

**LIFEBRANDZ LTD**

(Incorporated in the Republic of Singapore)  
Company registration No. : 200311348E

**THIRD QUARTER FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010**

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS (Q1,Q2,Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

	The Group		%
	3 months ended 30 April		
	2010	2009	
	S\$'000	S\$'000	(Decrease)
Revenue	7,338	6,602	11%
Other gains (net)			
- Miscellaneous	156	181	-14%
Expenses			
- Inventories and consumables used	(1,927)	(1,336)	44%
- Advertising, media and entertainment	(916)	(1,271)	-28%
- Employee benefits	(2,539)	(2,309)	10%
- Amortisation, depreciation and impairment	(675)	(1,166)	-42%
- Finance	(3)	(5)	-40%
- Rental on operating leases	(1,050)	(1,157)	-9%
- Transportation	(15)	(22)	-32%
- Legal and professional fees	(291)	(262)	11%
- Contract services	(105)	(122)	-14%
- Licence and permits	(28)	(74)	-62%
- Other operating expenses	(554)	(788)	-30%
Changes in inventories of finished goods	97	(317)	-130%
Total expenses	(8,006)	(8,829)	-9%
Loss before income tax	(512)	(2,046)	-75%
- Income tax	(1)	-	NM
<b>Loss from operations attributable to equity holders of the Company</b>	<b>(513)</b>	<b>(2,046)</b>	<b>-75%</b>

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

	The Group	
	3 months ended 30 April	
	2010	2009
	S\$'000	S\$'000
Loss from operations attributable to equity holders of the Company	(513)	(2,046)
Other comprehensive income	-	-
<b>Total comprehensive loss attributable to equity holders of the Company</b>	<b>(513)</b>	<b>(2,046)</b>

i) The Group's loss before tax is arrived at after charging / (crediting):-

	The Group	
	3 months ended 30 April	
	2010	2009
	S\$'000	S\$'000
a) Depreciation on property, plant and equipment	675	1,157
b) Amortisation of intangible assets	-	9
c) Interest expenses	-	2
d) Foreign exchange (gain)/ loss	(1)	1
e) Interest income	(3)	(1)
f) Service charge surplus	(83)	(178)
g) Other income	(4)	(3)
h) Bad debts recovered	(20)	-

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

Balance Sheets

	The Group		The Company	
	30/4/2010 S\$'000	31/7/2009 S\$'000	30/4/2010 S\$'000	31/7/2009 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5,676	2,583	4,048	1,357
Trade and other receivables	1,017	1,060	6,948	4,073
Other current assets	805	981	148	462
Inventories at cost	523	449	-	-
	<u>8,021</u>	<u>5,073</u>	<u>11,144</u>	<u>5,892</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	5,577	6,789	1	2
Intangible assets	-	13	-	-
Investments in subsidiaries	-	-	1,500	1,000
Intercompany long term loan	-	-	1,000	1,000
	<u>5,577</u>	<u>6,802</u>	<u>2,501</u>	<u>2,002</u>
<b>Total Assets</b>	<u>13,598</u>	<u>11,875</u>	<u>13,645</u>	<u>7,894</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	4,809	7,282	5,829	5,183
Borrowings	-	191	-	191
Current income tax liabilities	4	4	4	4
	<u>4,813</u>	<u>7,477</u>	<u>5,833</u>	<u>5,378</u>
<b>Non-current Liabilities</b>				
Deferred tax liabilities	109	109	-	-
	<u>109</u>	<u>109</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>4,922</u>	<u>7,586</u>	<u>5,833</u>	<u>5,378</u>
<b>Net Assets</b>	<u>8,676</u>	<u>4,289</u>	<u>7,812</u>	<u>2,516</u>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital and share premium	47,076	42,021	47,076	42,021
Accumulated losses	(38,400)	(37,732)	(39,264)	(39,505)
<b>Total equity</b>	<u>8,676</u>	<u>4,289</u>	<u>7,812</u>	<u>2,516</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	The Group			
	As at 30/4/2010		As at 31/7/2009	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less or on demand	-	-	-	191
	<u>-</u>	<u>-</u>	<u>-</u>	<u>191</u>

