Branding for Life

LifeBrandz Ltd
Inaugural Annual Report
2004

LifeBrandz

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LifeBrandz Ltd Inaugural Annual Report 2004

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LifeBrandz

OUR MISSION

We aim to be the brand development and management company that will improve the lives of our target customers through innovative products and services and focus our resources to ensure growth, profitability and shareholders' value.

LETTER TO SHAREHOLDERS

MICHAEL WONG C. K.
CEO

KENNETH GOH TZU SEOH
COO

Dear Fellow Shareholders

DELIVERING OUR VALUE PROPOSITION

On behalf of the Board of Directors, we are pleased to present LifeBrandz' inaugural annual report for the financial year ended 31 July 2004 ("FY2004"). FY2004 was characterized by treasured milestones and significant accomplishments, events that will continue to define LifeBrandz for years going forward.

Firstly, we note LifeBrandz' successful Initial Public Offering (IPO), and subsequent admittance to the Main Board of the Singapore Stock Exchange on 18 June. This event marked a significant chapter in LifeBrandz' history, representing a great achievement for a group that started business only three years ago in July 2001.

Secondly, LifeBrandz has attained an exhilarating year of growth. Our top selling Nutraceuticals product, Extrim carbohydrate neutralizer and our Cosmeceuticals product, Intenz Skin Activator performed notably well, and we have capitalized on their success. Our geographical presence has expanded beyond Singapore and Hong Kong, with a strong entry into Indonesia. In addition, we have widened our portfolio of brands and products by introducing 6 new products, in the second half of FY2004. This exciting growth; financially, geographically and in product range, has allowed us to deliver on the value proposition presented earlier to prospective investors during our IPO.

Thirdly, annual sales for FY2004 climbed to $53.3 million. Not only did this surpass the $50 million milestone, but it also represented a 172% increase from the previous year, bringing about LifeBrandz' third consecutive year of positive sales growth. Overall shareholder value has increased with a net profit attributable to shareholders of $9.6 million, a 108% year on year growth.

> "This exciting growth; financially, geographically and in product range, has allowed us to deliver on the value proposition presented earlier to prospective investors during our IPO."

The above results are a clear testament to the effectiveness of the LifeBrandz Brand Development and Management Approach ("LifeBrandz BDMA"). They also highlight the agility and efficacy that our outsourcing business model has and will continue to accord the Group. Our model, perhaps perceived as non-traditional in Singapore, has enabled the Board and management to focus on vital operations that drive top line and bottom line growth directly. Unlike other high growth companies, our asset light business model has allowed us to pursue strategies aimed at generating positive cash flow, increasing sales and protecting margins. This has permitted the Board to recommend immediate returns to shareholders in the form of dividends, such as a first and final FY2004 dividend of 0.73 cent per share (exempt one-tier), totalling $4.5 million or 46.8% of FY2004 net profit.

FINANCIAL SCORECARD

The Group performed well in FY2004. Net profit after tax increased 108%, from $4.6 million in financial year ended 31 July 2003 ("FY2003") to $9.6 million in FY2004. This has been driven by a sales increase of 172% or $33.7 million, from $19.6 million in FY2003 to $53.3 million in FY2004.

Strong sales performance is attributed mainly to the growth of existing Nutraceuticals products, namely top-selling Extrim carbohydrate neutralizer, and the successful launch of our new range of Cosmeceuticals, Intenz Skin Activator. Sales of the Cosmeceuticals products increased 133 times from $0.1 million in FY2003 to $14.6 million in FY2004. Our Functional Food and Beverages category also contributed to the year's sales growing from $0.3 million to $1.2 million. This was partially due to the newly launched Genki Tea.

LifeBrandz has focused on achieving more balanced sales contributions by product category and geographical basis. We are starting to achieve this. Nutraceuticals now accounts for 71% of Group sales as compared to 90% in FY2003. Likewise, Cosmeceuticals contributes a substantial 27% of Group sales, a marked increase from less than 1% in FY2003.

Geographically, we have made similar inroads. The Singapore market now accounts for 55% of sales in FY2004 compared to 61% in FY2003, whilst Hong Kong has maintained contribution levels at approximately 40% for the past two years. In June 2004, Diethelm Singapore was appointed sole distributor for Extrim carbohydrate neutralizer in Indonesia, committing to $36 million in total sales over three years. This has resulted

in Indonesia accounting for 4% of the Group's FY2004 sales.

The Group's costs to sales ratio, relating to raw materials and consumables, distributors' fees and handling costs improved to 34% in FY2004 from 43% in FY2003. This was primarily due to lower distributors' fees charged. Similarly operating expenses including depreciation, staffing and other operating expenses improved as a percentage of sales from 12% in FY2003 to 8% in FY2004.

Our present annual advertising and promotion ("A&P") budget is set at approximately 30% to 35% of annual sales. This ensures effective brand equity and market presence. Our A&P encompasses tactical, high impact campaigns to launch new brands and products in current and untapped markets. This is coupled with strategic brand building initiatives to increase consumer top-of-mind recall and increase consumer mind-share. Therefore in line with our increased FY2004 Group sales, A&P spending increased from $3.1 million to $18.6 million in FY2004. The increase from FY2003 was also partially driven by the increase in the number of products sold, from primarily a sole product - Extrim carbohydrate neutralizer - in FY2003.

The Group's financial position remains strong at FY2004. Net assets backing per share increased to 5.49 cents from 1.02 cents. Receivables and Inventory are at acceptable levels. Cash and cash equivalents totaled $30.0 million, a net increase of $28.8 million, attributable to the recent IPO and positive operating cash inflows. The Group had no borrowings.

OUTLOOKS AND PROSPECTS

Strategies initiated in FY2004 such as extending our brand portfolio, strengthening our brand positioning and widening our geographical reach, have yielded results and are expected to drive overall performance of the Group going forward. We expect positive growth for financial year 2005 ("FY2005"), augmented by the following:

EXPANDING MARKET SHARE AND REGIONAL FOOTPRINT

We expect to extend our current leadership position in existing markets and progressively expand into new regional markets, increasing our existing 1,000 points of sale to 1,500. We are confident about our entry into Indonesia and are positive our products will continue to gain further momentum there. We intend to penetrate into new regional markets including Taiwan, Thailand and Malaysia, in 2005. We are

"We also plan to expedite the expansion of our business through acquisitions, joint ventures and/or strategic alliances, particularly in the Greater China region."

pleased by our progress made thus far in Taiwan involving the securing of regulatory approvals for our product. We also plan to expedite the expansion of our business through acquisitions, joint ventures and/or strategic alliances, particularly in the Greater China region. The focus will be on parties who are able to strengthen our market position and add value to our existing business.

CONTINUED EXPANSION OF BRAND AND PRODUCT PORTFOLIO

We will be proactive in seeking growth contributions from all our core product categories; Nutraceuticals, Cosmeceuticals, Functional Food and Beverages, and Lifestyle. We intend to launch at least six new products and expand on our existing portfolio of brands in FY2005.

It is also with great pleasure that we announce the establishment of our LifeBrandz Community Awareness and Responsibility ("CARe") Initiative in FY2004. Through CARe, we strive to play an active role in the development of the community. Our commitment to share has led to contributions in cash and gifts to worthy causes such as NDP 2004, Care Community Service Society, Ren Ci Hospital and Medicare Centre, and the Society for Continence (Singapore).

In conclusion, we wish to thank our customers, suppliers, strategic partners and investors for their continuing support. We take this opportunity to acknowledge the contributions from our board of directors for their commitment and valuable guidance, and for the dedication of our team at LifeBrandz.

Yours sincerely

MICHAEL WONG C. K.	**KENNETH GOH TZU SEOH**
CEO	**COO**

BOARD OF DIRECTORS

MICHAEL WONG C.K.

Mr. Wong is the Chief Executive Officer and co-founder of the Group.

As CEO, Mr. Wong is the driving force behind the Group's growth and business expansion and is responsible for the overall management of the Group.

Prior to founding the Group, Mr. Wong accumulated valuable management experience from various industries ranging from lifestyle products and services, banking, finance and accounting. He held various senior positions in the leading international banks, including Vice-President of Citibank, N.A. (Singapore), Director of UBS AG (Singapore), and Assistant Vice-President of Merrill Lynch International Bank Ltd (Singapore).

Mr. Wong holds a Bachelor of Commerce Degree from the University of Alberta, Canada. He is also a Chartered Accountant of The Institute of Chartered Accountants of Alberta.

KENNETH GOH TZU SEOH

Mr. Goh is the Chief Operating Officer and co-founder of the Group.

Mr. Goh's area of responsibility includes administration, legal matters, banking relationships and general management.
He is also responsible in assisting the Group CEO in setting the long-term direction and strategy of the Group.

Prior to founding the Group, Mr. Goh had more than 10 years experience in the banking and finance industry holding senior positions, including Head of Privilege Banking at the Singapore Branch of Bangkok Bank, and managerial positions with Merrill Lynch International Bank Ltd (Singapore), Citibank, N.A. (Singapore), Societe Generale and Schroder International Merchant Bankers Ltd.

Mr. Goh holds a Bachelor of Business Degree (Honours) from the Nanyang Technological University.

THOMAS CARLTON THOMPSON, III

Mr. Thompson was appointed as our Non-Executive Director on 21 April 2004. He is a member of the Group's Audit Committee.

He is currently a director of ACH Investments Pte Ltd, an investment advisory firm. Prior to that, Mr. Thompson held various senior positions in leading foreign banks including a Partner in SBC-Brinson (now UBS Asset Management), CEO Asia-Pacific of HSBC Asset Management, Managing Director of Wardley Investment Services (Australia) Limited, and Chief Economist of Wardley Investment Services (Hong Kong). He is also a past Chairman of the Hong Kong Investment Funds Association.

Mr. Thompson holds a Bachelor of Arts Degree from Columbia University and a Master of Science Degree from the London School of Economics.

LEE SOON KIE

Mr. Lee was appointed as an Independent Director of the Group on 21 April 2004. He is Chairman of the Group's Nominating and Remuneration Committees.

Mr. Lee is currently the Chief Executive Officer of International Factors (Singapore) Ltd ("IFS"). Prior to IFS, he was a senior executive of the PhillipCapital group of companies where he was in charge of the institutional business involving mergers and acquisitions as well as debt capital markets business. Before PhillipCapital, Mr. Lee held various senior appointments with an international investment banking group - Schroders.

Mr. Lee holds a Bachelor of Arts Degree from the National University of Singapore in Economics and Sociology and a Master of Science Degree in Computer Science (Distinction) from the University of Wales, Aberystwyth.

IRWIN LIM KEE WAY

Mr. Lim was appointed as an Independent Director of the Group on 21 April 2004. He is Chairman of the Group's Audit Committee.

Mr. Lim is currently the Group Vice-President of Corporate Finance of United Test and Assembly Centre Ltd (UTAC) where he is responsible for its corporate finance activities. He is also a director of AsiaVest Partners TCW/YFY Pte Ltd.

Mr. Lim has vast experience in the field of venture capital and private equity activities in Asia and was previously responsible for AsiaVest Partners, TCW/YFY (Taiwan) Ltd's investment, primarily in the South East Asia region. Mr. Lim who started his career with EDB Singapore had also been involved in investment consulting services.

