028	26	6	3,342	5,573

(a) The disaggregation is based on the location of customers from which revenue was generated.

5. Other operating income

	Group	
	2020 $'000	2019 $'000
Net foreign exchange gain	157	77
Interest income from fixed deposit	*	*
Renovation grant	199	-
Government grant	225	-
Others	86	52
	667	129

** Denotes amount less than $1,000*

6. Employee benefits

	Group	
	2020 $'000	2019 $'000
Wages and salaries and related benefits	1,990	2,335
Directors' fees	59	120
Employer's contribution to Central Provident Fund	84	82
Retrenchment costs	149	-
Other benefits and related expenses	224	188
	2,506	2,725

7. Legal and professional fees

Legal and professional fees included the following for the financial years ended 31 July:

	Group	
	2020 $'000	2019 $'000
Legal fees	57	108
Audit fees paid to auditors:		
- Auditors of the Company	66	66
- Auditors of the subsidiaries	44	44
Non-audit fees paid to auditors:		
- Auditor of the Group	13	5

8. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	2020 $'000	2019 $'000
Insurance	46	29
IT services expense	97	24
Cleaning/Laundry service	23	58
Restaurant supplies	23	21
Kitchen supplies	14	27
Decorations	18	20
Repairs and maintenance	16	25
Utensils	1	18
Printing	52	40
Utilities	69	81
Bad debt written off	305	-
Impairment loss on intangible asset (Note 13)	15	-
Impairment loss on property, plant and equipment (Note 11)	4,304	-
Impairment of goodwill (Note 12)	194	-
Inventory written off	12	-
Loss allowance (trade) (Note 17)	150	-
Property, plant and equipment written off	334	-

9. Income tax expense

	Group	
	2020 $'000	2019 $'000
Current tax expense		
Current financial year	24	1

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2019: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	Group	
	2020 $'000	2019 $'000
Loss before income tax	(8,623)	(3,445)
Tax at the applicable tax rate of 17% (2019: 17%)	(1,466)	(586)
Adjustments:		
Different tax rates of overseas operations	-	(4)
Deferred tax assets not recognised	263	607
Expenses not deductible for tax purposes	1,227	-
Others	-	(16)
Total income tax expense for the financial year	24	1

As at 31 July 2020, the Group has unabsorbed tax losses and capital allowances of approximately $17,111,000 and $84,000 (2019: $15,576,000 and $72,000) respectively that are available for offset against future taxable profits of the companies in which they arose and for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to agreement of the tax authorities.

9. Income tax expense (Continued)

For subsidiary in Japan, the realisation of the future income tax benefits from tax losses carried forward is available for a period of 9 years subject to the agreement of the Japanese tax authorities. The expiry dates of tax losses carried forward are estimated to be as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Expiring in financial year		
2022	11	11
2023	89	89
2028	520	520
2029	7	-
	627	620

10. Loss per share

Basic loss per share are calculated by dividing the loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share are the same as basic loss per share as NIL (2019: 222,458,040) warrants granted under the Rights cum Warrants issue have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

	Group	
	2020	**2019**
	$'000	**$'000**
Net loss attributable to owners of the Company	(5,844)	(3,094)
Basic and diluted loss per share (cents per share)	(1.01)	(0.62)
	No. of Shares '000	**No. of shares '000**
Weighted average number of ordinary shares	577,039	498,088

11. Property, plant and equipment

Group	Computer equipment $'000	Office and operating equipment $'000	Furniture and fixtures $'000	Leasehold improvement and renovation $'000	Plant and equipment $'000	Premises $'000	Total $'000
Cost:							
At 1 August 2018	186	2	166	764	141	-	1,259
Additions	66	-	76	1,774	146	-	2,062
Exchange translation differences	-	-	-	10	-	-	10
At 31 July 2019	252	2	242	2,548	287	-	3,331
Recognition of right-of-use assets on initial application of SFRS(I) 16 (Note 31)	-	-	-	-	-	3,986	3,986
Adjusted balance at 1 August 2019	252	2	242	2,548	287	3,986	7,317
Additions	2	-	-	221	-	-	223
Write off	(119)	-	(1)	(705)	(123)	-	(948)
Exchange translation differences	1	-	-	(84)	(2)	39	(46)
At 31 July 2020	136	2	241	1,980	162	4,025	6,546
Accumulated depreciation:							
At 1 August 2018	74	2	108	504	140	-	828
Depreciation	29	-	20	342	50	-	441
Exchange translation differences	-	-	-	11	-	-	11
At 31 July 2019	103	2	128	857	190	-	1,280
Depreciation	71	-	47	689	45	710	1,562
Write off	(89)	-	(1)	(450)	(74)	-	(614)
Exchange translation differences	-	-	(2)	(9)	(2)	-	(13)
At 31 July 2020	85	2	172	1,087	159	710	2,215
Accumulated impairment loss:							
At 1 August 2019	-	-	-	-	-	-	-
Impairment loss (Note 8)	47	-	53	889	-	3,315	4,304
At 31 July 2020	47	-	53	889	-	3,315	4,304
Carrying amount:							
At 31 July 2020	4	-	16	4	3	-	27
At 31 July 2019	149	-	114	1,691	97	-	2,051

11. Property, plant and equipment (Continued)

Company	Computer equipment $'000	Furniture and fixtures $'000	Leasehold improvement and renovation $'000	Total $'000
Cost:				
At 1 August 2018	39	9	9	57
Additions	7	1	-	8
At 31 July 2019	46	10	9	65
Additions	-	-	-	-
At 31 July 2020	46	10	9	65
Accumulated depreciation:				
At 1 August 2018	29	1	1	31
Depreciation	8	2	3	13
At 31 July 2019	37	3	4	44
Depreciation	6	3	3	12
At 31 July 2020	43	6	7	56
Carrying amount:				
At 31 July 2020	3	4	2	9
At 31 July 2019	9	7	5	21

During the financial year, the Group carried out a review of the recoverable amount of its property, plant and equipment, having regard to its ceasing of restaurants' operation arising from COVID-19 pandemic. The review led to the recognition of an impairment loss of $4,304,000 that has been recognised in profit or loss, and included in the line item, other operating expenses. The recoverable amount of the relevant assets has been determined on the basis of their fair value less costs to sell. The reporting segment to which the restaurants' property, plant and equipment belong to is lifestyle and entertainment segment.