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

	The Group	
	3 months ended 30 April	
	2010 S\$'000	2009 S\$'000
<b>Cash flows from operating activities</b>		
Loss before tax	(512)	(2,046)
Adjustments for:		
Depreciation on Property, Plant and Equipment	675	1,157
Amortisation on intangible assets	-	9
Allowance for doubtful debts	-	97
Interest income	3	(1)
Interest expense	-	2
Operating profit/(loss) before working capital changes	<u>166</u>	<u>(782)</u>
Changes in operating assets and liabilities, net of effects from		
Trade and other receivables	(34)	490
Other current assets	(130)	52
Inventories	(99)	231
Trade and other payables	(62)	136
<b>Net cash (used in)/from operating activities</b>	<u>(159)</u>	<u>127</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(85)	16
Interest received	(3)	1
<b>Net cash (used in)/from investing activities</b>	<u>(88)</u>	<u>17</u>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	-	(299)
Interest expense paid	-	(2)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(301)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(247)</b>	<b>(157)</b>
Cash and cash equivalents at the beginning of the financial period	<u>5,923</u>	<u>2,670</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><b>5,676</b></u>	<u><b>2,513</b></u>
1(c)(i) <b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	<u><u>5,676</u></u>	<u><u>2,513</u></u>

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

(i) Consolidated statement of changes in equity for the period ended 30 April 2010 - Group

	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated losses S\$'000	Minority Interest S\$'000	Total S\$'000
<b>Balance at 1 February 2010</b>	47,076	-	(37,887)	-	9,189
Net loss for the period	-	-	(513)	-	(513)
<b>Balance at 30 April 2010</b>	<u>47,076</u>	<u>-</u>	<u>(38,400)</u>	<u>-</u>	<u>8,676</u>
Balance at 1 February 2009	42,021	-	(28,818)	-	13,203
Net loss for the period	-	-	(2,046)	-	(2,046)
<b>Balance at 30 April 2009</b>	<u>42,021</u>	<u>-</u>	<u>(30,864)</u>	<u>-</u>	<u>11,157</u>

(ii) Consolidated statement of changes in equity for the period ended 30 April 2010 - Company

	Share Capital	(Accumulated Losses)/ Retained Earnings	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 February 2010	47,076	(39,402)	7,674
Net profit for the period	-	138	138
<b>Balance at 30 April 2010</b>	<b>47,076</b>	<b>(39,264)</b>	<b>7,812</b>
Balance at 1 February 2009	42,021	(21,265)	20,756
Net profit for the period	-	147	147
<b>Balance as at 30 April 2009</b>	<b>42,021</b>	<b>(21,118)</b>	<b>20,903</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other other purpose since the end of the previous period reported on.**

**State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

On 19 August 2009, 1,101,000,000 rights shares have been allocated and issued on a rights ratio of 3 for 2 at the rights price of \$0.005 per share.

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

	Group	
	30/4/2010	31/7/2009
Total number of issued shares excluding treasury shares	1,835,000,000	734,000,000

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

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

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

The figures have not been audited nor reviewed.

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

Not Applicable.

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

The same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recently audited financial statements of LifeBrandz Ltd for the year ended 31 July 2009.

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

The Group has applied the same accounting policies and methods of computation in the presentation of the financial statements for the current reporting period compared with the audited financial statements as at 31 July 2009, except for the adoption of the FRS 108, Operating Segments and Amendments to FRS 1, Presentations of Financial Statements (Revised Presentation). The Standards relate mainly to disclosure requirements.

FRS 1 Presentation of Financial Statements (Revised Presentation)  
FRS 108 Financial Instruments : Operating Segments

The adoption of the above FRS did not result in substantial changes to the Group's accounting policies.

The financial statements, comprising the consolidated income statement, balance sheets, statements of changes in equity and consolidated cashflow statements, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

	The Group	
	3 months ended 30 April 2010	2009
Profit/(Loss) per share ("EPS") for the period attributable to the equity holders of the Company :		
Based on the weighted average number of ordinary shares		
- from continuing operations - Basic (cents)	(0.02)	(0.28)
	<u>(0.02)</u>	<u>(0.28)</u>

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

	The Group		The Company	
	30/4/2010	31/7/2009	30/4/2010	31/7/2009
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	0.47	0.59	0.43	0.53

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

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### Income Statement

##### Revenue

The Group revenue increased from S\$6.60 million in 3Q FY2009 to S\$7.34 million in 3Q FY2010.

