

LIFEBRANDZ LTD

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

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 APRIL 2015
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			The Group		
	3 months ended 30 April 2015 S\$'000	2014 S\$'000	% Increase/ (Decrease)	9 months ended 30 April 2015 S\$'000	2014 S\$'000	% Increase/ (Decrease)
Continuing operations						
Revenue	<u>380</u>	<u>312</u>	22%	<u>990</u>	<u>937</u>	6%
Other gains (net)						
- Miscellaneous	2	4	-50%	42	11	NM
Expenses						
- Inventories and consumables used	(214)	(108)	98%	(436)	(334)	31%
- Advertising, media and entertainment	(10)	(20)	-50%	(46)	(57)	-19%
- Employee benefits	(219)	(248)	-12%	(786)	(802)	-2%
- Amortisation and depreciation	(34)	(35)	-3%	(110)	(106)	4%
- Rental on operating leases	(46)	(51)	-10%	(137)	(135)	1%
- Transportation	(1)	-	0%	(3)	(6)	-50%
- Legal and professional fees	(141)	50	NM	(241)	(42)	NM
- Licence and permits	50	-	0%	50	-	0%
- Other operating expenses	(2,019)	(51)	NM	(2,186)	(142)	NM
Changes in inventories of finished goods	1	(1)	NM	3	9	-67%
Total expenses	<u>(2,633)</u>	<u>(464)</u>	NM	<u>(3,892)</u>	<u>(1,615)</u>	NM
Loss from continuing operations, before income tax	<u>(2,251)</u>	<u>(148)</u>	NM	<u>(2,860)</u>	<u>(667)</u>	NM
- Income tax expenses	-	-	0%	(4)	(3)	33%
Loss from continuing operations, net of tax	<u>(2,251)</u>	<u>(148)</u>	NM	<u>(2,864)</u>	<u>(670)</u>	NM
Discontinued operations						
Profit / (Loss) from discontinued operations, net of tax	<u>1,687</u>	<u>(894)</u>	NM	<u>179</u>	<u>(1,412)</u>	NM
Loss for the financial period	<u>(564)</u>	<u>(1,042)</u>	-46%	<u>(2,685)</u>	<u>(2,082)</u>	29%
Attributable to :						
Equity holders of the company						
- Continuing operations	(2,250)	(147)		(2,861)	(666)	
- Discontinued operations	<u>1,599</u>	<u>(725)</u>		<u>411</u>	<u>(987)</u>	
	<u>(651)</u>	<u>(872)</u>		<u>(2,450)</u>	<u>(1,653)</u>	
Non controlling interest						
- Continuing operations	(1)	(1)		(3)	(4)	
- Discontinued operations	<u>88</u>	<u>(169)</u>		<u>(232)</u>	<u>(425)</u>	
	<u>87</u>	<u>(170)</u>		<u>(235)</u>	<u>(429)</u>	
	<u>(564)</u>	<u>(1,042)</u>		<u>(2,685)</u>	<u>(2,082)</u>	

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		The Group	
	3 months ended 30 April 2015 S\$'000	2014 S\$'000	9 months ended 30 April 2015 S\$'000	2014 S\$'000
Loss from operations attributable to equity holders of the Company	<u>(564)</u>	<u>(1,042)</u>	<u>(2,685)</u>	<u>(2,082)</u>
Other comprehensive income:				
Continuing operations				
Foreign currency translation	15	-	15	(54)
Total comprehensive income for the period	<u>(549)</u>	<u>(1,042)</u>	<u>(2,670)</u>	<u>(2,136)</u>
Attributable to :				
Equity holders of the company				
- Continuing operations	(2,235)	(147)	(2,846)	(720)
- Discontinued operations	<u>1,599</u>	<u>(725)</u>	<u>411</u>	<u>(987)</u>
	<u>(636)</u>	<u>(872)</u>	<u>(2,435)</u>	<u>(1,707)</u>
Non controlling interest				
- Continuing operations	(1)	(1)	(3)	(4)
- Discontinued operations	<u>88</u>	<u>(169)</u>	<u>(232)</u>	<u>(425)</u>
	<u>87</u>	<u>(170)</u>	<u>(235)</u>	<u>(429)</u>
	<u>(549)</u>	<u>(1,042)</u>	<u>(2,670)</u>	<u>(2,136)</u>