Mr. Lim holds a Master of Science in management from Imperial College, University of London, and a Bachelor of Science in Industrial Engineering from Columbia University.

OTHER KEY EXECUTIVES

LEE SHIEH-PEEN CLEMENT
Mr. Lee is the Chief Brand Officer of the Group.

Mr. Lee is responsible for developing and managing the Group's brand portfolio.

Mr. Lee has more than 12 years of multi-brand, multi-industry experience from design and advertising to media and marketing. Having held various senior positions in both the communications and consumer sectors regionally, Mr. Lee brings with him in-depth branding experience that has resulted in the winning of various Superbrands and awards for the Group.

KOH BOON LIANG, ALAN
Mr. Koh is the Chief Financial Officer of the Group.

Mr. Koh is responsible for financial, accounting, business development and corporate secretariat aspects of the Group.

Prior to joining the Group, Mr. Koh had more than 15 years of experience in the areas of accounting, business development, and corporate finance. He held senior positions such as Business Development Director and Regional Chief Financial Officer (ASEAN) at Carrier International, Head of Finance Division at Liang Huat Aluminum, and various managerial positions in corporate finance at Schroder International Merchant Bankers Limited and audit at KPMG.

Mr. Koh holds a Bachelor of Accounting Degree (Honors) from the National University of Singapore and is a fellow member of the Institute of Certified Public Accountants of Singapore.

SIN PO LING, POLLY
Ms. Sin is the Chief Marketing Officer of the Group.

Ms. Sin is responsible for the Group's marketing, with core responsibilities overseeing the sales and marketing in the Greater China Region.

Prior to joining the Group, Ms. Sin had more than 17 years of experience in the area of marketing of branded consumer health care products. She held various positions at Diethelm Keller Siber Hegner, including General Manager of the Health Care Division (Consumer Health), where she was responsible for building up reputable brands in the China and Hong Kong markets.

Ms. Sin holds a Degree (Professional Diploma) in Business Studies majoring in marketing from Hong Kong Polytechnic.

BUSINESS OVERVIEW

LifeBrandz is in the business of brand development and management of consumer products and services in the health, beauty and lifestyle sectors. Our objective is to utilize our creativity and innovativeness to produce unique and attractive offerings that meet both the rational and the emotional needs of our consumers in our targeted sectors. Through superior management, we hope to build a distinguishable portfolio of strong and recognizable brands which:

* attract and retain customers;
* create a unique and sustainable competitive advantage;
* establish permanent growth in profitability and asset value.

TARGET MARKET

Our brands and products are created to meet the needs and desires of the Asian woman aged between sixteen to sixty years old. We estimate this market to comprise of five hundred and fifty million persons.

At the core of our business is our understanding of physical and emotional needs and desires of the Asian woman. The importance of gathering prompt information on this dynamic target market cannot be over emphasized; as such, our in-house Memberships department performs this critical function. Understanding the needs and desires of the Asian woman enables us to:

* develop desired products;
* properly position products;
* create brand awareness;
* effectively market and advertise.

We employ techniques to gain thorough insight and feedback from our LifeBrandz members and from our consumers. We also obtain information by tapping on our relationships with the retailers and distributors, and by engaging third parties to conduct focus group studies and surveys on the general public. Our outward reach helps us to understand, anticipate and respond to our target market's needs and wants.

INNOVATION & CREATIVITY

Much of our successes and achievements are due to our innovation and creativity. We have built up our in-house capabilities and competencies to consistently deliver new and unique results. The true value of our company derives from our ability to formulate solutions, brand and position our products, and market to the final consumer.

BUSINESS OVERVIEW (CONT'D)

Our success in developing breakthrough solutions, such as our Extrim carbohydrate neutralizer and our Intenz Skin Activator, is driven by our enormous innovative capacity. Our product development team is comprised of the members of the Executive Committee, and assisted on a project basis by a panel of leading technical advisors, which may include chemists, medical doctors, dieticians, pharmacists, nutritionists and manufacturers. This diverse panel of experts combined with our understanding of the business, results in innovative health, beauty and lifestyle-driven solutions.

Our Marketing department is responsible for product branding and positioning, and advertising to the final consumer. We keep these functions internal, maintaining control throughout the entire creative process. We have invested in building up this in-house expertise and as a result can develop our own brands and create marketing and advertising innovations more effectively and more efficiently than most others. Our ability to quickly, creatively, and meaningfully respond to the ever-changing target consumers' interests is our competitive advantage.

OUR PRODUCTS

We have built several of Asia's leading trusted products in the weight management, beauty, and functional food and beverages sectors. Our products are sought after in three countries and in over one thousand points of sale across the Asia Pacific. Instead of creating a large number of products, we believe in developing quality blockbuster products which meet our targeted consumer's specific needs.

ASSET LIGHT MODEL

We choose to focus on value adding areas. Less-essential activities such as manufacturing, distribution and logistics are outsourced to reputable third party specialists. By tapping on their expertise and economies of scale, these symbiotic relationships enable us to operate a more efficient, lean and asset light model whilst enhancing our overall effectiveness.

We work closely with a few strategic partners who are experts in their respective fields. Each partner is carefully selected based on their capabilities in servicing our stringent requirements and specifications. To ensure high quality of service, each partner is subject to detailed review before engagement and periodically afterwards.

Our model enables us to maintain quality control whilst maintaining our agility to react to the constantly changing environment. Our standard process for Nutraceuticals and Cosmeceuticals is to obtain orders from our distributors before commissioning production to our selected US manufacturers, all of whom are FDA approved facilities under Good Manufacturing Practices. Upon completion, we engage our selected logistics partners to transport the finished goods to our distributors therefore fulfilling the order. The distributors will pipeline the products into their retail channels, where it is sold to the final consumer. With our fluid model, there is:

- less requirement to purchase heavy capital expenditures;
- minimized need to carry large amounts of inventories;
- no necessity to establish our own retail outlets.

Where necessary, our model also permits quick modification of the business plans in response to unforeseen circumstances.

LIFEBRANDZ BDMA

We have developed and managed several of Asia's top brands and products. The retail trade and the consumers have recognized our efforts, awarding us with such distinctions as:

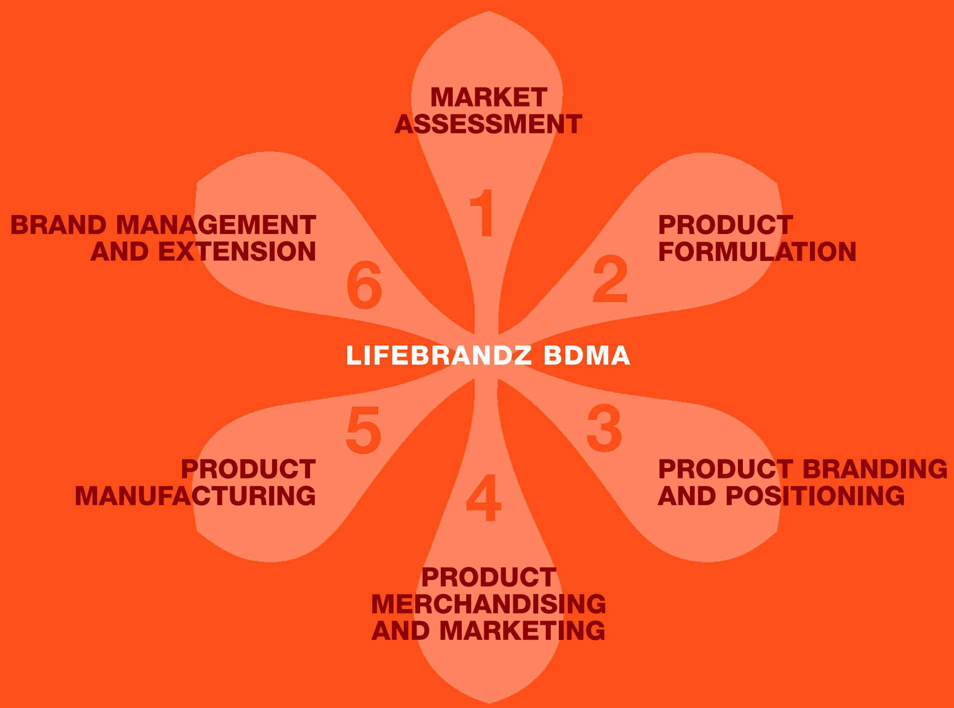
* Asia's Top 1000 Brands;
* Superbrands;
* Top Selling Product in its Category;
* Most Outstanding New Product.

Our track record of developing successive top brands and products for the region can be accredited to our LifeBrandz BDMA, a brand development and management approach designed to win the hearts, minds and spending power of the Asian woman. Our LifeBrandz BDMA is a six-step systematic process which through our experiences, represents all the considerations necessary for us to rapidly build brand goodwill and product sales success. A recipe for success, all new brands and products will progress through the LifeBrandz BDMA, ensuring a continuous pipeline of future successful brands and products.

Our LifeBrandz BDMA has also proven its effectiveness in entrenching our brands and products across geographic boundaries. Since its successful creation and implementation in Singapore, we have replicated our success in Hong Kong and Indonesia using the tested approach. Although requiring slight adjustment for local and cultural peculiarities, confidently, the LifeBrandz BDMA will ensure our successful expansion across the Asia Pacific Region.

FOCUS ON CORE COMPETENCIES

We focus on the most critical areas of business success. We invest and develop our core competencies in areas that add the most value to our business, namely in the first three stages of the LifeBrandz BDMA, "Market Assessment", "Product Formulation" and "Product Branding and Positioning". This focused approach has greatly improved our effectiveness and rate of success.



ELVA HSIAO
Spokesperson
SucoStop

"The Nutraceuticals business is about being proactive in feeling healthier, reducing the effects of aging and avoiding illness."

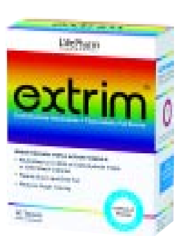
NUTRACEUTICALS

Our Nutraceuticals category is the company's largest contributor to sales in FY2004, with $37.6 million. Sales in this category increased by 111%, due mainly to the continuing growth momentum of our Extrim carbohydrate neutralizer and the introduction of several other products including 7 Keto trim, TummyTrim, and the recently launched SucoStop.

Our Nutraceuticals are health and wellness products such as nutritional supplements, vitamins, minerals and herbs. They contain natural ingredients that have health-promoting properties, therefore linking our diet to our health. With aging population, rising health-care costs, and increased interest in self-diagnosis, this category is poised to grow into the future.

The Nutraceuticals business is about being proactive in feeling healthier, reducing the effects of aging and avoiding illness. The global market for Nutraceuticals has been expanding and is estimated to exceed $75.0 billion in 2005. Global growth has come mainly from the developed markets of the United States, Europe, Japan and Canada but is only in its infancy in the Asia Pacific region.

Extrim carbohydrate neutralizer is a major product under our Nutraceuticals category. This product was created to address the needs and desires of a target market which is overweight and suffering from the negative aspects of being overweight. In a recently published ACNeilsen report - August 2004 - it was found that over 54% of respondents across eight countries in the Asia Pacific region considered themselves either a little overweight, somewhat overweight or overweight. This finding is consistent with our own internal studies, indicating significant growth opportunities for our Extrim carbohydrate neutralizer as we expand into Taiwan, Thailand, Malaysia, and across the Asia Pacific region.