Business was brisker in March and April compared to the traditionally quieter month of February, and patronage at well-known establishments, including Mulligan's Irish Bar, Borgata Trattoria Osteria, ZIRCA, Rebel and Yellow Jello, was encouraging. In particular, Mulligan's has seen encouraging sales due to the enduring allure of its concept.

Since the abolishment of service charges at our outlets to maintain their competitiveness, net miscellaneous gains have declined, coming in at approximately S\$0.16 million in 3Q FY2010.

##### Costs and Expenses

The Group continued to make good progress in its cost-containment efforts during the quarter. Total expenses fell from S\$8.83 million to S\$8 million. Advertising, media and entertainment expenses fell 28% from S\$1.27 million to S\$0.92 million. Amortisation, depreciation and impairment expenses fell 42% from S\$1.2 million to S\$675,000. This was in relation to fixed assets written off during the last financial year. Finance expenses fell 40% from S\$5,000 to S\$3,000 as bank loans were fully paid off. Rental on operating leases fell 9% from S\$1.16 million to S\$1.05 million due to the lease expiry at Balcony. Legal and professional fees inched up 11% from S\$262,000 to S\$291,000 due to provision for legal fees. Employee benefits edged up 10% year-on-year due to an increase in the manpower required as businesses recovered. Contract services, transportation and other operating expenses have also declined, through effective management of expenses.

All in, the Group has succeeded in further narrowing its losses from S\$2.05 million in 3Q FY2009 to S\$0.51 million in 3Q FY2010. This resulted in a considerable improvement in net margins from -31% in 3Q FY2009 to -7% in 3Q FY2010.

#### Balance Sheets and Cashflow

Equity attributable to shareholders of the Group as at 30 April 2010 amounted to S\$8.68 million, representing an increase of 102.28% from S\$4.29 million on 31 July 2009. Based on existing issued share capital of 1,835 million shares (31 July 2009: 734 million shares), net asset value per ordinary share as at 30 April 2010 stood at 0.47 Singapore cents.

The Group incurred capital expenditure of S\$85,000 during the quarter, mainly to replace worn out furniture at Lunar and Café Del Mar. Through the management's concerted efforts to reduce bank borrowings, short-term loans and long-term borrowings have been reduced to zero this quarter, compared to S\$0.19 million of short-term debt outstanding on 31 July 2009.

Trade and other receivables tightened slightly from S\$1.06 million as at 31 July 2009 to S\$1.02 million as at 30 April 2010. Trade and other payables have reduced significantly from S\$7.28 million to S\$4.81 million over the same period.

Cash and cash equivalents rose 125.87% to S\$5.68 million, due to proceeds from the 3-for-2 rights issue on 19 August 2009.

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

Not Applicable.

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

Lifebrandz's portfolio of branded nightlife establishments have seen their businesses pick up pace. Despite the recent encouraging operating performance, the management remains mindful of the cyclical nature of the business and maintains a cautiously optimistic outlook about the future. Cost-cutting measures will continue to be a priority as the Group explores ways to streamline businesses, trim excesses and effectively manage various operations.

Riding on the success of Mulligan's Irish Bar at The Cannery at Clarke Quay, the management is replicating that concept by establishing two other outlets, one at the extremely popular destination of Sentosa Island and the other in Pattaya, Thailand, a renowned vacation destination in Southeast Asia.

Spanning an area of 2,777 square feet, the newly-established Mulligan's in Singapore is advantageously located at a prime space in Resorts World Sentosa IR. Mulligan's is right at the doorstep of Singapore's first casino, where human traffic is strong. The bar officially opened its doors on 1 June 2010, and the management is heartened by the level of sales recorded during the first weekend of its operation.

Mulligan's in Pattaya, Thailand is still in the developmental stage as the Group prepares for a launch in the second half of 2010. The new establishment will boast close to 4,000 square feet of space, and will be located in the largest beachfront mall in Asia, on ground level and directly facing the beach.

In addition to the above developments, the management will continue to look for ways to strengthen the Group's existing portfolio of brands, whilst at the same time search for opportunities to create new business lines through new ventures.

**11 Dividend**

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

None

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

None

**(c) Date payable**

Not applicable

**(d) Books Closure date**

Not applicable

**12 If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared/recommendeded for the year under review.

**13 Statement pursuant to Rule 705(4) of the listing manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the Q3FY10 to be false or misleading.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Lee Shieh-Peen Clement**  
Director

**Lim Miang Bernard**  
Director

11 June 2010