12. Goodwill

	Group	
	2020 $'000	2019 $'000
Cost:		
At 1 August	194	194
Impairment loss (Note 8)	(194)	-
At 31 July	-	194
Carrying amount:		
At 31 July	-	194

Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the business combination.

The Group tests cash-generating units for impairment annually, or more frequently when there is an indication for impairment.

12. Goodwill (Continued)

In the previous financial year, the Group had measured the recoverable amount of the CGU based on 5-years cash flows projections approved by the Board of Directors. Key assumptions on which management has based its cash flow projections for the respective periods are as follows:

Growth rates: The projected revenue growth rates used are based on the published industry research, adjusted for the specific circumstances of the CGU and based on management's experience, and do not exceed the long-term average growth rate for the corresponding industry of the CGU. The growth rates used during the projection periods in the previous financial year ranged from 5% to 20%.

Discount rate: The discount rate used of 8.7% in the previous financial year was based on the weighted average cost of the Group's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rate.

The subsidiary, e-Holidays Co., Ltd. is operating with minimal sales generated and unable to generate sufficient operating cash flows to support its business operation due to impact of COVID-19 pandemic on travel booking service industry. Accordingly, an impairment loss of $194,000 was recognised during the financial year ended 31 July 2020 (2019: $Nil).

13. Intangible asset

	Group	
	2020	**2019**
	$'000	**$'000**
Non-contractual customer relationships		
Cost:		
At 1 August / 31 July	226	226
Accumulated amortisation:		
At 1 August	137	63
Amortisation charge	74	74
At 31 July	211	137
Accumulated impairment loss:		
At 1 August	-	-
Accumulated loss (Note 8)	15	-
At 31 July	15	-
Net carrying amount:		
At 31 July	-	89

The Group's intangible asset represents customer relationships which were acquired through a business combination.

The intangible asset is amortised over 3 years based on the historical customer attrition rate.

14. Guarantee deposit

	Group	
	2020 $'000	2019 $'000
Guarantee deposit	183	177

Guarantee deposit pertains to deposit for issuance of the travel agent license of a subsidiary in Japan, Tokyo.

15. Investments in subsidiaries

	Company	
	2020 $'000	2019 $'000
Investments in subsidiaries, at cost	421	421
Less: Impairment losses	(421)	(321)
	*	100

** Denotes amount less than $1,000*

The Company has recognised full impairment of $100,000 for the investment in Takumi Holidays Pte. Ltd. during the financial year as the subsidiary is in persistent loss.

Movement in allowance for impairment losses are as follows:

	Company	
	2020 $'000	2019 $'000
At beginning of financial year	321	321
Impairment losses recognised during the financial year	100	-
At end of financial year	421	321

Details of subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion (%) of ownership interest		Cost of investment by the Company	
			2020 %	2019 %	2020 $'000	2019 $'000
Held by the Company						
Orientstar Group Limited [(b)]	Dormant	British Virgin Islands	100	100	*	*
LifeBrandz (Thailand) Co., Ltd. [(c)]	Investment holding	Thailand	100	100	321	321
Takumi Holidays Pte. Ltd. [(a)]	Leisure and travel consultancy and ticketing agency services	Singapore	100	100	100	100
LB LAB Pte. Ltd. (f.k.a. Finesse Digital Pte. Ltd.) [(a)]	Providing of Fintech services	Singapore	100	100	*	*
LB F&B Pte. Ltd. [(a)]	Operating of restaurants	Singapore	100	100	*	*

15. Investments in subsidiaries (Continued)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion (%) of ownership interest		Cost of investment by the Company	
			2020 %	2019 %	2020 $'000	2019 $'000
Held through LifeBrandz (Thailand) Co., Ltd.						
Mulligan's Co., Ltd. [(c)]	Lifestyle and entertainment businesses	Thailand	100	100	-	-
Held through Takumi Holidays Pte. Ltd.						
e-Holidays Co., Ltd. [(d)]	Travel agency services	Japan	100	100	-	-
Held through LB F&B Pte. Ltd.						
Cloud Eight Pte. Ltd. [(a)]	Operating of restaurant [(f)]	Singapore	100	100	-	-
LifeBrandz USA, Inc. (f.k.a. Cloud Eight Inc) [(b), (e)]	Operating of restaurant [(f)]	United States of America	50	50	-	-
					421	421

(a) Audited by Mazars LLP, Singapore.
(b) Not required to be audited under the laws of the country of incorporation.
(c) Audited by Mazars Limited, Thailand.
(d) Audited by Mazars Tokyo, Japan.
(e) Reviewed by Mazars LLP, Singapore for consolidation.
(f) Restaurant under Cloud Eight Pte. Ltd. permanently ceased its operation from 30 April 2020 while restaurant under LifeBrandz USA, Inc. permanently ceased its operation from 21 August 2020 due to the impact of COVID-19 pandemic on the food and beverages businesses.

** Denotes less than $1,000.*

Incorporation of subsidiaries

On 11 September 2018, the Group has subscribed for 500,000 ordinary shares in Cloud Eight, Inc. has a paid-up share capital of US$1,000,000 comprising 1,000,000 ordinary shares and is a 50%-owned subsidiary of the Group in United States of America which provides food and beverage services.

Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year		Accumulated NCI at the end of financial year	
	2020 %	2019 %	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
LifeBrandz USA, Inc. (f.k.a. Cloud Eight Inc)	50	50	(2,742)	(342)	(2,400)	342

15. Investment in subsidiaries (Continued)

Summarised financial information (before intercompany eliminations):

	LifeBrandz USA, Inc. (f.k.a. Cloud Eight Inc)	
	2020 $'000	2019 $'000
Assets		
Non-current	-	1,345
Current	1	375
Liabilities		
Non-current	2,825	-
Current	1,977	1,039
Net assets	(4,801)	681
Revenue	580	340*
Loss after income tax and total comprehensive loss	(5,591)	(685)*
Loss for the financial year attributable to non-controlling interest	(2,796)	(342)
Other comprehensive income attributable to non-controlling interest	54	-
Capital contribution from non-controlling interest	-	694
Equity attributable to non-controlling interest	(2,400)	352

*Represents financial period from 7 May 2018 (date of incorporation) to 31 July 2019

16. Inventories

	Group	
	2020 $'000	2019 $'000
Statement of financial position:		
Food and beverage inventories	6	25
Statement of profit or loss and other comprehensive income:		
Inventories recognised as an expense	933	1,171

17. Trade and other receivables

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables:				
Third parties	150	71	-	12
Amounts due from subsidiaries	-	-	691	597
	150	71	691	609
Less: Loss allowance (trade) (Note 8)	(150)	-	(691)	(362)
	-	71	-	247

17. Trade and other receivables (Continued)

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Other receivables:				
Third parties	112	38	53	29
Prepayments	270	419	33	20
Deposits	158	377	14	1
Amounts due from subsidiaries	-	-	5,101	4,770
	540	834	5,201	4,820
Less: Loss allowance (amounts due from subsidiaries)	-	-	(4,907)	(762)
	540	834	294	4,058
Total trade and other receivables	540	905	294	4,305

** Denotes less than $1,000.*

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms (2019: 30 to 60 days). They are recognised at the transaction price which represent their fair value on initial recognition.

The non-trade amounts due from subsidiaries are unsecured, interest-free, and are repayable on demand.

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 27.

The currency profiles of the Group's and Company's trade and other receivables as at 31 July 2020 and 31 July 2019 are as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Singapore Dollar	208	310	294	4,305
United States Dollar	-	329	-	-
Thai Baht	234	169	-	-
Japanese Yen	98	97	-	-

17. Trade and other receivables (Continued)

Receivables that are impaired

The trade receivables that are individually impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables – nominal amounts	150	-	691	362
Less: Allowance for impairment	(150)	-	(691)	(362)
	-	-	-	-
Movement in allowance accounts:				
At 1 August	-	-	362	362
Charge for the financial year	150	-	329	-
At 31 July	150	-	691	362

18. Cash and cash equivalents

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash on hand	4	4	-	-
Bank balances	101	316	10	73
	105	320	10	73

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The currency profiles of the Group's and Company's cash and cash equivalents as at 31 July 2020 and 31 July 2019 are as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Singapore Dollar	41	175	10	71
Japanese Yen	1	20	-	-
Thai Baht	5	85	-	-
United States Dollar	58	40	*	2

** Denotes less than $1,000.*

19. Share capital

	Group and Company			
	2020		2019	
	No. of shares '000	Amount $'000	No. of shares '000	Amount $'000
Issued and fully paid ordinary shares				
At 1 August	536,671	62,650	456,656	62,265
Issuance of shares	75,000	450	80,015	560
Share issuance expense	-	(26)	-	(175)
At 31 July	611,671	63,074	536,671	62,650

On 14 December 2018, the board of directors proposed a rights issue ("Rights Issue") of up to 325,862,071 new ordinary shares (the "Rights Shares"), each Right Share carrying the right to subscribe for one new ordinary in the capital of the Company at the exercise price of $0.007, on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company, held by the shareholders of the Company as determined by the directors for the purpose of determining the entitlements of the Entitled Shareholders under the Rights Issue, fractional entitlements to be disregarded.

Upon the completion of the Right Issue on 23 January 2019, the Company has issued 80,014,724 new ordinary shares for value of $560,000 to eligible shareholders which elected to participate in the Right Issue. The Rights Issue includes 51,716,010 subscribed by the Undertaking Shareholder.

On 17 January 2020, the Company entered into a subscription agreement with Capital Square Co., Ltd. (the "Subscriber"). The Subscriber has agreed to subscribe for an aggregate of 75,000,000 new ordinary shares in the capital of the Company (the "Subscription Shares") at an issue price of $0.006 for each Subscription Share amounting to an aggregate cash consideration of $450,000. The subscription was completed on 31 January 2020.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

20. The Group as a lessee

The Group leases certain premises for three to ten years. Previously, these leases were classified as operating leases under SFRS(I) 1-17.

Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 15 months before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation.

Recognition exemptions

The Group has certain office premises with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of use assets and lease liabilities.

20. The Group as a lessee (Continued)

20(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment as follows:

	Premises $'000
Group	
At 1 August 2019	3,986
Depreciation	(710)
Impairment loss	(3,315)
Exchange translation differences	39
At 31 July 2020	-

The total cash outflow for leases during the financial year ended 31 July 2020 is $801,000.

The Group has recognised full impairment of $3,315,000 for the right-of-use assets during the financial year as the relevant restaurants had ceased operations arising from COVID-19 pandemic.

20(b) Lease liabilities - 2020

	Group 2020 $'000
Lease liabilities – non-current	2,825
Lease liabilities - current	557
	3,382

The maturity analysis of lease liabilities is disclosed in Note 27.

20(c) Amounts recognised in profit or loss

	Group	
	2020 $'000	2019 $'000
Interest expense on lease liabilities	197	-
Expenses relating to short-term lease	136	-
Lease expense	-	788

21. Bank borrowings

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current	27	9	-	-

Bank borrowing is repayable over a period of 5 years (2019: 3 years) by monthly instalments commencing from April 2021 to March 2026 (2019: October 2016 to October 2019). The bank borrowings are unsecured and the interest rate of the bank borrowing at the reporting date is 0.46% (2019: 1.4%) per annum.

22. Provision for reinstatement

Provision for reinstatement costs is the estimated costs of restoring retail outlets to their original conditions, which are capitalised and included in the cost of fixed assets. The provision is expected to be utilised at the end of the lease term.

23. Trade and other payables

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables:				
Third parties	769	673	-	199
Other payables:				
Third parties	394	425	516	24
Accrued operating expenses	603	357	373	251
Non-interest bearing	2,924	1,667	2,065	1,345
Interest bearing	200	-	200	-
Amount due to a subsidiary	-	-	1	-
	4,121	2,449	3,155	1,620
	4,890	3,122	3,155	1,819

Trade and other payables are unsecured, non-interest bearing and are normally settled on 30 to 60 days' terms, except for amount due to a subsidiary and a related party which are repayable on demand and amount due to a shareholder which is interest bearing and repayable when the Company's resources permit.