PAN LING LING
Spokesperson
Intenz Miracle Mask
“Today we know that certain vitamins, plant extracts, herbs and nutritional supplements can improve the functions and look of the body and skin.”

COSMECEUTICALS

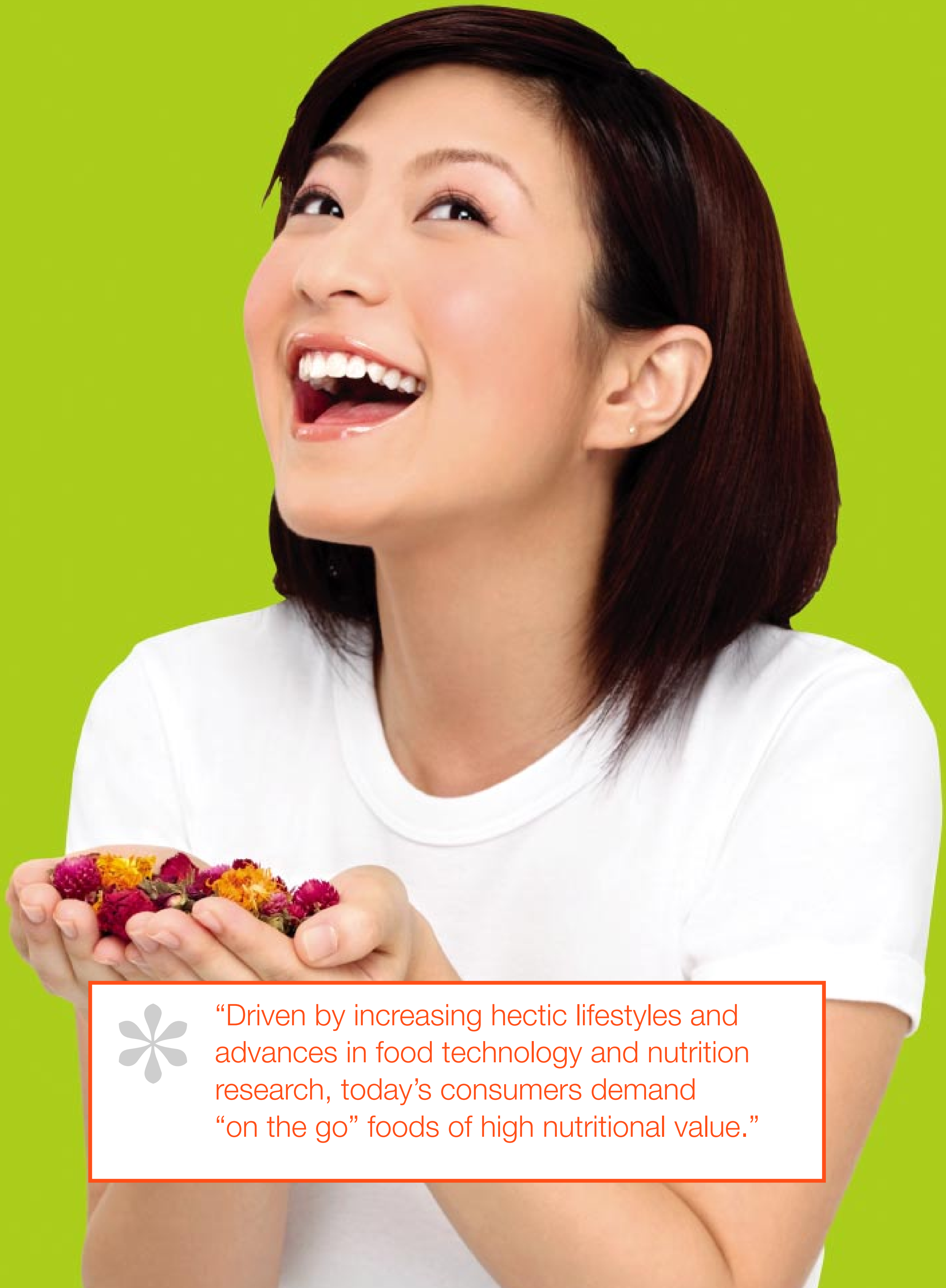
Our Cosmeceuticals category contributed $14.6 million to sales in FY2004. The increase from the previous year is due mainly to the addition of our Intenz Skin Activator in December 2003. Other products in the category are Extrim Body Sculptor, Estro+ and our recently launched Intenz Miracle Mask.

Cosmeceuticals are oral and topical skin and beauty care products which have a therapeutic effect on the body. They contain natural ingredients such as vitamins, plant extracts, herbs and botanicals which have general skin care and beauty benefits.

The Cosmeceuticals business is driven by scientific breakthroughs in biology and biochemistry. Today we know that certain vitamins, plant extracts, herbs and nutritional supplements can improve the functions and look of the body and skin. Cosmeceuticals is widely believed to be the fastest growing sector in the cosmetic industry, with the global market estimated to be $5.0 billion in 2005. With aging population and increased spending power of women, this sector is expected to continue its rapid growth.

Intenz Skin Activator is a major product in the Cosmeceuticals category. This product was created to address the needs of women who desire beauty and want to prevent the visible signs of aging. Intenz was introduced as an oral skin supplement containing Seiidoeki Ceramide Complex. Today Intenz, with the addition of Intenz Miracle Mask, fringes on becoming the brand for total skin care.

STELLA NG
Spokesperson
Genki Tea



"Driven by increasing hectic lifestyles and advances in food technology and nutrition research, today's consumers demand "on the go" foods of high nutritional value."

FUNCTIONAL FOOD AND BEVERAGES

Our Functional Food and Beverages category contributed $1.2 million to sales in FY2004. Sales in this category increased 246% due mainly to the introduction of the Genki Tea range of products.

Our functional food and beverages are convenient to obtain, everyday-use, food items which are supplemented with nutrients that are not normally found in sufficient levels in the average diet. Driven by increasing hectic lifestyles and advances in food technology and nutrition research, today's consumers demand "on the go" foods of high nutritional value.

The roots of functional foods trace back to Japan, where it is already a recognized multi billion-dollar industry. Whilst it is estimated that 125 million persons globally choose functional foods, the following for functional foods is still highest in Japan. Countries including the United States and Canada are later adopters but along with the Asia Pacific countries, are growing in their awareness and use.

Slimwater and Genki Tea are our two products in our Functional Food and Beverages category. Slimwater is a revolutionary new beverage that contains 500 ml of water and 10 grams of soluble fiber. Through technology and innovation, Slimwater's blend still looks, tastes and feels just like water. Genki Teas are a range of floral-herbal teas. Each tea type has been specifically blended with selected leaves, herbs and flowers to provide wellness properties when consumed. Slimwater and Genki Tea are both designed to be consumed as a normal beverage in one's regular lifestyle, whilst supplementing the body with necessary fiber and/or nutrients.

JANET MA
Spokesperson
Intenz Skin Activator

"The Lifestyle category will include products, equipment and services designed to improve the consumer's overall well-being and self esteem."

LIFESTYLE

Our Lifestyle category initially included only personal care products and health-related equipment. The scope of this category was however limited. We have since expanded this category to encompass products and services that inspire life.

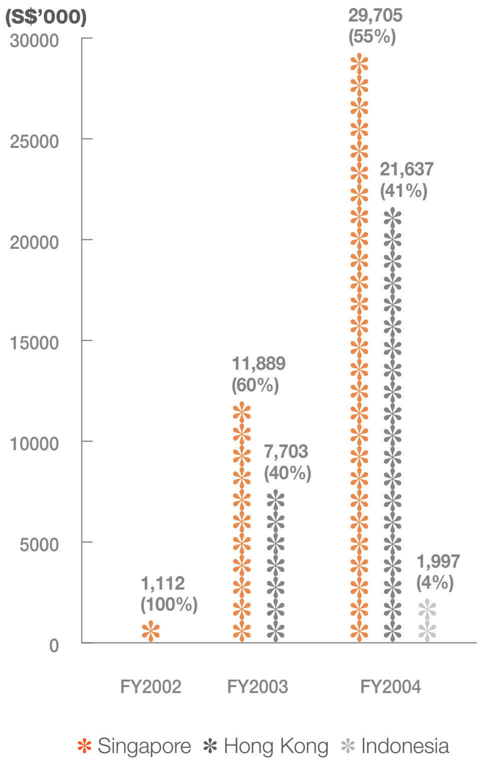
This broadly defined Lifestyle category will include products, equipment and services designed to improve the consumer's overall well-being and self-esteem. It will encompass but not be limited to aesthetic items, fashion apparel and other accessories. Desired pieces and designs spotting the latest trend and style will be offered to meet the needs and desires of the consumer.

With the product categories of Nutraceuticals, Cosmeceuticals and Functional Food and Beverages already firmly established, we will complete our total offering with this Lifestyle category.

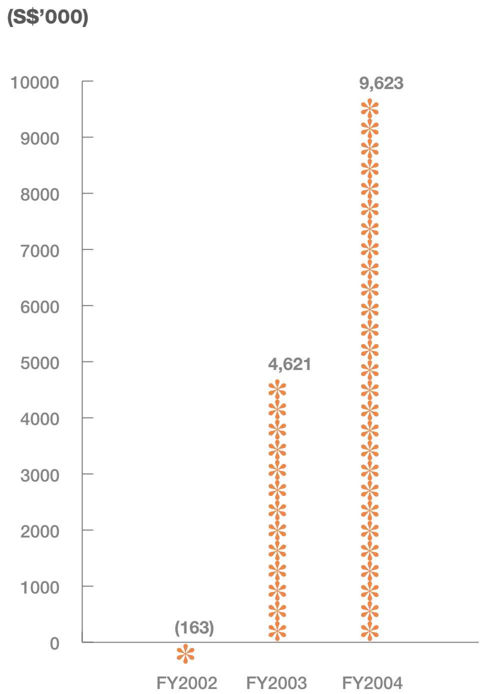
FINANCIAL HIGHLIGHTS

	FY2004 S$'000	FY2003 S$'000	FY2002 S$'000
OPERATING RESULTS			
Sales	53,339	19,592	1,112
Profit/(Loss) Before Tax	12,033	5,891	(163)
Profit/(Loss) After Tax	9,623	4,621	(163)
CASHFLOW			
Net Cash Inflow/(Outflow) from operating activities	11,034	720	(35)
Net Cash Outflow from investing activities	(722)	(155)	(64)
Net Cash Inflow from financing activities	18,521	541	200
BALANCE SHEET			
Non-Current Assets	625	61	40
Current Assets	43,967	9,862	360
Current Liabilities	10,966	5,008	363
Shareholders' Equity	33,626	4,915	37
FINANCIAL RATIOS			
Earnings/(Loss) per share (cents) - basic			
- Based on issued share capital of 612,000,000 for FY2004 and 480,000,000 ordinary shares for FY2003 and FY2002 (see Note 10 to the Financial Statements)	1.57	0.96	(0.03)
- Based on Weighted Average (see Note 10 to the Financial Statements)	6.96	3.78	(0.13)
Net Tangible Assets per share (cents)	5.49	1.02	0.01
Return on Equity	29%	94%	-430%

