



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: LifeBrandz Ltd

Security: LifeBrandz Ltd

Meeting details:

Date: 22 November 2018

Time: 3.00 p.m.

Venue: 2 Bukit Merah Central (formerly known as “Spring Singapore”), Podium Block, Level 3, Room P303, Singapore 159835

Company Description

LifeBrandz Ltd operates in the travel, fintech, fund management, and food and beverages businesses. The company provides leisure and travel consultancy, and ticketing agency services; and other travel-related services and products, such as travel insurance arrangement, visa applications, and land transfers between airport and accommodation. It also offers financial institutions white label wealth solutions to automate the process of financial planning, saving, and investing through its digital platform; IT and fund management services; and food and beverage services, as well as operates a relaxed pub with music, conversation, and good fun fueled by alcohol. In addition, the company engages in the restaurant operations. The company was founded in 2001 and is headquartered in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=1D3)

1. The group's mission statement is as follows:

We aim to be the leading-edge company in providing comprehensive services and multi-faceted solutions, including brand development & management, travel, Fintech, IT and fund management, so as to enhance the lifestyles and wealth of our customers while continuously striving to achieve growth, profitability and shareholder value.

Currently, the group has operations in F&B (Hashida Sushi and Mulligans Pattaya), travel (e-Holidays Co., Ltd.) and a "fintech" business.

- (i) For the benefit of both new and old shareholders, would management provide shareholders with a holistic overview of the new businesses, including an introduction to the group's brands/names, the corporate websites and the strategic positioning? (For instance, what is the name of the fintech business?)**
- (ii) Please also include the current scale of the businesses, the key value drivers and the strategic growth plans (including the key markets and the targeted customer audience).**
- (iii) Would the board help shareholders understand if the group is able to harness any synergies from the different businesses?**
- (iv) Can the company help shareholders understand the depth of its senior management team that would allow the group to successfully diversify into these new businesses and scale up in a profitable and sustainable manner?**
- (v) The company has also stated that it will "continue to explore new business opportunities". Can the board help shareholders understand how deal sourcing is carried out? Does the group have a robust framework to evaluate the business opportunities? What are the (minimum) investment criteria for acquisitions and joint ventures?**

2. As noted in the Consolidated statement of cash flow (page 48 of the annual report), the net cash flows used in operating activities were \$(3.1) million in FY2018 and \$(1.3) million in FY2017. Despite carrying out a rights cum warrant issue in May/June 2017 (raising \$2.93 million), a placement in July 2017 (raising \$0.48 million) and another rights issue in February/March 2018 (raising \$3.94 million), the group has cash and cash equivalents amounting to just \$1.76 million as at 31 July 2018.

The company has stated that it "*may explore fund raising exercises to strengthen its cash position for future business expansions*" (page 5).

The 2018 rights issue received 51.99% of valid acceptances and a further 15.69% of excess application. The total acceptance for the exercise was 67.68%.

In the 2017 rights sum warrant issue, the valid acceptances and excess applications were 71.22% and 149.42% respectively.

- (i) **Has the board evaluated if it is prudent to continue to expand into new businesses given that the current financial position of the group does not seem to be able to support the growth without additional fund raising?**
- (ii) **What is the planned capital expenditure for the current operations? Does the group have the necessary funds to support the growth plans of the current businesses?**
- (iii) **Given that the 2018 rights issue only received 51.99% of valid acceptances, how will this affect the company's ability to raise funds through any further rights issue?**
- (iv) **Would the board consider it timely to review its growth trajectory and to evaluate how it could improve the cash-generative ability of its current businesses?**

3. Would the board/company provide shareholders with better clarity on the following governance matters? Specifically:

- (i) **Search and nomination of directors:** It is noted that the company has appointed several directors to the board, only for these directors to resign/retire shortly after. Mr. Yamaguchi Hiroyuki was appointed as independent director on 27 April 2017 and resigned on 22 September 2017. Mr. Nishijima Osamu was appointed as independent director on 27 April 2017 and resigned on 27 October 2017. Mr Jack Chia was appointed on 1 August 2018 (including the appointment of lead independent director) and will not be seeking re-election at the annual general meeting (AGM) on 22 November 2018. **Would the board help shareholders understand the search and nomination process for directors, especially independent directors?**
- (ii) **Lead independent director: Would Mr Jack Chia help shareholders understand his reason(s) for not seeking re-election at the AGM?** Mr. Jack Chia Seng Hee was appointed as Lead independent director, chairman of audit committee and member of nominating committee and remuneration committee on 1 August 2018.
- (iii) **Training: Can the first time directors, including Mr Saito Hiroyuki, Mr Kurokawa Shingo, Mr Yoshio Ono and Ms Kayoko Francis, update shareholders on the training they have received to familiarise themselves with the roles, responsibilities and obligations of a director of a listed company in Singapore?**
- (iv) **Sponsor:** On 31 August 2018, the company announced that it has changed its sponsor from RHT Capital Pte. Ltd. to SAC Capital Private Limited. **Can the board help shareholders understand the reason(s) for the change? How was the new sponsor selected? What role did the former sponsor play in**



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**the onboarding of Mr Saito relating to the matters brought up in the
Corrigendum Announcement dated 14 September 2018?**

A copy of the questions for the Annual Report for the financial year ended 30 July 2017 and 30 July 2016 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=LifeBrandz%20Ltd>

The company's response could be found here: -----