The non-interest bearing is an unsecured loan and is repayable on demand. This has been provided by Bounty Blue Capital Ltd, a related party where the chief executive officer is the ultimate beneficiary and has significant control.

The interest bearing is an unsecured loan with interest bearing at 5% per annum (2019: Nil) and is repayable when the Company's resources permit. This has been provided by Capital Square Co., Ltd., a related party where it is the shareholder of the Company.

The currency profiles of the Group's and Company's trade and other payables as at 31 July 2020 and 31 July 2019 are as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Singapore Dollar	4,010	2,455	3,155	1,819
United States Dollar	424	165	-	-
Thai Baht	124	60	-	-
Japanese Yen	332	442	-	-

24. Operating lease commitments

Lessee

In the financial year ended 31 July 2019, the Group had entered into non-cancellable commercial leases on office, shop and other premises. These leases have an average tenure of three years with varying terms and escalation clauses but no renewal option.

At the end of financial year ended 31 July 2019, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 $'000
Not later than one year	985
Later than one year but not later than five years	1,723
More than five years	2,593
	5,301

The leases have its tenure from 2019 to 2029 (2019: 2019 to 2029). There are no restrictions placed upon the Company by entering into these leases.

Under the lease terms for the leased premises, the Group shall pay a monthly variable rent, computed based on a certain percentage of monthly gross revenue generated by the Group's operations at the leased premises. The base rent for the lease arrangement increases over the lease term.

No variable rental expenses had been incurred in the current and previous financial year.

25. Related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) has control or joint control over the Company;
  (ii) has significant influence over the Company; or
  (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

  (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  (iii) both entities are joint ventures of the same third party;
  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  (vi) the entity is controlled or jointly controlled by a person identified in (a);
  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  (viii) the entity, or any member of a group of which it is a part, provides key management personal services to the reporting entity or to the parent of the reporting entity.

25. Related party transactions (Continued)

The effect of the Group's and of the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

(a) Compensation of key management personnel

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Salaries and other short-term employee benefits	381	403	360	390
Directors' fees	59	120	59	120
	440	523	419	510

Included in the above is total compensation for executive directors of the Company amounting to $360,000 (2019: $390,000).

(b) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group or the Company and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Related companies [(a)]				
Usage of office facilities	-	-	21	27
Subsidiaries				
Management fees income	-	-	(144)	(144)

[(a)] These are entities with common directors or key management personnel of the Company.

26. Segment information

The Group is substantially in two business segments, namely lifestyle and entertainment and travel agency services. All of its operations are in Singapore, except for three subsidiaries – Mulligan's Co., Ltd, e-Holidays Co., Ltd., and LifeBrandz USA, Inc (f.k.a. Cloud Eight Inc) which are located in Pattaya, Thailand, Tokyo, Japan and San Francisco, United States of America respectively.

For management purposes, the Group is organised into business units based on their geographical location.

26. Segment information (Continued)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

(a) *Geographical segment*

	Singapore		Thailand		Japan		United States		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue:										
Sales to external customers	1,630	2,613	317	592	827	2,028	568	340	3,342	5,573
Results:										
Amortisation and depreciation	680	318	2	2	80	88	874	107	1,636	515
Segment loss for the year	(2,898)	(2,144)	(133)	(23)	(3)	(594)	(5,591)	(685)	(8,625)	(3,446)
Assets/(Liabilities):										
Property, plant and equipment	21	1,883	2	3	4	11	-	154	27	2,051
Additions to non-current assets	-	520	1	35	-	54	222	1,453	223	2,062
Segment assets[(1)]	272	1,383	162	279	426	378	1	1,721	861	3,761
Segment liabilities[(2)]	(4,417)	(2,573)	(125)	(60)	(382)	(459)	(3,620)	(255)	(8,544)	(3,347)

(1) Segment assets relate to total assets of the respective segment. Inter-segment assets of $1,445,000 (2019: $7,218,000) are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

(2) Segment liabilities relate to total liabilities of the respective segment. Inter-segment liabilities of $7,141,000 (2019: $6,429,000) are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

(b) *Information on major customers*

The Group generates its revenue from transactions with numerous customers and no customer contributes more than 10% of the Group's revenue.

27. Financial instruments and financial risks

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group's principal financial instruments comprise cash and fixed deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the current and previous financial years, the Group's policy that no trade in derivative financial instruments shall be undertaken.

27. Financial instruments and financial risks (Continued)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Credit risk*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risks, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks [Note 1]	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is $\leqslant$ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

27. Financial instruments and financial risks (Continued)

(a) *Credit risk (Continued)*

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

27. Financial instruments and financial risks (Continued)

(a) *Credit risk (Continued)*

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 17)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (eg. Singapore, Malaysia) and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

27. Financial instruments and financial risks (Continued)

(a) *Credit risk (Continued)*

The loss allowance for trade receivables is determined as follows:

Group	Current	Past due more than 1 to 30 days	Past due more than 31 to 60 days	Past due more than 61 to 90 days	Past due more than 90 days	Total
31 July 2020						
Expected credit loss rates	-	-	-	-	100%	
Trade receivables (gross) ($'000)	-	-	-	-	150	150
Loss allowance ($'000)	-	-	-	-	150	150
31 July 2019						
Expected credit loss rates	-	-	-	-	-	
Trade receivables (gross) ($'000)	-	71	-	-	-	71
Loss allowance ($'000)	-	-	-	-	-	-

Company	Current	Past due more than 1 to 30 days	Past due more than 31 to 60 days	Past due more than 61 to 90 days	Past due more than 90 days	Total
31 July 2020						
Expected credit loss rates	-	-	-	-	100%	
Trade receivables (gross) ($'000)	-	-	-	-	691	691
Loss allowance ($'000)	-	-	-	-	691	691
31 July 2019						
Expected credit loss rates	-	-	-	-	64%	
Trade receivables (gross) ($'000)	-	27	13	12	557	609
Loss allowance ($'000)	-	-	-	-	362	362

Other receivables (Note 17)

As of 31 July 2020, the Company recorded other receivables from subsidiaries of $5,101,000 (2019: $4,770,000) consequent to extension of loans to the subsidiaries. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 July 2020, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. The loss allowance for other receivables from subsidiaries of the Company as at 31 July 2020 is $4,907,000 (2019: $762,000).