SALES BY COUNTRY

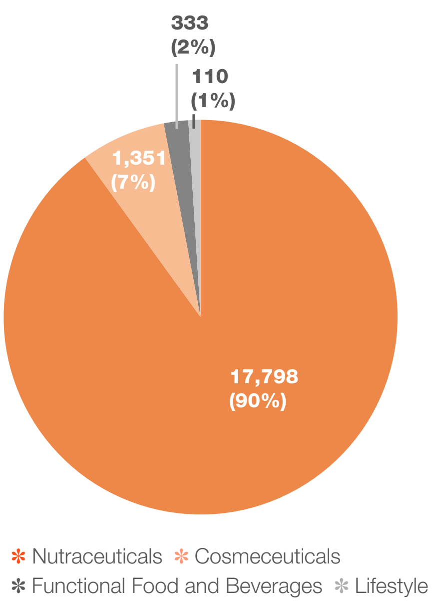


PROFIT AFTER TAX

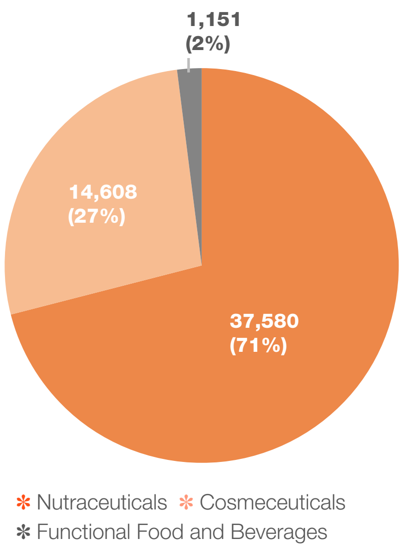


SALES BY PRODUCT

FY2003 (S$'000)



FY2004 (S$'000)



LIFEBRANDZ' MILESTONES AND ACCOMPLISHMENTS

LISTING ON SGX
18 JUNE 2004

SIAS MOST TRANSPARENT COMPANY NEW ISSUES (SINCE AUGUST 2003) CATEGORY (RUNNER-UP)
SEPTEMBER 2004

WATSONS HEALTH & BEAUTY AWARDS BEST SELLING SLIMMING TABLET FOR EXTRIM
APRIL 2004

MANNINGS HEALTH & BEAUTY AWARDS BEST PRODUCT IN SLIMMING CATEGORY FOR EXTRIM
JULY 2004

WATSONS HEALTH & BEAUTY AWARDS MOST OUTSTANDING NEW PRODUCT FOR INTENZ
APRIL 2004

ASIA'S TOP 1000 BRANDS EXTRIM RANKED 469TH IN ASIA
JULY 2004

WATSONS HEALTH & BEAUTY AWARDS BEST SELLING FUNCTIONAL WATER FOR SLIMWATER
APRIL 2004

MULTIPLE SUPERBRANDS SINGAPORE RECIPIENT FOR EXTRIM & INTENZ
JUNE 2004

COMMUNITY AWARENESS & RESPONSIBILITY (CARe)

With our CARe Initiatives, LifeBrandz strives to play an active role in the development of our community. We are committed to share with the less fortunate and to contribute towards the betterment of our community. And because we are part of this community, we take pride in our role as a socially responsible citizen.

INITIATIVES

AUGUST 2004
In celebration of Singapore's 39th National Day, the Group was Principal Sponsor, sponsoring a total of 800,000 bottles of revolutionary SlimWater.

APRIL 2004
In support of the Care Community Services Society, the Group contributed towards their 6th Charity Golf Tournament 2004.

JANUARY 2004
In support of the Ren Ci Hospital and Medicare Centre, the Group contributed towards the Ren Ci Charity Show.

In support of the Care Community Services Society, the Group contributed towards the Charity Gala Dinner.

AUGUST 2003
In support of the Society for Continence (Singapore), the Group contributed towards the needy and disabled suffering from incontinence.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Michael Wong C.K.
(Chief Executive Officer)

Kenneth Goh Tzu Seoh
(Chief Operating Officer)

Thomas Carlton Thompson, III
(Non-Executive Director)

Lee Soon Kie
(Independent Director)

Irwin Lim Kee Way
(Independent Director)

KEY MANAGEMENT TEAM

Lee Shieh-Peen Clement
(Chief Brand Officer)

Koh Boon Liang, Alan
(Chief Financial Officer)

Sin Po Ling, Polly
(Chief Marketing Officer)

JOINT COMPANY SECRETARIES

Koh Boon Liang, Alan FCPA
Foo Soon Soo FCI, CPA, LLB (Hons)

REGISTERED OFFICE

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Fax: (65) 6733 3910
Email: invest@lifebrandz.com
Website: www.lifebrandz.com

REGISTRATION NUMBER

200311348E

AUDITORS

PricewaterhouseCoopers
8 Cross Street #17-00
PWC Building
Singapore 048424

PARTNER-IN-CHARGE
Tham Tuck Seng
(since financial year 2004)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Barbinder & Co Pte Ltd
8 Cross Street #11-00
PWC Building
Singapore 048424

PRINCIPAL BANKER

The Hongkong & Shanghai Banking Corporation Limited
21 Collyer Quay, #08-01
HSBC Building
Singapore 049320

LifeBrandz Ltd
Inaugural Annual Report
2004

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of LifeBrandz Ltd (the "Company") is committed to ensure that the highest standards of corporate governance and transparency are practised throughout the Company and its subsidiaries (the "Group"), as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial information of the Group. In view of this, the Board fully supports the principles behind the Code of Corporate Governance (the "Code"), which forms part of the Continuing Obligations of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual, by adopting and adapting the Code throughout the Group.

The SGX-ST's Listing Manual requires an issuer to describe its corporate governance practices with specific reference to the Code in its annual report. It must also disclose any deviation from any aspect of the Code together with an appropriate explanation for such deviation in the annual report.

This statement outlines the policies adopted during the financial year ended 31 July 2004 and practised by the Group, with specific reference given to the relevant provisions of the Code.

THE CODE

The Code is divided into four main sections:

1. Board Matters
2. Remuneration Matters
3. Accountability and Audit
4. Communications with Shareholders

1. BOARD MATTERS

PRINCIPLE 1:

THE BOARD'S CONDUCT OF ITS AFFAIRS

Every company should be led and controlled by an effective Board to enable the Company, its shareholders and other stakeholders to achieve their respective objectives.

The principal functions of the Board are:

1. reviewing and approving corporate strategies, annual budgets and financial plans and monitoring the organisational performance towards them;
2. reviewing the adequacy and integrity of the Company's internal controls, risk management systems, and the financial information reporting systems;
3. ensuring the Group's compliance to laws, regulations, policies, directives, guidelines and internal code of conduct;
4. approving the nominations to the Board of directors by Nominating Committee and endorsing the appointments of management team and external auditors;
5. reviewing and approving the remuneration packages for the Board and key executives; and
6. ensuring accurate, adequate and timely reporting to, and communication with shareholders.

Matters which are specifically reserved to the full Board for decision include those involving corporate plans and budgets, material acquisitions and disposal of assets, corporate and financial restructuring, share issuances, dividends, other returns to shareholders and interested person transactions.

The Board has delegated specific responsibilities to 3 sub-committees (Audit, Nominating, and Remuneration), the details of which are set out below. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. These committees have the authority to examine particular issues and report back to the Board with fair recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board. The effectiveness of each committee is also constantly reviewed by the Board.

CORPORATE GOVERNANCE STATEMENT (cont'd)

The Board meets at least 4 times a year, with additional meetings convened as necessary. Board meetings are held in Singapore and the directors attend the meetings regularly. The matrix on the position, the frequency of the meeting and the attendance of directors at these meetings are set out on page 35.

PRINCIPLE 2:

BOARD'S COMPOSITION AND BALANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board of Directors comprises five directors, two of whom are independent directors. All Board members bring about an independent judgement and diversified knowledge and experiences to bear on the issues of strategy, performance, resources and standards of conduct. A brief description on the background of each director is presented on "Board of Directors" section on page 6.

The criteria for independence is determined based on the definition as provided in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent judgement of the Group's affairs. As independent directors make up almost half of the Board, no individual or group is able to dominate the Board's decision-making process.

The independence of each director is reviewed annually by the Nominating Committee ("NC").

The Board examines its size to satisfy that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company's operations. The NC is of the view that the current board size of five directors is appropriate.

PRINCIPLE 3:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There should be a clear division of responsibilities at the top of the company - the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Chief Executive Officer ("CEO") of the Company is Mr. Michael Wong C. K.. There is no appointed Chairman of the Board of Directors. During each meeting, the Board shall elect a director to act as Chairman of the meeting. The Chairman bears responsibility for the conduct of the Board. The CEO bears executive responsibility for the Group's business.

As a general rule, board papers are sent to the directors in advance in order for the directors to be adequately prepared for the meeting. Management staff who have prepared the papers are invited to present the paper at the meeting.

PRINCIPLE 4:

BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment of new directors to the Board. As a principle of good corporate governance, all directors should be required to submit themselves for re-nomination and re-election at regular intervals.

NOMINATING COMMITTEE

The Nominating Committee ("NC") comprises three members, a majority of whom, including the Chairman, are independent. The members of the NC are:

- Mr. Lee Soon Kie
  Chairman and Independent Director
- Mr. Irwin Lim Kee Way
  Independent Director
- Mr. Kenneth Goh Tzu Seoh
  Executive Director

The NC has adopted the written terms of reference which describes the responsibilities of NC and the proceedings at NC meetings.

The NC's principal responsibilities are as follows:

(a) recommend to the Board on all board appointments and re-appointments;

(b) determine independence of the Directors annually;

(c) determine whether or not a Director is able to and has been adequately carrying out his duties as Director of the Company;

(d) evaluate the performance and effectiveness of the Board as a whole and the contribution by each individual director to the effectiveness of the Board; and

(e) oversee the management development and succession planning of the Group.

In determining the independence of the Directors, the NC has developed a Return on Independence which is required to be completed by all Directors on an annual basis and submitted to NC for its review.

ELECTION AND RE-ELECTION

New directors are appointed by way of a board resolution, upon their nomination from Nominating Committee. In accordance with the Company's Articles of Association, these new directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles of Association of the Company also require that one-third of the Board retire from office at each Annual General Meeting ("AGM"). Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

POLICY ON EXTERNAL APPOINTMENTS

The Group 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 non-competing companies, are not likely to lead to conflict of interest and the commitment to the Group is not compromised.

PRINCIPLE 5:
BOARD PERFORMANCE

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The NC assesses the effectiveness of the Board as a whole on an annual basis. Assessment criteria include the Board's ability to strategize and propose sound business direction as a whole, the Board's effectiveness in identifying and reviewing major concerns of the Group, and the effectiveness of the Board in its monitoring role and the attainment of the strategic and long-term objectives set by the Board. For this purpose, the NC has developed a checklist to assist in its assessment of the Board's effectiveness at least once every year.