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

	The Group		The Group	
	3 months ended 30 April		9 months ended 30 April	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations				
a) Depreciation on property, plant and equipment	34	35	110	106
b) Interest income	(1)	(3)	(9)	(10)
c) Other Income	(1)	(1)	(32)	(1)
d) Charge on fixed deposit	1,980	-	1,980	-
Discontinued operations				
a) Depreciation on property, plant and equipment	51	298	356	884
b) Amortisaion of intangible asset	-	268	-	802
c) Other Income	(29)	(1)	(85)	(53)
d) Property, plant & equipment written off	-	28	-	28
e) Impairment of property, plant and equipment	1,487	-	1,487	-
f) Gain from discontinued operations	(2,657)	-	(2,657)	-
g) Write back of provision of reinstatement cost	(1,134)	-	(1,134)	-

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

Statements of Financial Position

	The Group		The Company	
	30/04/2015	31/7/2014	30/04/2015	31/7/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	1,266	1,132	1,169	53
Trade and other receivables	172	821	135	3,439
Other current assets	140	219	24	30
Inventories at cost	18	315	-	-
Assets held for sales	497	-	-	-
	<u>2,093</u>	<u>2,487</u>	<u>1,328</u>	<u>3,522</u>
Non-Current Assets				
Property, plant and equipment	44	2,028	-	-
Fixed deposit	-	1,980	-	1,980
Deposit	-	91	-	-
Investments in subsidiaries	-	-	321	321
Other receivables	-	-	424	621
	<u>44</u>	<u>4,099</u>	<u>745</u>	<u>2,922</u>
Total Assets	<u>2,137</u>	<u>6,586</u>	<u>2,073</u>	<u>6,444</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	441	3,332	1,201	3,415
Other liabilities	497	-	-	-
	<u>938</u>	<u>3,332</u>	<u>1,201</u>	<u>3,415</u>
Non-current Liabilities				
Provision	-	1,134	-	-
	<u>-</u>	<u>1,134</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>938</u>	<u>4,466</u>	<u>1,201</u>	<u>3,415</u>
Net Assets	<u>1,199</u>	<u>2,120</u>	<u>872</u>	<u>3,029</u>
SHAREHOLDERS' EQUITY				
Share capital and share premium	55,086	53,336	55,086	53,336
Foreign currency translation	(12)	(27)	-	-
Accumulated losses	(51,271)	(48,820)	(54,214)	(50,307)
	<u>3,803</u>	<u>4,489</u>	<u>872</u>	<u>3,029</u>
Non controlling interest	<u>(2,604)</u>	<u>(2,369)</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,199</u>	<u>2,120</u>	<u>872</u>	<u>3,029</u>

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

	The Group			
	As at 30/04/2015		As at 31/07/2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less or on demand	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount repayable after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	The Group	
	3 months ended 30 April	
	2015	2014
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(2,251)	(148)
Profit / (Loss) before tax from discontinued operations	<u>1,687</u>	<u>(894)</u>
Loss before tax, total	(564)	(1,042)
<u>Adjustments for:</u>		
Depreciation on property, plant and equipment	85	333
Amortisation of Intangible Assets	-	268
Impairment of property, plant and equipment	1,487	-
Property, plant and equipment written off	-	28
Charge on Fixed Deposit	1,980	-
Exchange realignment	15	3
Interest income	(1)	(3)
Gain on discontinued operations	(2,657)	-
Write back on provision of reinstatement cost	<u>(1,134)</u>	<u>-</u>
Operating loss before changes in working capital	(789)	(413)
<u>Changes in working capital</u>		
Decrease in trade and other receivables	30	64
Decrease in other current assets	71	19
Decrease in inventories	209	77
Decrease in trade and other payables	<u>(518)</u>	<u>(1,218)</u>
Cash used in operation	(997)	(1,471)
Interest received	<u>1</u>	<u>3</u>
Net cash used in operating activities	(996)	(1,468)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(73)
Net cash used in investing activities	<u>-</u>	<u>(73)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	3,442
Payment of expenses on issuance of additional shares	-	(50)
Repayment of short-term loans	<u>-</u>	<u>(500)</u>
Net cash generated from financing activities	<u>-</u>	<u>2,892</u>
Net (decrease) / increase in cash and cash equivalents	(996)	1,351
Cash and cash equivalents at the beginning of the financial period	<u>2,262</u>	<u>704</u>
Cash and cash equivalents at end of the financial period	<u>1,266</u>	<u>2,055</u>
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<u>1,266</u>	<u>2,055</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 2015 - Group