27. Financial instruments and financial risks (Continued)

(a) *Credit risk (Continued)*

The movement in the loss allowance during the financial year and the Group's and Company's exposure to credit risk in respect of credit-impaired receivables are as follows:

		Group		Company	
		Trade	Other	Trade	Other
	Note	Receivable	Receivable	Receivable	Receivable
Internal credit risk grading		Category 4	Category 4	Category 4	Category 4
		$'000	$'000	$'000	$'000
Loss allowance					
Balance at 1 August 2018 / 31 July 2019		-	-	362	762
Impairment loss recognised		150	-	329	4,145
Balance at 31 July 2020		150	-	691	4,907
Gross carrying amount					
At 31 July 2019		71	834	609	4,820
At 31 July 2020		150	540	691	5,201
Net carrying amount					
At 31 July 2019	17	71	834	247	4,058
At 31 July 2020	17	-	540	-	294

Apart from certain amounts due from individuals and subsidiaries, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the other receivables. The Group considered amongst other factors, included but not limited to using 12-month ECL, the Company determined that the ECL is insignificant.

(b) Market risks

The Group does not have significant foreign currency transaction and interest-bearing financial assets and liabilities. Thus, is not expose to market risks.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient level of cash and short-term deposits to meet its working capital requirements. The Group maintains a balance between continuity of funding and flexibility through the use of stand-by financial and credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group and to mitigate the effects of fluctuations in cash flows.

Short-term funding may be obtained from short-term loans where necessary without incurring unacceptable losses or risking damage to the Group's reputation.

27. Financial instruments and financial risks (Continued)

(c) Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	Effective interest rate %	1 year or less S$'000	2 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Undiscounted financial assets					
Trade and other receivables	-	540	-	-	540
Less: Prepayments	-	(270)	-	-	(270)
		270	-	-	270
Guarantee deposit	-	-	183	-	183
Cash and cash equivalents	-	105	-	-	105
As at 31 July 2020		375	183	-	558
Trade and other receivables	-	905	-	-	905
Less: Prepayments	-	(419)	-	-	(419)
		486	-	-	486
Guarantee deposit	-	-	177	-	177
Cash and cash equivalents	-	320	-	-	320
As at 31 July 2019		806	177	-	983
Undiscounted financial liabilities					
Trade and other payables	5	4,890	-	-	4,890
Provision for reinstatement	-	242	-	-	242
Lease liabilities	5.25	720	1,866	1,122	3,708
Bank borrowings	1.4	27	-	-	27
As at 31 July 2020		5,879	1,866	1,122	8,867
Trade and other payables	-	3,122	-	-	3,122
Provision for reinstatement	-	216	-	-	216
Bank borrowings	1.4	9	-	-	9
As at 31 July 2019		3,347	-	-	3,347
Total undiscounted net financial (liabilities)/assets					
- at 31 July 2020		(5,504)	(1,683)	(1,122)	(8,309)
- at 31 July 2019		(2,541)	177	-	(2,364)

27. Financial instruments and financial risks (Continued)

(c) Liquidity risk (Continued)

Company	Effective interest rate %	On demand and within 1 year S$'000
Undiscounted financial assets		
Trade and other receivables	-	294
Less: Prepayments	-	(29)
		265
Cash and cash equivalents	-	10
As at 31 July 2020		275
Trade and other receivables	-	4,305
Less: Prepayments	-	(20)
		4,285
Cash and cash equivalents	-	73
As at 31 July 2019		4,358
Undiscounted financial liabilities		
Trade and other payables	5%	3,155
As at 31 July 2020		3,155
Trade and other payables	-	1,819
As at 31 July 2019		1,819
Total undiscounted net financial (liabilities)/assets		
- at 31 July 2020		(2,880)
- at 31 July 2019		2,539

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial assets at amortised cost				
Trade and other receivables	540	905	294	4,305
Less: Prepayments	(270)	(419)	(29)	(20)
	270	486	265	4,285
Guarantee deposit	183	177	-	-
Cash and cash equivalents	105	320	10	73
Total	558	983	275	4,358
Financial liabilities at amortised cost				
Trade and other payables	4,890	3,122	3,155	1,819
Provision for reinstatement	242	216		
Lease liabilities	3,382	-	-	-
Bank borrowings	27	9	-	-
Total	8,541	3,347	3,155	1,819

28. Fair value of assets and liabilities

The carrying amount of trade and other receivables and payables, cash and cash equivalents, approximate their respective fair values due to the relative short-term maturity of these financial instruments. While, the non-current amounts due from subsidiaries have no repayment terms and is repayable only when the cash flows of the borrower permits. Accordingly, the fair value of the loan is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

29. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial year ended 31 July 2020.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as total equity as shown in the statement of financial position, plus net debt.

	Group	
	2020	2019
	$'000	$'000
Trade and other payables (Note 23)	4,890	3,122
Provision for reinstatement	242	216
Bank borrowings (Note 21)	27	9
Less: Cash and cash equivalents (Note 18)	(105)	(320)
Net debt	5,054	3,027
Equity attributable to equity holders of the Company	(7,683)	414
Capital and net debt	(2,629)	3,441
Gearing ratio	N.M.	7.31

N.M.- Not meaningful

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 July 2020 and 2019.

30. Events subsequent to the reporting date

(a) Incorporation of subsidiaries

(i) On 10 September 2020, the Group has announced the incorporation of two wholly-owned subsidiaries, SYNC Co., Ltd. and LB KOH Co., Ltd., which subscribed the paid-up share capital of JPY10,000 (equivalent to approximately $120) comprising 100 ordinary shares respectively in Tokyo, Japan under its subsidiary, LB F&B Pte. Ltd. to facilitate Group's entrance into affordable and family friendly Japanese-style barbecue restaurant operations. A new Japanese restaurant, BBQ Daruma, managed under SYNC Co., Ltd., had officially opened on 1 October 2020.