PRINCIPLE 6:
ACCESS TO INFORMATION

In order to fulfill their responsibilities, board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

The Board has separate and independent access to senior management and the company secretary at all times. Requests for information from the Board are dealt with promptly by management. The Board is informed of all material events and transactions as and when

CORPORATE GOVERNANCE STATEMENT (cont'd)

they occur. The management provides the Board with quarterly reports of the Group's performance. The management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with board papers timely and prior to Board meetings. Analysts' reports on the Company are also forwarded to the directors on an on-going basis as and when received.

The company secretary attends all board meetings. The company secretary administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Memorandum and Articles of Association and the relevant rules and regulations applicable to the Company are complied with.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, direct the Company to appoint professional adviser to render professional advice.

2. REMUNERATION MATTERS

The Company adopted the objective as recommended by the Code to determine the remuneration for a director so as to ensure that the Company attracts and retains the directors needed to run the Group successfully. The component parts of remuneration are structured so as 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 concerned.

PRINCIPLE 7:

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

REMUNERATION PROCEDURE

The Code endorses, as good practice, a formal framework for fixing the remuneration packages of individual, with a Remuneration Committee making recommendations to the Board.

REMUNERATION COMMITTEE

The Remuneration Committee ("RC") comprises three members, a majority of whom, including the Chairman, are independent. The members of the RC are:

- Mr. Lee Soon Kie
  Chairman and Independent Director
- Mr. Irwin Lim Kee Way
  Independent Director
- Mr. Kenneth Goh Tzu Seoh
  Executive Director

The RC has adopted the written terms of reference which describes the responsibilities of RC and the proceedings at RC meetings.

The RC's principal responsibilities are as follows:

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

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

(c) oversee and review the administration of the LifeBrandz Employees Share Option Scheme ("ESOS") as defined in the option scheme. Any matter pertaining to the ESOS and any dispute and uncertainty as to the interpretation of the ESOS, any rule, regulation or procedure thereunder or any rights under the ESOS shall be determined by the RC; and

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

PRINCIPLE 8:

LEVEL AND MIX OF REMUNERATION

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should be linked to performance.

PRINCIPLE 9:

DISCLOSURE ON REMUNERATION

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report.

The Remuneration Committee recommends to the Board the framework of executive remuneration and the remuneration package for each executive director. The remuneration packages recommended by the Remuneration Committee are ultimately approved by the Board. No director is involved in deciding his own remuneration.

REMUNERATION PACKAGE

The Company adopts a remuneration policy for staff comprising a fixed and variable component. The fixed component is in the form of a base salary. 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 which is assessed based on their respective key performance indicators allocated to them. With effect from the new financial year, the variable component will also comprise the grant of the options to staff under ESOS. This seeks to align the interests of staff with that of the shareholders. Staff appraisals are conducted once every year.

The remuneration package of directors and key management personnel includes the following:

(a) Basic Salary

The basic salary (inclusive of statutory employer's contributions to Central Provident Fund) for each executive director is recommended by the RC, taking into account the performance of the individual, the inflationary rate and the information from independent sources on the rates of salary for similar positions in a selected group of comparable organizations.

(b) Fees

Directors' fees are set in accordance with a remuneration framework comprising basic fees and takes into account factors such as effort and time spent, and responsibilities of these directors. Executive directors do not receive directors' fees. The payment of fees to Non-Executive Directors is subject to approval at the annual general meeting of the Company.

(c) Bonus Scheme

The Group operates a bonus scheme for all employees. The criteria for the scheme is the level of profit achieved against targets together with an assessment of corporate and individual's performance.

(d) Service Contract

The service agreement with the executive directors is valid for an initial period of 3 years commencing 29 April 2004, which may be renewed thereafter until terminated by either party giving the other not less than 6 months' notice in writing. None of the service agreements provide for any benefits upon termination of the service agreements.

(e) Share Options

The Group operates a share option scheme for all employees, including executive directors. The Company has not granted any options to the employees under the ESOS. With effect from the new financial year, ESOS will form part of the variable component of the employees' remuneration.

CORPORATE GOVERNANCE STATEMENT (cont'd)

REMUNERATION PACKAGE

A breakdown showing the level and mix of each individual director's remuneration payable for FY2004 is as follows:

	2004	2003
$500,000 and above	–	–
$250,000 to below $500,000	–	2
Below $250,000	5	1
Total	5	3

Name	Remuneration Band S$	Salary %	Bonus %	Directors' Fees %	Total %
Michael Wong C. K.	<$250,000	100	–*	–	100
Kenneth Goh Tzu Seoh	<$250,000	100	–*	–	100
Thomas Carlton Thompson, III	<$250,000	–	–	100	100
Lee Soon Kie	<$250,000	–	–	100	100
Irwin Lim Kee Way	<$250,000	–	–	100	100

* Pursuant to the Service Agreements entered with the two Executive Directors, Mr. Michael Wong C. K. and Mr. Kenneth Goh Tzu Seoh dated 29 April 2004, both Mr. Wong and Mr. Goh shall be paid performance bonuses based on the Group's audited profit before taxation ("Profits") as follows :-

(a) where the Profits are more than $4.0 million but less than or equal to $6.0 million, each Executive Director is entitled to 0.8% of the Profits;

(b) where the Profits are more than $6.0 million but less than or equal to $8.0 million, each Executive Director is entitled to 1.2% of the Profits;

(c) where the Profits are more than $8.0 million but less than or equal to $10.0 million, each Executive Director is entitled to 1.6% of the Profits; or

(d) where the Profits are more than $10.0 million, each Executive Director is entitled to 2% of the Profits.

Based on the Group's Profits for FY2004, both Mr. Wong and Mr. Goh would each have been paid a performance bonus of $244,235 (including CPF contributions).

Both Mr. Wong and Mr. Goh, however, voluntarily decided to waive their above performance bonuses for FY2004.

The Company does not have any employee who is an immediate family member of a Director or CEO whose remuneration in FY2004 exceeded $150,000.

3. ACCOUNTABILITY AND AUDIT

PRINCIPLE 10:

ACCOUNTABILITY

The Board is accountable to the shareholders while the Management is accountable to the Board.

In presenting the annual financial statements, and quarterly or yearly announcement to shareholders, the directors aim to present a balanced and understandable assessment of the Group's position and prospects.

In preparing the financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on a going concern basis as the directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

PRINCIPLE 11:

AUDIT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") comprises three members, all of whom are independent and non-executive. At the date of this report, the Audit Committee comprises the following members:

- Mr. Irwin Lim Kee Way
  Chairman and Independent Director
- Mr. Lee Soon Kie
  Independent Director
- Mr. Thomas Carlton Thompson, III
  Non-executive Director

The AC is chaired by Mr. Irwin Lim Kee Way, who is the Group Vice-President of Corporate Finance of United Test and Assembly Centre Ltd and a director of AsiaVest Partners TCW/YFY Pte Ltd, a venture capital firm. Mr. Lim holds a Masters of Science in management from Imperial College, University of London, and a Bachelor of Science in Industrial Engineering from Columbia University. The other members of the AC have many years of experience in business management, corporate finance, fund management and investment banking. The NC is of the view that the members of the AC have the necessary expertise and experience to discharge its functions.

The AC has adopted the written terms of reference which describes the responsibilities of AC and the proceedings at AC meetings.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, including the following:

(a) reviews with the external auditors of the Company, their audit plan, evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss (in the absence of management, where necessary)

(b) ensures co-operation is given by the Company's management to the external auditors;

(c) reviews the announcement of year-end results to SGX-ST;

(d) reviews the annual financial statements and the Auditors' report on the Company's annual financial statements before they are presented to the Board, focusing on:

CORPORATE GOVERNANCE STATEMENT (cont'd)

- 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 judgemental areas.

(e) reviews with the management and the external auditors the adequacy and effectiveness of the company's internal controls, business and service systems and practices;

(f) monitors and reviews related and interested party transactions and conflict of interest situation that may arise within the Group. The Committee is also required to ensure that the directors report such transactions annually to shareholders in the annual report;

(g) considers the appointment and re-appointment of the external auditors;

(h) reviews significant risks or exposures that exist and assess the steps taken by management to minimise such risks to the Company; and

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

The AC has the power to conduct or authorize investigations into any matters within the AC's scope of responsibility. The AC is authorized to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC, having reviewed the range and value of non-audit services performed by the external auditors, PricewaterhouseCoopers and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, are pleased to confirm their re-nomination.

PRINCIPLE 12:
INTERNAL CONTROLS

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

It is the opinion of the Board that, in the absence of evidence to the contrary, the system of internal controls maintained by the Company's management and that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks. The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error losses, fraud or other irregularities.

PRINCIPLE 13:
INTERNAL AUDIT

The company should establish an internal audit function that is independent of the activities it audits.

The Company outsources its internal audit function to Stone Forest Consulting Pte Ltd (a Member of Horwath International), an external professional firm, who reports directly to the Chairman of AC and administratively to the

CEO. 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 auditors have identified the Group's main business processes and developed an audit plan that covers the main business process.

4. COMMUNICATIONS WITH SHAREHOLERS

PRINCIPLE 14:

Companies should engage in regular, effective and fair communication with shareholders.

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

When deemed appropriate, the Company holds a media and analysts briefing of its financial results. Information is disseminated to shareholders on a timely basis through:

- MASNET announcements and news release
- Annual Report prepared and issued to all shareholders
- Company's website at www.lifebrandz.com and investor relations site, Shareinvestor, at which shareholders can access information on the Group

Results and annual reports are announced or issued within the mandatory period. The Group has an investor relation team which communicates with its investors on a regular basis and attends to their queries. All shareholders of the Company will receive a copy of the annual report and the notice of the Annual General Meeting. The notice is also advertised in newspaper and made available at the Company's website.

PRINCIPLE 15:

Companies should encourage greater shareholder participation at Annual General Meetings and allow shareholders the opportunity to communicate their views on various matters affecting the company.

At the Company's annual general meetings, shareholders are given the opportunity to voice their views and ask directors or management questions regarding the Company. The Chairman of the Audit, Remuneration and Nominating Committees will be normally present at future annual general meetings to answer any questions relating to the work of these committees.

DEALING IN SECURITIES

In line with the Best Practices Guide issued by the SGX-ST, the Company has in place a policy prohibiting share dealings by Directors and employees of the Company for the period of two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month prior to the announcement of the Company's yearly results, and ending on the date of the announcement of the relevant results.

MATERIAL CONTRACTS

There was no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling shareholder.

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.

Except as disclosed on page 57, there have been no interested person transactions for the financial year 2004.

CORPORATE GOVERNANCE STATEMENT (cont'd)

SUMMARY OF COMMITTEE MEETINGS

The number of Board and Board Committee meetings held during the FY2004 and the attendance of each director where relevant is as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	1	1	1	1
No. of meetings attended by respective directors:				
Michael Wong C. K.	1	N.A.	N.A.	N.A.
Kenneth Goh Tzu Seoh	1	N.A.	1	1
Thomas Carlton Thompson, III	1	1	N.A.	N.A.
Lee Soon Kie	1	1	1	1
Irwin Lim Kee Way	1	1	1	1

DIRECTORS' REPORT

The directors present their report to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 July 2004 and the balance sheet of the Company at 31 July 2004.