	Share Capital S\$'000	Foreign Currency Translation S\$'000	Accumulated Losses S\$'000	Non Controlling Interest S\$'000	Total S\$'000
Balance at 1 February 2015	55,086	(27)	(50,620)	(2,691)	1,748
Issuance of shares	-	-	-	-	-
Share issuance expenses	-	-	-	-	-
Net (loss) / profit for the period	-	-	(651)	87	(564)
Other comprehensive income	-	15	-	-	15
Balance at 30 April 2015	55,086	(12)	(51,271)	(2,604)	1,199
Balance at 1 February 2014	49,951	(57)	(43,850)	(1,607)	4,437
Issuance of shares	3,442	-	-	-	3,442
Share issuance expenses	(57)	-	-	-	(57)
Net loss for the period	-	-	(872)	(170)	(1,042)
Other comprehensive income	-	3	-	-	3
Balance at 30 April 2014	53,336	(54)	(44,722)	(1,777)	6,783

(ii) Consolidated statement of changes in equity for the period ended 30 April 2015 - Company

	Share Capital	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 February 2015	55,086	(50,130)	4,956
Issuance of shares	-	-	-
Share issuance expenses	-	-	-
Net loss for the period	-	(4,084)	(4,084)
Balance at 30 April 2015	55,086	(54,214)	872
Balance at 1 February 2014	49,951	(43,528)	6,423
Issuance of shares	3,442	-	3,442
Share issuance expenses	(57)	-	(57)
Net profit for the period	-	246	246
Balance at 30 April 2014	53,336	(43,282)	10,054

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 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.

The placement of 500,000,000 new ordinary shares were allotted and issued to respective Placees as per announcement dated 16 January 2015.

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	
	30/04/2015	31/07/2014
Total number of issued shares excluding treasury shares	3,060,000,000	2,560,000,000

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 2014.

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 preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 July 2014, except for the adoption of new or revised FRS that are mandatory for financial years on or after 1 August 2014. The adoption of these FRS has no significant impact to the Group.

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 2015	2014
Earnings/(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 & Diluted (cents)	(0.07)	(0.01)
- from discontinued operations - Basic & Diluted (cents)	0.05	(0.03)
	(0.02)	(0.04)

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	
	3 months ended 30 April 2015	2014	3 months ended 30 April 2015	2014
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	0.04	0.26	0.03	0.39

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

Discontinued Operations

The Group has on 13 March 2015 announced that it has completed a strategic review of the business operations and have decided to cease the F&B club operations in the Clarke Quay area. The affected venues comprise Aquanova, Fenix room, Mulligan's Irish pub (Clarke Quay branch), Playhouse and HopDog. The decision to cease the operations have been arrived at after reviewing the financial position of the affected entities, as well as their business prospects and environment. Having considered the intense competition that the entities have been facing, the trend of diminishing crowd spending and the impact on restricted liquor licensing hours, the Board has determined that the operations was not sustainable or commercially viable and directed the closure of the abovementioned clubs and the entities had been placed under liquidation.

Revenue

The Group achieved a revenue of S\$0.38 million for Q3 FY2015 which saw an increase of 22% over the corresponding quarter of last financial year. The increase of sales was mainly contributed by the new trading activity as generated by the group for the reported quarter. The group directs on such trading business of component parts to nurture positive business activity and profile. The F&B club operations under the Mulligans concept maintains popularity and business activities with the regular crowd in Thailand. The Group will continue to manage better business activity for the Mulligans' outlet and to embark on regular trading activities to maintain business operation and direction.

Miscellaneous income and expenses consisting of interest income and other related miscellaneous income maintained at lesser than S\$0.01 million in Q3 FY2015.

Cost & Expenses

Inventories and consumables usage saw an increase of 98% to S\$0.21 million. The increase was mainly due to higher revenues for the group in the reported quarter, and higher cost margin contributed from the trading activity in Q3 FY2015. Advertising, media and entertainment expense dropped by 50% to S\$0.01 million mainly due to lower activities and cost control effort on such expenses. Employee benefits decreased by 12% to S\$0.22 million mainly due to lesser staff and cost control by management in the reported quarter. Amortisation, depreciation and impairment maintained at S\$0.03 million in the reported quarter as the related depreciation charge has been consistently held.

The Group saw rental on operating lease maintained at S\$0.05 million in Q3 FY2015. Legal and professional fees amounted to S\$0.14 million as there were allocated cost and payout incurred in the reported quarter which includes legal cost for advisory and shares placement. The Group has taken various measures to reduce related cost components in the reported quarter. Licence and permits amounted to a credit of \$ 0.05 million due to the reversal of licensing fees in the reported quarter which was previously provided for. Other operating expenses in Q3 FY2015 saw a drastic increase to S\$ 2.02 million mainly due to lifting of the fixed deposits of S\$ 1.98 million with Maybank effected by the landlord from the closure of the Clarke Quay club premises.

Total expenses in Q3 FY2015 increased to S\$2.63 million mainly due to the lifting of the fixed deposit with Maybank for the closure of the premises at Clarke Quay as stated above. With the sales activities achieved for the quarter and the related expenses, the Group registered a loss of S\$2.25 million from continuing operation in the reported quarter.