(ii) On 29 December 2020, the Group has announced the incorporation of a wholly-owned subsidiary, LB F&B Sdn. Bhd., which subscribed the paid-up share capital of MYR 2.00 (equivalent to approximately $0.66) comprising 2 ordinary shares in Kuala Lumpur, Malaysia under its subsidiary, LB F&B Pte. Ltd. to facilitate the Group's overseas market expansion.

(b) On 2 November 2020, the Company's wholly-owned subsidiary, Cloud Eight Pte. Ltd. ("Cloud Eight") and Fuse Design Pte. Ltd. ("Fuse Design") have come to an agreement on the terms for a full and final settlement of Fuse Design Claim whereby Cloud Eight shall pay the sum of $150,000 to Fuse Design in 2 tranches. The settlement sum of $150,000 had been fully provided for in the consolidated financial statements as at 31 July 2020.

(c) On 26 November 2020, the Company entered into a subscription agreement with I Concept Global Growth Fund ("I Concept") and Liw Chai Yuk ("LCY, and collectively with I Concept, the "Subscribers"). The Subscribers have agreed to subscribe for an aggregate of 125,000,000 new ordinary shares in the capital of the Company (the "Subscription Shares") at an issue price of $0.004 for each Subscription Share amounting to an aggregate cash consideration of $500,000. The subscription was completed on 10 December 2020 with the issue and allotment of 112,500,000 Subscription Shares to the Subscribers, for a total consideration of $450,000.

(d) On 26 November 2020, the Company entered into a deed of settlement ("Settlement Deed") with Bounty Blue Capital Ltd. ("Bounty Blue") and Mr. Saito Hiroyuki ("Mr Saito"), the Executive Chairman and CEO of the Company for the settlement of certain interest-free loans in the aggregate sum of $2,918,923 extended by Bounty Blue to the Group and the Company for working capital and business expansion. Pursuant to the Settlement Deed, with effect from 31 October 2020, the Company shall cease all payments to Mr Saito of his monthly salary payable to him under his service agreement with the Company dated 21 April 2017 in order to support the working capital sufficiency of the Group and the Company. The loan amount of $2,918,923 shall be fully settled and satisfied by the payment by the Group and the Company to Bounty Blue of $1,000,000 in cash.

(e) The Company also entered into a deed of waiver with its shareholder, Capital Square Co., Ltd. ("Capital Square") on 26 November 2020 for the waiver of a loan in the principal sum of $200,000 bearing an interest of 5% per annum extended by Capital Square to the Company.

(f) On 15 December 2020, the Group have announced that Sushi Nagai in the United States of America had permanently ceased operation with effect from 21 August 2020 due to the impact of the COVID-19 pandemic on the food and beverages business.

30. Events subsequent to the reporting date (Continued)

(g) On 8 February 2021, the Company 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 "subscription exercise") 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. As of the date of authorisation for the issuance of these financial statements, S$200,000 has been drawn down by the Company. 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 subscription exercise is subject to the approval of shareholders at Extraordinary General Meeting.

(h) 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 (the "SPAs" and each a "SPA") with Capital Square to dispose its entire interest in SYNC Co., Ltd., LB KOH Co., Ltd, LifeBrandz USA, Inc. (f.k.a. Cloud Eight Inc) and e-Holidays Co., Ltd for a consideration of S$1 each. The loss before tax and net operating cash outflow from discontinued operation as of 31 July 2020 is S$5,578,000 and S$678,000, respectively.

(i) On 9 February 2021, the Company announced its plans to conduct a rights issue exercise at a pricing similar to that offer in the subscription exercise. The terms of the proposed rights issue have not been determined by the directors as of the date of authorisation for the issuance of these financial statements.

31. Initial application of SFRS(I) 16 *Leases*

SFRS(I) 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring a lessee to adopt a single model for lessee accounting. Lessees are required, with the exception of short- term leases and leases of low value assets, to recognise at initial recognition, lease liability and right-of-use asset for a contract which is or contains a lease.

Lessor accounting under SFRS(I) 16 remains unchanged from SFRS(I) 1-17. Therefore, there is no impact to the Group as a lessor.

The details of the accounting policies under SFRS(I) 16 and SFRS(I) 1-17 are disclosed in Note 2.16.

The Group applied SFRS(I) 16 using the modified retrospective approach and recognised the cumulative effect of initial application on 1 August 2019, being the date of initial application of SFRS(I) 16. Accordingly, the comparative information presented were not restated and is presented as previously reported under SFRS(I) 1-17 and its related interpretations.

Practical expedients applied

The Group applied the following practical expedients when applying SFRS(I) 16 for the first time.

- Not to reassess whether a contract is, or contains, a lease at 1 August 2019 and instead relied on the assessment previously made using SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*;
- Not to recognise right-of-use assets and lease liabilities of leases for which the lease term ends within 12 months as of 1 August 2019;
- Not to recognised right-of-use assets and lease liabilities for leases for which the underlying asset is of low value; and
- Use of hindsight for contracts which contain an option to extend or terminate a lease.

31. Initial application of SFRS(I) 16 *Leases* (Continued)

Leases classified as operating leases under SFRS(I) 1-17

The Group previously classified its lease of certain office premises as operating leases under SFRS(I) 1-17. Under SFRS(I) 16, the Group recognised, for each lease,

(a) a lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 August 2019; and
(b) a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognised in the consolidated statement of financial position immediately before 1 August 2019.

In the determination of lease liabilities, the Group applied the practical expedient to not separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Following the recognition of the right-of-use assets, the Group tested the right-of-use assets on 1 August 2019 for impairment and concluded that the right-of-use assets show no indication of impairment.

The effects of adopting SFRS(I) 16 at 1 August 2019 is summarised as follows:

	31 July 2019 SFRS(I) 1-17 $'000	Remeasurement $'000	1 August 2019 SFRS(I) 16 $'000
Property, plant and equipment	2,051	3,986	6,037
Lease liabilities	-	3,986	3,986

The effects to deferred tax is immaterial. Therefore, the Group did not recognise make any adjustment to deferred tax at 1 August 2019.