The Company was incorporated in Singapore under the name of LifeBrandz Pte Ltd on 7 November 2003 as a private limited company. On 29 April 2004, it changed its name to LifeBrandz Ltd in connection with the Company's conversion to a public company limited by shares and was admitted to the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 18 June 2004.

DIRECTORS

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

Michael Wong C. K.	(appointed 21 April 2004)
Kenneth Goh Tzu Seoh	(appointed 7 November 2003)
Thomas Carlton Thompson, III	(appointed 21 April 2004)
Lee Soon Kie	(appointed 21 April 2004)
Irwin Lim Kee Way	(appointed 21 April 2004)

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 object 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.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital of the Company and related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.7.2004	At 7.11.2003 or date of appointment, if later	At 31.7.2004	At 7.11.2003 or date of appointment, if later
LifeBrandz Ltd				
(Ordinary shares of $0.01 each)				
Michael Wong C. K.	84,074,800	1*	–	–
Kenneth Goh Tzu Seoh	82,038,000	–	–	–
Thomas Carlton Thompson, III	–	–	38,320,800	–
Lee Soon Kie	100,000	–	–	–
Irwin Lim Kee Way	–	–	–	–

* Fully Paid ordinary share of $1.

DIRECTORS' REPORT (cont'd)

	At 31.7.2004	At 1.8.2003	At 31.7.2004	At 1.8.2003
LifePharm Pte Ltd				
(Ordinary shares of $0.10 each)				
Michael Wong C. K.	–	–	–	1,125,000
Kenneth Goh Tzu Seoh	–	–	–	2,500,000
Thomas Carlton Thompson, III	–	–	–	695,178

There was no change in the above mentioned directors' interest between the end of the financial year and 21 August 2004 except for that Mr Lee Soon Kie's holdings in LifeBrandz Ltd has increased from 100,000 ordinary shares to 200,000 ordinary shares.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the consolidated financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

SHARE OPTIONS

The LifeBrandz Share Option Scheme in respect of the unissued ordinary shares of $0.01 each in the Company, was approved by the shareholders of the Company at an Extraordinary General Meeting held on 29 April 2004.

The remuneration committee comprising the following directors administer the Scheme:

Lee Soon Kie - Chairman
Irwin Lim Kee Way
Kenneth Goh Tzu Seoh

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

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 subsidiary.

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

AUDITORS

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

On behalf of the directors

MICHAEL WONG C. K.
Director

KENNETH GOH TZU SEOH
Director

30 September 2004

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the balance sheet of the Company and the financial statements of the Group as set out on pages 40 to 60 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 July 2004 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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.

On behalf of the directors

MICHAEL WONG C. K.
Director

KENNETH GOH TZU SEOH
Director

30 September 2004

AUDITORS' REPORT
TO THE MEMBERS OF LIFEBRANDZ LTD

We have audited the balance sheet of LifeBrandz Ltd and the consolidated financial statements of the Group for the financial year ended 31 July 2004 set out on pages 40 to 60. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the accompanying balance sheet of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 July 2004 and the results, changes in equity and cash flows of the Group for the financial year ended on that date, and

(b) the accounting and other records required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PRICEWATERHOUSECOOPERS
Certified Public Accountants
Singapore, 30 September 2004

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

	Notes	The Group 2004 $'000	The Group 2003 $'000
Sales	4	53,339	19,592
Other operating income		77	100
Changes in inventories of finished goods		238	(83)
Raw materials and consumables used, distributor fees and handling costs		(18,383)	(8,370)
Advertising and promotion expenses		(18,592)	(3,056)
Staff costs		(1,833)	(1,087)
Depreciation		(166)	(50)
Other operating expenses		(2,442)	(1,088)
		(41,101)	(13,634)
Profit from operations	5	12,238	5,958
Finance cost - net	6	(205)	(67)
Profit before tax		12,033	5,891
Tax expense	9	(2,410)	(1,270)
Net profit		9,623	4,621
Earnings per share (cents)	10		
Basic and diluted		1.57	0.96

The accompanying notes form an integral part of these financial statements. Auditors' Report page 39.

BALANCE SHEETS
AS AT 31 JULY 2004

	Notes	The Group 2004 $'000	The Group 2003 $'000	The Company 2004 $'000
ASSETS				
Current assets				
Cash and cash equivalents	11	30,040	1,207	28,424
Receivables	12	11,390	7,593	210
Other current assets	13	2,184	947	211
Inventories	3(i)	353	115	–
		43,967	9,862	28,845
Non-current assets				
Plant and equipment	14	625	61	–
Investments in subsidiaries	15	–	–	5,022
		625	61	5,022
Total assets		44,592	9,923	33,867
LIABILITIES				
Current liabilities				
Trade and other payables	16	8,571	3,386	164
Borrowings		–	352	–
Current tax	9	2,395	1,270	3
		10,966	5,008	167
Total liabilities		10,966	5,008	167
Net assets		33,626	4,915	33,700
SHAREHOLDERS' EQUITY				
Share capital	17	6,120	456	6,120
Share premium		23,068	–	23,068
Foreign currency translation reserve		2	–	–
Retained earnings		4,436	4,459	4,512
Total shareholders' equity		33,626	4,915	33,700

The accompanying notes form an integral part of these financial statements. Auditors' Report page 39.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

	Note	Share capital+ $'000	Share premium $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 August 2003+		456	–	–	4,459	4,915
Issue of share capital+		44	–	–	–	44
Issue of shares pursuant to restructuring exercise*		4,800	–	–	–	4,800
Adjustment arising from restructuring exercise*		(500)	–	–	(4,300)	(4,800)
Issue of shares pursuant to the initial public offering of the Company		1,320	25,080	–	–	26,400
Share issue expenses		–	(2,012)	–	–	(2,012)
Net profit for the year		–	–	–	9,623	9,623
Net loss not recognised in income statement - currency translation differences		–	–	2	–	2
Total recognised gain for the financial year		–	–	2	9,623	9,625
Dividends	18	–	–	–	(5,346)	(5,346)
Balance at 31 July 2004		6,120	23,068	2	4,436	33,626
Balance at 1 August 2002		200	–	–	(162)	38
Total recognised gain for the financial year - Net profit		–	–	–	4,621	4,621
Issue of share capital		256	–	–	–	256
Balance at 31 July 2003		456	–	–	4,459	4,915

\+ The share capital and retained earnings as at 1 August 2003 represents the share capital and retained earnings of the principal subsidiary, LifePharm Pte Ltd, prior to the Restructuring Exercise. The share capital amounting to $44,000 was issued prior to the Restructuring Exercise by LifePharm Pte Ltd (Refer note 1).

* The adjustments arising from the Restructuring Exercise represents the excess of the nominal value of shares issued by the Company over the nominal value of shares acquired in exchange for those shares, accounted for using the pooling-of-interest method.

Share issue expenses include other fees of $135,000 paid to auditors of the Company for other services.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

	Note	2004 $'000	2003 $'000
Cash flows from operating activities			
Profit before tax		12,033	5,891
Adjustments for:			
Depreciation		166	50
Loss on disposal of plant and equipment		–	83
Foreign currency translation adjustment		2	–
Interest income		(8)	–
Factoring charges		213	67
Operating cash flow before working capital change		12,406	6,091
Change in operating assets and liabilities			
Receivables		(3,797)	(7,551)
Other current assets		(1,237)	(928)
Inventories		(238)	84
Trade and other payables		5,185	3,024
Cash generated from operations		12,319	720
Income tax paid		(1,285)	–
Net cash inflow from operating activities		11,034	720
Cash flows from investing activities			
Purchase of plant and equipment		(730)	(155)
Interest received		8	–
Net cash outflow from investing activities		(722)	(155)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		44	256
(Repayments)/proceeds of borrowings		(352)	352
Factoring charges paid		(213)	(67)
Proceeds from issuance of ordinary shares, pursuant to the Initial Public Offering, net		24,388	–
Dividends paid to group shareholders		(5,346)	–
Net cash inflow from financing activities		18,521	541
Net increase in cash and cash equivalents held		28,833	1,106
Cash and cash equivalents at the beginning of the financial year		1,207	101
Cash and cash equivalents at the end of the financial year	11	30,040	1,207

The accompanying notes form an integral part of these financial statements. Auditors' Report page 39.

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

1. GENERAL

The Company was incorporated in Singapore under the name of LifeBrandz Pte Ltd on 7 November 2003 as a private limited company. On 29 April 2004, it changed its name to LifeBrandz Ltd in connection with the Company's conversion to a public company limited by shares. On 18 June 2004, the Company was admitted to the main board of Singapore Exchange Securities Trading Limited ("SGX-ST") ("IPO").

The address of its principal place of business is 123 Penang Road, #03-12 Regency House, Singapore 238465.

The principal activity of the Company is that of investment holding. The principal activities of the Group are brand development and management of health, beauty, personal/family care and lifestyle products.

The Group was formed during the financial year pursuant to a Restructuring Exercise (note 2). The consolidated financial statements of the Group for the financial year ended 31 July 2004 and 31 July 2003 have been prepared using the "pooling-of-interest" method as the entities within the Group are under the common control before and after the Restructuring Exercise. Under the pooling-of-interest method the financial statements of the Group for the financial year ended 31 July 2004 and the comparatives for 2003, have been presented as if the Group has been in existence prior to 29 April 2004 and the assets and liabilities are brought into the consolidated financial statements at their existing carrying amounts.

2. RESTRUCTURING EXERCISE

The Group was formed as a result of a restructuring exercise ("Restructuring Exercise") undertaken for the purpose of the Company's listing on the Singapore Exchange. The Restructuring Exercise was undertaken on 29 April 2004 pursuant to a restructuring agreement which involved the following transactions:

(a) Acquisition of Neutrigen Pte Ltd ("Neutrigen")

The Company acquired the entire issued ordinary share capital of Neutrigen comprising 2 ordinary shares of $1.00 each from LifePharm for a cash consideration of $2.00.

(b) Acquisition of LifePharm Pte Ltd ("LifePharm")

The purchase consideration for the acquisition of $4,799,998 was based on the net tangible assets of LifePharm as at 16 February 2004. The consideration was satisfied by the issuance of 4,799,998 ordinary shares of $1.00 each at par in share capital of the Company to the then shareholders of LifePharm.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current event and actions, actual results may ultimately differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Revenue Recognition

Revenue comprises the invoiced value for the sale of goods net of goods and services tax, returns and discounts.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

(c) Group Accounting

Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.

The subsidiary company acquired pursuant to the reorganisation of companies under common control as described in Note 2 has been consolidated using the pooling-of-interest method. Accordingly, the Group's results, including comparities for prior year have been presented as if the subsidiary had always been part of the Group.

Intercompany transactions, balances, unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(d) Plant and Equipment

All items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of items of plant and equipment over their estimated useful lives at a period of 3 years or the tenure of the lease whichever is lower. Fully depreciated assets are retained in the financial statements until they are no longer in use.

Repairs and maintenance are taken to the income statement during the financial year in which they are incurred.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Any decrease in carrying amount is charged to the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

(e) Investments

Investments in subsidiaries and associated companies are stated at cost less impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investments in other non-current investments, are stated at cost and an allowance for diminution is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Investments (cont'd)

Marketable securities (within current assets) are stated at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount of marketable securities are taken to the income statement. On disposal of an investment, including subsidiaries and associated companies, the difference between net disposal proceeds and its carrying amount is taken to the income statement.