The Group recorded a gain of S\$1.69 million on the discontinued operation due to the measurement and classification of the assets and liabilities being held for sales and realization from the closure and winding up of the respective entities, the write back of reinstatement provision, and the impairment of property, plant and equipment.

The Group registered a loss of S\$0.56 million for the Group as compared to the loss of \$1.04 million in the corresponding quarter of last financial year.

Statement of Financial Position and Statement of Cash Flows

The group's current assets held as at 30 April 2015 was S2.09 million. Non-current assets stated at \$0.04 million as at end Q3 FY2015 comprising property, plant and equipment maintained as at 30 April 2015 after taking into account of depreciation, amortization and impairment in the reported quarter. Fixed Deposit of S\$1.98 million with Maybank was lifted due to the closure of the venues at Clarke Quay premises.

Trade and other receivables decreased to S\$ 0.17 million partly due to the group's consistent collection effort during the quarter. Other current assets which include security deposit and prepayment decreased to S\$0.14 million in the reported quarter. Inventory amount saw a decrease from S\$0.32 million to S\$0.01 million as at end Q3 FY2015. The decrease on the related receivables and other current assets were mainly due to the transfer and re-measurement of such assets' value of the discontinued operations and entities as assets held for sales.

Trade and other payables decreased to S\$0.44 million as at end of Q3 FY2015. Trade and other payables include trade suppliers' payables, payables to contractors and services, and provisions and accrual for the year. The decrease on the trade and other liabilities were due to the transfer and re-measurement of such liabilities of the discontinued operations and entities as related liabilities in the reported quarter. The Group has also settled all outstanding loans in FY2014 and has no outstanding loan as at 30 April 2015.

The Group has reversed the provision made for lease reinstatement of S\$1.13 million which operations and venues has been discontinued and the premises were returned to the landlord.

The Group generated negative net cash in operating activities of S\$1.0 million for Q3 FY2015 mainly due to lower sales activities and payment from the outlet operations. There were no related cash flow from investing and financing activities incurred in the related quarter. Cash and cash equivalents stood at S\$1.27 million as at 30 April 2015.

Equity attributable to shareholders of the Group as at 30 April 2015 amounted to S\$1.2 million. Based on existing issued share capital of 3,060 million shares, net asset value per ordinary shares as at 30 April 2015 of the Group stood at 0.04 Singapore cents.

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

The actual results are in line with the general prospect commentary previously disclosed in the Q2 FY2015 results announcement for the financial period ended 31 January 2015 except for the below matters.

The Group refers to the announcement made on 13 March 2015 related to the affected subsidiaries have been unable to pay employees' salaries for the month of February and the management of the affected subsidiaries has met up with the Ministry of Manpower to address the complaints lodged by the respective employees.

As stated in the announcement on the continued intense competition that the operation outlets have been facing, the trend of diminishing crowd spending and the impact on the restriction on liquor licensing hours, the operations are not sustainable or commercially viable and cannot continue as a going concern.

The Group would like to update that the management of the affected subsidiaries has communicated and co-operated with the Ministry of Manpower on the related issues, and has settled the outstanding salaries for the month of February with the employees.

Due to the continued intense competition with the operations not sustainable and commercially viable, the Board confirmed and resolved that the affected subsidiaries namely Cannery Leisure Pte Ltd, Tribeca Leisure Pte Ltd, Lux Leisure Pte Ltd, Brandz+ Pte Ltd and Luminox Pte Ltd had been placed under liquidation as per announcement dated 7 May 2015.

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

The Group continues to remain cautious about the outlook and condition of the overall business environment. The Group is mindful of the intense competition of the industry.

The Group will continue to explore business opportunities to position and transform its business profiles and strategic direction.

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 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not has a general mandate for interested person transactions. There were no interested person transactions with amount more than S\$100,000 during Q3 FY2015.

14 Utilisation of proceeds from the placement of new shares.

The net proceeds from the placement of 500,000,000 new ordinary shares at the issue price of S\$0.0036 per placement share in the share capital of the company was \$1,750,000, with the amount utilised as set out below :

Intended use of net proceeds	Net proceeds from placement shares	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000
Working Capital	1,750	(499) *	1,251
Total	1,750	(499)	1,251

Note :

* The breakdown of the working capital utilised was as follows :-

	S\$'000
Salaries & related expenses	365
Professional fees	134
Total	499

The use of proceed from the placement as at the date of this report, is in accordance with the intended use.

15 Statement pursuant to Rule 705(5) 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 Q3 FY2015 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Chng Weng Wah
CEO / Executive Director

12 June 2015