The Group uses incremental borrowing rates at 1 August 2019 to discount the remaining lease payments at 1 August 2019 when measuring the lease liabilities. The weighted-average incremental borrowing rate applied by the Group at 1 August 2019 is 5.25%.

The lease liabilities at 1 August 2019 can be reconciled to the operating lease commitment as at 31 July 2019 as follows:

	At 1 August 2019 $'000
Operating lease commitments at 31 July 2019 under SFRS(I) 1-17 as disclosed in the Group's consolidated financial statements	5,301
Recognition exemption for leases with 12 months or less of lease term at transition	(355)
	4,946
Discounted using the incremental borrowing rate at 1 August 2019 / Lease liabilities at 1 August 2019	3,986

32. Development of COVID-19 outbreak and its corresponding impact on the Group

In the beginning of 2020, the COVID-19 has spread widely across the globe resulting in several actions taken by different countries to contain the virus. Such actions include, among others, restrictions of people agglomeration and travels. Furthermore, the situation brought severe market volatility and is widely expected to adversely impact the food and beverage as well as tourism industry. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including loss allowances for receivables) and the going concern assumption in the financial statements. The management has assessed that the Group will be able to continue as a going concern taking into consideration available funding resources.

Statistics of Shareholdings

As at 4 February 2021

SHAREHOLDERS' INFORMATION

Issued and fully paid-up capital	:	S$65,446,649.07
Number of issued shares	:	724,170,246
Class of shares	:	Ordinary shares of equal voting right
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	417	12.27	16,800	0.00
100 – 1,000	1,012	29.77	463,856	0.06
1,001 – 10,000	1,029	30.27	4,051,264	0.56
10,001 – 1,000,000	885	26.04	141,621,544	19.56
1,000,001 and above	56	1.65	578,016,782	79.82
TOTAL	**3,399**	**100.00**	**724,170,246**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN PRIVATE LIMITED	246,046,997	33.98
2	DBS NOMINEES (PRIVATE) LIMITED	124,441,280	17.18
3	LOW POH KUAN	23,746,500	3.28
4	PHILLIP SECURITIES PTE LTD	17,696,748	2.44
5	KHEE SEE HONG	15,800,000	2.18
6	LIW CHAI YUK	12,500,000	1.73
7	ZHOU KEKE	9,507,000	1.31
8	MAURICE NG WEI CHUAN	7,000,000	0.97
9	LONG SA KOW	6,965,000	0.96
10	HO BENG SIANG	5,940,400	0.82
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,445,274	0.75
12	NG YONG QIN (HUANG YONGQIN)	5,000,000	0.69
13	NGIN CHOON KAY	4,820,000	0.67
14	OCBC SECURITIES PRIVATE LIMITED	4,792,069	0.66
15	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,523,648	0.62
16	YONG CHEE KEONG (YANG ZHIQIANG)	4,424,000	0.61
17	FRANCIS KAYOKO	4,170,000	0.58
18	LEE CHUANG CHAI	4,000,000	0.55
19	ZHU XILIN	3,844,000	0.53
20	RAFFLES NOMINEES (PTE.) LIMITED	3,815,822	0.53
	Total	**514,478,738**	**71.04**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 4 FEBRUARY 2021

Name of Substantial Shareholder	Direct Interests		Deemed Interests	
	No. of Shares	%	No. of Shares	%
Bounty Blue Capital Ltd[(1)(2)]	155,148,030	21.42	-	-
Rockwills Trustee Ltd[(1)]	-	-	155,148,030	21.42
Blue Bay Trust[(1)]	-	-	155,148,030	21.42
Saito Hiroyuki	-	-	155,148,030	21.42
I Concept Global Growth Fund[(3)(4)]	101,000,000	13.95	-	-
Michael Marcus Liew[(3)]	-	-	101,000,000	13.95
Capital Square Co., Ltd[(5)(6)]	75,000,000	10.36	-	-
Fujiyoshi Daiki[(5)]	-	-	75,000,000	10.36
Low Poh Kuan[(7)]	37,906,500	5.23	-	-

Notes:

(1) Bounty Blue Capital Ltd ("Bounty Blue") is wholly owned by Rockwills Trustee Ltd, being the trustee of Blue Bay Trust ("BB Trust"). The beneficiary and settlor of BB Trust is Mr. Saito Hiroyuki.

(2) Bounty Blue holds all its Shares through UOB Kay Hian Private Limited.

(3) I Concept Global Growth Fund ("I Concept") is made up of two non-participating voting shares of par value US$1.00 in the capital of I Concept ("Management Shares") and 4,999,800 participating non-voting shares of par value US$0.01 in the capital of I Concept ("Participating Shares"). The two Management Shares are held by Michael Marcus Liew.

(4) I Concept holds all its Shares through DBS Nominees (Private) Limited.

(5) Mr. Fujiyoshi Daiki holds 100% shareholdings in Capital Square Co., Ltd. ("Capital Square").

(6) Capital Square holds all its Shares through UOB Kay Hian Private Limited.

(7) Mr. Low Poh Kuan holds part of his Shares, being 14,160,000 Shares, through DBS Nominees (Private) Limited.

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

49.04% of the Company's issued paid up capital is held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules of the SGX-ST.

Notice of Annual General Meeting

LIFEBRANDZ LTD.

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of LifeBrandz Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") will be convened and held by way of electronic means on Friday, 26 February 2021 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2020 together with the Auditors' Report thereon.

   (Resolution 1)

2. To approve Directors' fees of S$81,785 for the financial year ended 31 July 2020. (2019: S$93,250)

   (Resolution 2)

3. To note the retirement of Mr. Kurokawa Shingo, who is retiring by rotation pursuant to Regulation 107 of the Constitution of the Company.