(f) Impairment of Long Lived Assets

Plant and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(g) Trade Receivables

Trade receivables are stated at original invoice amount less allowance made for doubtful receivables based on a review of all outstanding amounts at the year end. An allowance for doubtful receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of receivables. Bad debts are written off when identified.

(h) Leases

Finance Leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Operating Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(i) Inventories

Inventories comprising the finished products, are stated at the lower of cost and net realisable value. Cost is determined by

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Inventories (cont'd)

the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Allowance for obsolete, slow-moving or defective inventories is made where necessary.

(j) Deferred Income Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(l) Employee Benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(m) Foreign Currency Translation

(1) Measurement currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the measurement currency"). The consolidated financial statements and balance sheet of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

(2) Transactions and Balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Foreign currency monetary assets and liabilities are translated into Singapore Dollars at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Exchange differences arising are taken to the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Foreign Currency Translation (cont'd)

(3) Group Companies

(i) In respect of foreign subsidiaries whose operations are not an integral part of the Company's operations, the balance sheets are translated into Singapore Dollars at the exchange rates prevailing at the balance sheet date, and the results are translated using the average monthly exchange rates for the financial year. The exchange differences arising on translation of foreign subsidiaries, and borrowings and other currency instruments designated as hedges of investments in such foreign entities, are taken directly to the foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(ii) Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as non-monetary foreign currency assets and liabilities of the acquirer and recorded at the exchange rate at the date of the transaction.

(n) Cash and Cash Equivalents

Cash and cash equivalents are stated in the balance sheet at cost. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts.

(o) Share Capital

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction from share premium account, net of tax, from the proceeds.

(p) Dividend

Dividends are recorded in the Group's financial statements in the period in which they are declared payable.

(q) Comparatives

No comparatives were presented for the Company's balance sheet as the Company was incorporated only on 7 November 2003.

The comparatives of the Group represent the results, state of affairs, changes in equity and cash flows of its principal subsidiary, LifePharm Pte Ltd, as if the subsidiary had always been part of the Group since the beginning of the previous financial year (Note 2).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

4. REVENUE

	The Group	
	2004	2003
	$'000	$'000
Sale of goods	53,339	19,592
Other operating income		
Rental income - operating leases	13	93
Exchange gain	54	7
Interest income from fixed deposits (note 6)	8	–
Others	10	–
	53,424	19,692

5. PROFIT FROM OPERATIONS

The following items have been included in arriving at profit from operations:

	The Group	
	2004	2003
	$'000	$'000
Charging		
Other fees paid/payable to auditors of the Company	10	–
Bad debts - non-trade	–	16
Rental expenses - operating lease	231	231
Depreciation of plant and equipment (note 14)		
- computer equipment	40	7
- office equipment	65	17
- furniture and fixtures	8	6
- renovation	53	20
Loss on disposal of plant and equipment	–	83
Inventories written off	118	142
Remuneration and fees of the directors of the Company	390	933
And crediting:		
Foreign exchange gain - net	54	7
Rental income - operating lease	13	93

6. FINANCE INCOME/(COST) - NET

	The Group	
	2004	2003
	$'000	$'000
Interest income from fixed deposits	8	–
Factoring charges	(213)	(67)
	(205)	(67)

7. REMUNERATION BANDS OF DIRECTORS OF THE COMPANY

The number of directors of the Company in remuneration band as required under the Singapore Exchange Securities Trading Limited Listing Manual is set out below:

	The Company
Executive	
Above $500,000	–
$250,000 - $499,999	–
Below $250,000	2
Non-executive	
Below $250,000	3
	5

8. STAFF COSTS

	The Group	
	2004	2003
	$'000	$'000
Wages and salaries*	1,603	1,078
Employer's contribution to defined contribution plans including Central Provident Fund	92	6
Other staff costs	138	3
	1,833	1,087

* Includes directors' fees and remuneration

The number of persons employed at the end of financial year:

	The Group	
	2004	2003
	$'000	$'000
Full time	33	8

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

9. Tax

Tax expense	The Group 2004 $'000	The Group 2003 $'000
Tax expense attributable to profit is made up of :		
Current income tax		
- Singapore	2,395	1,270
Under provision in preceding financial years		
- current income tax	15	–
	2,410	1,270

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following :

	The Group 2004 $'000	The Group 2003 $'000
Profit before tax	12,034	5,891
Tax calculated at a tax rate of 20% (2003: 22%)	2,407	1,296
Effect of different tax rates in other countries	(2)	–
Expenses not deductible for tax purposes	26	31
Utilisation of previously unrecognised deferred tax asset	–	(39)
Income not subject to tax	(1)	–
Singapore statutory stepped income exemption	(10)	(12)
Others	(25)	(6)
	2,395	1,270

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to members of LifeBrandz Ltd by the aggregate of the weighted average number of the ordinary shares of the companies under the Restructuring Exercise (Note 2), as adjusted to equivalent shares of the company whose shares are outstanding subsequent to the Restructuring Exercise. For this purpose, the issued share capital of 612,000,000 and 480,000,000 ordinary shares are used in the calculation of the earnings per share for the financial year ended 31 July 2004 and 2003 respectively.

If earnings per share is to be calculated based on the weighted average number of ordinary shares in issue during the financial year, the earnings per share for the financial years ended 31 July 2004 and 2003 (as computed based on the weighted average number shares of 138,213,848 and 122,301,370 ordinary shares respectively) will be 6.96 cents and 3.78 cents respectively.

Diluted earnings per share is the same as basic earnings per share as there are no dilutive potiential ordinary shares.

11. CASH AND CASH EQUIVALENTS

	The Group		The Company
	2004	2003	2004
	$'000	$'000	$'000
Cash at bank and on hand	8,040	1,207	6,424
Fixed deposits with financial institutions	22,000	–	22,000
	30,040	1,207	28,424

The fixed deposits with financial institutions mature on varying dates within 1 week from the financial year end. The weighted average effective interest rate of these deposits as at 31 July 2004 was 0.7% per annum.

12. RECEIVABLES

		The Group		The Company
	Notes	2004	2003	2004
		$'000	$'000	$'000
Trade receivables	(a)	11,390	7,593	–
Due from subsidiaries - trade	(b)	–	–	210
		11,390	7,593	210

(a) As at 31 July 2004, $4,410,000 (2003: nil) of Group's trade receivables have been factored on a non-recourse arrangement. The total trade receivables are presented net of the amount factored.

(b) The amounts due from subsidiaries are unsecured, interest-free and repayable upon demand.

13. OTHER CURRENT ASSETS

	The Group		The Company
	2004	2003	2004
	$'000	$'000	$'000
Prepayments	1,979	898	111
Deposits	105	49	–
Other debtors	100	–	100
	2,184	947	211

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

14. PLANT AND EQUIPMENT

	Computer equipment $'000	Office equipment $'000	Furniture and fixtures $'000	Renovation $'000	Total $'000
The Group					
Cost					
At 1 August 2003	16	49	11	36	112
Additions	266	286	26	152	730
Write off	(3)	(8)	(4)	(12)	(27)
At 31 July 2004	279	327	33	176	815
Accumulated depreciation					
At 1 August 2003	7	16	7	21	51
Depreciation	40	65	8	53	166
Write off	(3)	(8)	(4)	(12)	(27)
At 31 July 2004	44	73	11	62	190
Net book value					
At 31 July 2004	**235**	**254**	**22**	**114**	**625**
Net book value					
At 31 July 2003	9	33	4	15	61

15 INVESTMENTS IN SUBSIDIARIES

	The Group 2004 $'000	The Group 2003 $'000	The Company 2004 $'000
Investments, at cost	–	–	5,022

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Held by the Company

Name of Subsidiary	Principal activities	Country of incorporation/ Country of business	Cost	Equity interest held by Group %
LifePharm Pte Ltd#	Marketing and sale of health, beauty, personal/family care and lifestyle products	Singapore	S$456,000	100
LifePharm Asia Ltd*	Marketing and sale of health, beauty, personal/family care and lifestyle products	Hong Kong	HK$1,000,000	100
Neutrigen Pte Ltd#	Dormant	Singapore	S$2	100
LifePharm Inc^	Dormant	BVI	US$1	100

Audited by PricewaterhouseCoopers, Singapore.
* Audited by PricewaterhouseCoopers, Hong Kong.
^ Not required to be audited in the country of incorporation.

16. TRADE AND OTHER PAYABLES

	The Group		The Company
	2004	2003	2004
	$'000	$'000	$'000
Trade payables to:			
- third parties	5,624	1,524	–
Other payables to:			
- third parties	85	–	85
	5,709	1,524	85
Deposits received	–	80	–
Accrued operating expenses	2,862	1,782	79
	8,571	3,386	164

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

17. SHARE CAPITAL

(a) Authorised Ordinary Share Capital

The total authorised number of ordinary shares is 10,000,000,000 shares with a par value of $0.01 per share.

(b) Issued Ordinary Share Capital

	Par value $	Shares	$
At beginning of the financial year	0.10	20	2
Issued during the financial year pursuant to the Restructuring Exercise (note 2)	1.00	4,799,998	4,799,998
Issued during the financial year pursuant to the Initial Public Offering	0.01	132,000,000	1,320,000
At end of financial year			6,120,000

During the financial year, the Company:

(i) consolidated 10 ordinary shares of $0.10 each into 1 ordinary share of $1.00;

(ii) issued 4,799,998 ordinary shares of $1.00 each pursuant to the Restructuring Exercise (note 2);

(iii) sub-divided each of the ordinary shares of $1.00 each in the authorised and issued and paid up share capital of the Company into 100 ordinary shares of $0.01 each;

(iv) issued 132,000,000 new ordinary shares of $0.01 each at a premium of $0.19 per share for cash, pursuant to Initial Public Offering of Company (details of the offer are disclosed in the Company's prospectus dated 8 June 2004).

All issued shares are fully paid. The newly issued shares rank pari passu in all respects with the previously issued shares.

18. DIVIDENDS

	The Group 2004 $'000	The Group 2003 $'000
Ordinary dividends paid		
First interim tax exempt dividend of 43.86 cents per share	2,000	–
Second interim tax exempt dividend of 66.91 cents per share	3,346	–
	5,346	–

The interim dividends in respect of the current financial year were paid by the subsidiary, LifePharm Pte Ltd, prior to the Restructuring Exercise (Note 2).

At the Annual General Meeting on 8 November 2004, a final tax exempt dividend for the financial year ended 31 July 2004 of 0.73 cents per share amounting to a total of $4,500,000 is to be recommended. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders equity as an appropriation of retained earnings in the financial year ending 31 July 2005.

19. COMMITMENTS

(a) Capital Commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	The Group		The Company
	2004	2003	2004
	$'000	$'000	$'000
Plant and equipment	55	–	–

(b) Operating Lease Commitments

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	The Group		The Company
	2004	2003	2004
	$'000	$'000	$'000
Not later than 1 year	330	153	–
Later than 1 year but not later than 5 years	115	205	–
	445	358	–

20. CONTINGENT LIABILITY

The Company had issued an unsecured guarantee in respect of banking facilities granted by a bank to its subsidiary amounting to $7,700,000.