4. To re-elect the following directors who are retiring pursuant to Regulation 117 of the Constitution of the Company:

   Mr. Naoki Watanabe **(Resolution 3)**
   Ms. Ang Puak Huen **(Resolution 4)**
   Ms. Wang Xiaolan **(Resolution 5)**

   [See Explanatory Note (i)]

5. To re–appoint Messrs Mazars LLP, as auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 6)

6. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution (with or without amendments):

7. **Authority to allot and issue shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (1) above, the percentage of issued Shares shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares.

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share

options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being in force; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(Resolution 7)

[See Explanatory Note (ii)]

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

10 February 2021
Singapore

Explanatory Notes:

(j) Mr. Naoki Watanabe will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee of the Company. There are no relationships (including family relationships) between Mr. Naoki Watanabe and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Naoki Watanabe to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Ms. Ang Puak Huen will, upon re-election as a Director of the Company, remain as an Executive Director and Chief Operating Officer of the Company.

Ms. Wang Xiaolan will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee, a member of the Audit Committee and the Remuneration Committee of the Company. There are no relationships (including family relationships) between Ms. Wang Xiaolan and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect her independence. The Board considers Ms. Wang Xiaolan to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Further detailed information on Mr. Naoki Watanabe, Ms. Ang Puak Huen and Ms. Wang Xiaolan can be found in the sections entitled “Board of Directors”, “Corporate Governance Report”,

"Directors' Statement" and "Additional Information on Directors Seeking Re-election" of the Annual Report 2020.

(ii) Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

On 3 April 2020, the Singapore Government announced the implementation of "circuit breaker" measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19. The COVID-19 (Temporary Measures) Act 2020 (the "**Temporary Measures Act**") was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Meetings Orders**") was issued by the Minister for Law on 13 April 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company's constitution). The Meeting Orders have been extended from 30 September 2020 to 30 June 2021 and amendments to the Temporary Measures Act come into force on 29 September 2020. A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020 and 1 October 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place.

Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to members. Instead, these documents will be made available on the SGXNET at the URL https://www.sgx.com/securities/company-announcements.

Alternative arrangements relating to members' participation at the AGM are:

(a) observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);

(b) submitting questions in advance in relation of the resolutions set out in the Notice of AGM; and

(c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

Members will be able to participate in the AGM in following manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

In light of the above developments, the Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on Friday, 26 February 2021 at 3:00 p.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away.

In order to do so, members must pre-register online at the https://agm.conveneagm.com/lifebrandz by 3:00 p.m. on Wednesday, 24 February 2021 (the "**Registration Deadline**"), being not less than 48 hours before the time appointed for holding the AGM, to enable the Company to verify their members' status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 3:00 p.m. on Thursday, 25 February 2021 (being 24 hours before the time appointed for the holding of the AGM).

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 3:00 p.m. on Thursday, 25 February 2021 may contact the Company's technical support by email at support@conveneagm.com for assistance.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies ("**SRS Investors**"), and who wish to participate in the AGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

Members may submit questions relating to the items on the Resolutions set out in the Notice of AGM in advance:

(a) by post to the registered office of the Company at 46 Kim Yam Road #03-06 Singapore 239351;

(b) by email to invest@lifebrandz.com; or

(c) via such member's account following registration at the URL https://agm.conveneagm.com/lifebrandz.

All questions must be submitted by 3:00 p.m. Tuesday, on 23 February 2021 (being 72 hours before the time appointed for the holding of the AGM).

A member who wishes to submit his/her/its questions by post or by email is required to indicate his/her/its full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address or email address provided.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the Resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a member of the Company.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

(a) by post to the registered office of the Company at 46 Kim Yam Road #03-06 Singapore 239351;

(b) by email to invest@lifebrandz.com; or

(c) via the Shareholder's account following registration at the URL https://agm.conveneagm.com/lifebrandz,

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 3:00 p.m. on Wednesday, 24 February 2021. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 5:00 p.m. on Monday, 15 February 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 3:00 p.m. on Wednesday, 24 February 2021.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the AGM.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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

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.

IMPORTANT:

1. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM dated 10 February 2021.

3. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 5:00 p.m. on 15 February 2021 (being seven (7) working days before the AGM).

LIFEBRANDZ LTD.

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

ANNUAL GENERAL MEETING
PROXY FORM

(Please see notes overleaf before completing this Form)

This form of proxy has been made available on SGXNET and may be accessed at the URL https://www.sgx.com/securities/company-announcements. A printed copy of this form will NOT be despatched to members.

I/We, _____(Name), NRIC/Passport/Company Registration Number* _____ of _____ _____(Address) being a Shareholder/Shareholders* of **LIFEBRANDZ LTD.** (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the Meeting of the Company to be held by way of **electronic means** on **Friday, 26 February 2021 at 3:00 p.m**. and at any adjournment thereof.

I/We* direct my/our* proxy to vote for or against, or to abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. **If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolutions	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2020 together with the Auditors' Report thereon.			
2	To approve Directors' fees of S$81,785 for the financial year ended 31 July 2020 (2019: S$93,250).			
3	To re–elect Mr. Naoki Watanabe who is retiring pursuant to Regulation 117 of the Company's Constitution.			
4	To re–elect Ms. Ang Puak Huen who is retiring pursuant to Regulation 117 of the Company's Constitution.			
5	To re–elect Ms. Wang Xiaolan who is retiring pursuant to Regulation 117 of the Company's Constitution.			
6	To re–appoint Messrs Mazars LLP, as auditors of the Company and to authorise the Directors of the Company to fix their remuneration.			
	Special Business			
7	To authorise Directors to allot and issue shares in the capital of the Company.			

***If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.*

Dated this ..... day of 2021

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

.....
Signature(s) of Member(s) / Common Seal

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.

2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. The Chairman of the AGM, being a proxy, need not be a member of the Company.

4. This instrument appointing a proxy or proxies, duly executed, must be submitted (a) by post to at the registered office of the Company at 46 Kim Yam Road #03-06 Singapore 239351; (b) by email to invest@lifebrandz.com; or (c) via such member's account following registration at the URL https://agm.conveneagm.com/lifebrandz, not less than 48 hours before the time appointed for holding the AGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. This instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

6. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (Chapter 50) of Singapore, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 5:00 p.m. on 15 February 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

9. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged 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 appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 10 February 2021.