The directors do not expect any significant liability that will crystallise from the guarantee.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

21. RELATED PARTY TRANSACTIONS

In addition to related party information disclosed elsewhere in the financial statements, the Group has the following significant transactions with related parties on terms agreed between the parties concerned during the financial year:

(a) Sale of Services

	The Group	
	2004 $'000	2003 $'000
Rental income charged to a company in which a director has an interest and directorship (note a)	–	13
Design and consultancy services fees paid to a company in which a director has an interest and directorship (note a)	–	387
Expenses paid on behalf of a company in which a director has a substantial deemed interest (note b)	–	6
Sale of certain finished products, packing and printing materials to a company in which certain directors have an interest (note c)	43	35

(a) The director has sold his entire interest in the related party and resigned from its board during the financial year.

(b) There is no outstanding balance arising from the above transaction at 31 July 2004.

(c) The directors had sold the entire interest in that Company and resigned from its board as at 31 January 2004.

(b) Directors' Remuneration

Directors' remuneration included fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company did not incur any costs, the value of the benefit is included. In 2004, the total directors' remuneration is disclosed under note 5.

22. SEGMENT INFORMATION

The Group operates its business under a single business segment of brand development and management of health, beauty, personal/family care and lifestyle products. The products that are sold under this strategic business unit are subjected to similar risks and returns. As the Group has a single business segment, no business segment analysis is presented.

In determining the Group's geographical segments, revenue and operating results are attributed to the segments based on the location of the customers. Assets, liabilities, depreciation and capital expenditure are attributed to the segments based on the location of the assets.

The following tables present revenue, operating results, assets, liabilities, depreciation and capital expenditure information for the Group's geographical segments for financial year ended 31 July 2004.

22. SEGMENT INFORMATION (cont'd)

	Singapore $'000	Hong Kong $'000	Indonesia $'000	Elimination $'000	Group $'000
Financial year ended 31 July 2004					
Segment revenue					
- External sales	29,705	21,637	1,997	–	53,339
- Inter-segment sales	437	–	–	(437)	–
Segment revenue					
- External sales	30,142	21,637	1,997	(437)	53,339
Segment results	8,918	2,780	584	(44)	12,238
Finance cost - net					(205)
Profit before tax					12,033
Tax					(2,410)
Net profit attributable to the members of the Company					9,623
Financial year ended 31 July 2003					
Segment revenue					
- External sales	11,889	7,703	–	–	19,592
Segment results	2,689	3,269	–	–	5,958
Finance cost - net					(67)
Profit before tax					5,891
Tax					(1,270)
Net profit attributable to the members of the Company					4,621

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2004

22. SEGMENT INFORMATION (cont'd)

	Singapore $'000	Hong Kong $'000	Indonesia $'000	Elimination $'000	Group $'000
As at 31 July 2004					
Segment assets	49,533	2,819	–	(7,760)	44,592
Total assets					44,592
Segment liabilities	11,137	2,533	–	(2,704)	10,966
Total liabilities					10,966
Other segment information:					
Depreciation	95	71	–	–	166
Capital expenditure	412	318	–	–	730
As at 31 July 2003					
Segment assets	9,923	–	–	–	9,923
Total assets					9,923
Segment liabilities	5,008	–	–	–	5,008
Total liabilities					5,008
Other segment information:					
Depreciation	50	–	–	–	50
Capital expenditure	155	–	–	–	155

23. FINANCIAL RISK MANAGEMENT

Risk management is carried out under policies approved by the Board of Directors.

The Group is exposed to foreign exchange risk as it has overseas operations in Hong Kong and certain trade receivables and trade payables are denominated in currencies other than the Group's reporting currency of Singapore Dollars. The Group does not use derivative financial instruments to hedge its foreign exchange risk. The Group, however, monitors its exposure to foreign exchange risk closely to assess the necessity to hedge the risk.

The Group has concentrated credit risk as it relies significantly on its two major customers. The Group limits the credit exposure to these customers by monitoring the repayment of their receivables and by factoring receivables from one of the major customers without recourse. The Group has policies in place to ensure that sales of goods are made to customers with appropriate credit history and that credit terms for each customer are periodically reviewed.

The Group is not exposed to significant interest rate risk or liquidity risk as it relies mainly on cash generated from its normal business activities to fund its operations. The Group has adequate credit facilities to ensure flexibility in funding.

24. FAIR VALUES

The carrying amounts of the Group's and Company's financial assets and liabilities approximate their fair values.

25. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of LifeBrandz Ltd on 30 September 2004.

STATISTICS OF SHAREHOLDINGS
AS AT 28 SEPTEMBER 2004

Authorised share capital	:	S$100,000,000
Issued and fully paid-up capital	:	S$6,120,000
Number of shares	:	612,000,000
Class of shares	:	Ordinary shares of S$0.01 each
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 28 SEPTEMBER 2004

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	0	0.00	0	0.00
1,000 - 10,000	1,031	45.52	5,865,000	0.96
10,001 - 1,000,000	1,207	53.29	74,820,800	12.23
1,000,001 and above	27	1.19	531,314,200	86.81
Total	2,265	100.00	612,000,000	100.00

TOP TWENTY LARGEST SHAREHOLDERS AS AT 28 SEPTEMBER 2004

No.	Name	No Of Shares	%
1	Ang Lian Tiong	94,279,000	15.41
2	Wong C K Michael	83,934,800	13.71
3	Lee Seng Choon	82,038,000	13.40
4	Leck Kim Song	43,250,500	7.07
5	Kenneth Goh Tzu Seoh	41,219,000	6.74
6	Southern Nominees (S) Sdn Bhd	41,019,000	6.70
7	Centennial Overseas Limited	23,077,500	3.77
8	Phua Cheng Sye Charles	22,763,500	3.72
9	Citibank Nominees Singapore Pte Ltd	14,207,000	2.32
10	Annie Guat Khuan Chew	14,143,300	2.31
11	Barry Christopher Yates	14,143,300	2.31
12	Christopher Chong Meng Tak	14,143,000	2.31
13	UOB Kay Hian Pte Ltd	8,645,000	1.41
14	HSBC (Singapore) Nominees Pte Ltd	5,300,000	0.87
15	Kim Eng Securities Ptd. Ltd.	4,221,000	0.69
16	Siow Kon Sang Nee Lily Seet	2,800,000	0.46
17	G K Goh Stockbrokers Ptd Ltd	2,699,000	0.44
18	OCBC Securities Private Ltd	2,656,000	0.43
19	Phillip Securities Pte Ltd	2,560,000	0.42
20	DBS Nominees Pte Ltd	2,455,000	0.40
		519,553,900	84.89

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 28 SEPTEMBER 2004

No.	Name	No. of Shares held as Direct	No. of Shares held as Deemed
1	Ang Lian Tiong	94,279,000	-
2	Wong C K Micheal	84,074,800	-
3	Kenneth Goh Tzu Seoh	82,238,000	-
4	Lee Seng Choon	82,038,000	-
5	Leck Kim Song	43,250,500	-
6	Annie Guat Khuan Chew *	14,143,300	24,177,500
7	Thomas Carlton Thompson, III**	-	38,320,800

* Deemed interest arising from shares held by Centennial Overseas Limited and Entelechy Holdings Ltd by virtue of Section 7 of the Companies Act, Cap. 50

** Deemed interest arising from the interest of spouse, Ms Annie Guat Khuan Chew

PUBLIC FLOAT

Based on the information available to the Company as at 28 September 2004, approximately 30.64% of the issued ordinary shares of the Company were held in the hands of public and therefore, Rule 723 of the Listing Manual is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the First Annual General Meeting of the Company will be held at SGX Auditorium, 2 Shenton Way, #02-00 SGX Centre I, Singapore 068804 on 8 November 2004 at 3.00 p.m to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and consider the Audited Accounts of the Company for the financial year ended 31 July 2004 and the Directors' Report and the Auditors' Report thereon. (Resolution 1)

2. To declare a final dividend of 0.73 cent per ordinary share (one-tier tax exempt) for the year ended 31 July 2004. (Resolution 2)

3. To approve the Directors' fees of S$10,000 for the financial year ended 31 July 2004. (Resolution 3)

4. To re-elect the following Directors retiring pursuant to Article 117 of the Company's Articles of Association:-

   (a) Mr Michael Wong C. K. (Resolution 4)

   (b) Mr Thomas Carlton Thompson, III (Resolution 5)

   (c) Mr Irwin Lim Kee Way (Resolution 6)

   (d) Mr Lee Soon Kie (Resolution 7)

   Mr Irwin Lim Kee Way will upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   Mr Lee Soon Kie will upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To re-appoint Messrs PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 8)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution with or without modifications:-

6. Authority to allot and issue shares (Resolution 9)

   "That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to allot and issue shares and convertible securities of the Company on such terms and conditions and with such rights or restrictions as they may deem fit, provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's issued share capital, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital at the time this resolution is passed, after adjusting for;

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

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

c) any subsequent consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
(See Explanatory Note 1)

7. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

KOH BOON LIANG
Company Secretary
Singapore, 22 October 2004

NOTES:

1) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies in his stead.

2) A proxy need not be a member of the Company.

3) If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4) The instrument appointing a proxy must be deposited at the registered office of the Company at 123 Penang Road #03-12, Singapore 238465 not later than 48 hours before the time appointed for the Meeting.

EXPLANATORY NOTE:-

1. The ordinary resolution in item no. 6 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

LIFEBRANDZ LTD
Registration No. 200311348E
(Incorporated in the Republic of Singapore)

IMPORTANT

1. For investors who have used their CPF monies to buy LifeBrandz Ltd shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

*I/We ____ (name) of

____ (address)

being *a member/members of LifeBrandz Ltd (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the First Annual General Meeting of the Company to be held at SGX Auditorium, 2 Shenton Way, #02-00 SGX Centre I, Singapore 068804 on 8 November 2004 at 3.00 p.m and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and consider the Accounts for the financial year ended 31 July 2004 and the Reports of Directors and Auditors thereon.		
2.	To declare a final dividend of 0.73 cent per ordinary share (one-tier tax exempt) for the year ended 31 July 2004.		
3.	To approve the Directors' fees of S$10,000 for the financial year ended 31 July 2004.		
4.	To re-elect Mr Michael Wong C. K. pursuant to Article 117 of the Company's Articles of Association.		
5.	To re-elect Mr Thomas Carlton Thompson, III pursuant to Article 117 of the Company's Articles of Association.		
6.	To re-elect Mr Irwin Lim Kee Way pursuant to Article 117 of the Company's Articles of Association.		
7.	To re-elect Mr Lee Soon Kie pursuant to Article 117 of the Company's Articles of Association.		
8.	To re-appoint Messrs PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix their remuneration.		
9.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this ________ day of ____________ 2004

Total Number of Shares Held

____

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

* Delete accordingly

IMPORTANT. Please read notes overleaf

NOTES:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 123 Penang Road #03-12, Singapore 238465 not later than 48 hours before the time set for the Annual General Meeting.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

7. The Company shall be entitled to reject the 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 the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

AFFIX
STAMP

THE COMPANY SECRETARY

LIFEBRANDZ LTD
123 Penang Road #03-12
Singapore 238465

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