

LIFE BRANDZ LTD

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

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 OCTOBER 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		
	3 months ended 31 October		%
	2015 S\$'000	2014 S\$'000	Increase/ (Decrease)
Continuing operations			
Revenue	255	233	9%
Other gains (net)			
- Miscellaneous	1	4	-75%
Expenses			
- Inventories and consumables used	(136)	(86)	58%
- Advertising, media and entertainment	(11)	(17)	-35%
- Employee benefits	(233)	(276)	-16%
- Amortisation and depreciation	(3)	(36)	-92%
- Rental on operating leases	(55)	(41)	34%
- Transportation	-	(1)	N.M.
- Legal and professional fees	(59)	(46)	28%
- Licence and permits	(1)	-	0%
- Other operating expenses	(43)	(51)	-16%
Changes in inventories of finished goods	(2)	(2)	0%
Total expenses	(543)	(556)	-2%
Loss from continuing operations, before income tax	(287)	(319)	-10%
- Income tax expense	(4)	-	0%
Loss from continuing operations, net of tax	(291)	(319)	-9%
Discontinued operations			
Loss from discontinued operations, net of tax	-	(716)	N.M.
Loss for the financial year	(291)	(1,035)	-72%
Attributable to :			
Equity holders of the company			
- Continuing operations	(290)	(318)	
- Discontinued operations	-	(553)	
	(290)	(871)	
Non controlling interest			
- Continuing operations	(1)	(1)	
- Discontinued operations	-	(163)	
	(1)	(164)	
	(291)	(1,035)	

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 31 October	
	2015 S\$'000	2014 S\$'000
Loss from operations attributable to equity holders of the Company	(291)	(1,035)
Other comprehensive income:		
Foreign currency translation	2	3
Total comprehensive income for the period	(289)	(1,032)
Attributable to :		
Equity holders of the company		
- Continuing operations	(288)	(315)
- Discontinued operations	-	(553)
	(288)	(868)
Non controlling interest		
- Continuing operations	(1)	(1)
- Discontinued operations	-	(163)
	(1)	(164)
	(289)	(1,032)

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

The Group		
3 months ended 31 October		
	2015	2014
	S\$'000	S\$'000
Continuing operations		
a) Depreciation on property, plant and equipment	3	36
b) Interest income	-	(4)
c) Other income	(1)	-

ii) Analysis on discontinued operations:-

The Group		
3 months ended 31 October		
	2015	2014
	S\$'000	S\$'000
Discontinued operations		
Revenue	-	4,492
Other income	-	25
Finished goods and consumables used	-	(1,488)
Depreciation on property, plant and equipment	-	(153)
Employee benefits	-	(1,391)
Other expenses	-	(2,201)
Loss from discontinued operations, before income tax	-	(716)
Income tax expense	-	-
Loss from discontinued operations, net of tax	-	(716)

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	
	31/10/2015	31/7/2015	31/10/2015	31/7/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	827	1,084	768	986
Trade and other receivables	86	128	514	544
Other current assets	162	162	39	41
Inventories at cost	10	13	-	-
	1,085	1,387	1,321	1,571
Non-Current Assets				
Property, plant and equipment	6	9	1	1
Investments in subsidiaries	-	-	321	321
	6	9	322	322
Total Assets	1,091	1,396	1,643	1,893
LIABILITIES				
Current Liabilities				
Trade and other payables	475	491	1,234	1,263
	475	491	1,234	1,263
Total Liabilities	475	491	1,234	1,263
Net Assets	616	905	409	630
SHAREHOLDERS' EQUITY				
Share capital and share premium	55,086	55,086	55,086	55,086
Foreign currency translation	(27)	(29)	-	-
Accumulated losses	(54,449)	(54,159)	(54,677)	(54,456)
	610	898	409	630
Non controlling interest	6	7	-	-
Total equity	616	905	409	630

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

The Group				
	As at 31/10/2015		As at 31/07/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less or on demand	-	-	-	-
	-	-	-	-
Amount repayable after one year	-	-	-	-
	-	-	-	-

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 31 October	
	2015 S\$'000	2014 S\$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(287)	(319)
Loss before tax from discontinued operations	-	(716)
Loss before tax, total	(287)	(1,035)
Adjustments for:		
Depreciation of property, plant and equipment	3	189
Exchange realignment	2	3
Interest income	-	(4)
Operating loss before changes in working capital	(282)	(847)
Changes in working capital		
Decrease in trade and other receivables	42	338
Decrease in other current assets	-	9
Decrease / (Increase) in inventories	3	(41)
(Decrease) / Increase in trade and other payables	(16)	78
Cash used in operation	(253)	(463)
Interest received	-	4
Income taxes paid	(4)	-
Net cash used in operating activities	(257)	(459)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(45)
Net cash used in investing activities	-	(45)
Net decrease in cash and cash equivalents	(257)	(504)
Cash and cash equivalents at the beginning of the financial period	1,084	1,132
Cash and cash equivalents at end of the financial period	827	628
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	827	628

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 31 October 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 August 2015	55,086	(29)	(54,159)	7	905
Net loss for the period	-	-	(290)	(1)	(291)
Other comprehensive income for the period	-	2	-	-	2
Balance at 31 October 2015	55,086	(27)	(54,449)	6	616
Balance at 1 August 2014	53,336	(27)	(48,820)	(2,369)	2,120
Net loss for the period	-	-	(871)	(164)	(1,035)
Other comprehensive income for the period	-	3	-	-	3
Balance at 31 October 2014	53,336	(24)	(49,691)	(2,533)	1,088

(ii) Consolidated statement of changes in equity for the period ended 31 October 2015 - Company

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 August 2015	55,086	(54,456)	630
Net loss for the period	-	(221)	(221)
Balance at 31 October 2015	55,086	(54,677)	409
Balance at 1 August 2014	53,336	(50,307)	3,029
Net profit for the period	-	126	126
Balance at 31 October 2014	53,336	(50,181)	3,155

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.

Not Applicable

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	
	31/10/2015	31/07/2015
Total number of issued shares excluding treasury shares	3,060,000,000	3,060,000,000

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 2015.

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 2015, except for the adoption of new or revised FRS that are mandatory for financial years on or after 1 August 2015. 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 31 October 2015	2014
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)	(0.01)	(0.01)
- from discontinued operations - Basic & Diluted (cents)	-	(0.02)
	(0.01)	(0.03)

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	
	31/10/2015	31/07/2015	31/10/2015	31/07/2015
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	0.02	0.03	0.01	0.02

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

Revenue

The Group achieved a revenue of S\$0.26 million for Q1 FY2016, which saw an increase of 9% over the corresponding quarter of last financial year. The increase of sales was mainly contributed by the trading activity as generated by the group in the reported quarter. The trading business of component parts is consistent in maintaining business activity and profile within the group. The F&B club operations under the Mulligan's concept has been receptive and popular with the regular crowd in Thailand. The club operations has managed well with the demand and maintain its position both competitively and operationally in the industry. The management will work closely with the outlet operations to manage the business activity for the Mulligans' outlet. The Group will also maintain the trading transactions to enhance business operations and activities.

Miscellaneous income consisting of interest income and other related miscellaneous income decreased and maintained at less than S\$0.01 million in Q1 FY2016. The decrease was mainly due to lower interest derived in the reported quarter.

Cost & Expenses

Inventories and consumables usage saw an increase of 58% to S\$0.14 million. The increase was mainly due to the increase sales activity for the group in the reported quarter and higher cost margin contributed from the trading transactions in Q1 FY2016. Advertising, media and entertainment expenses dropped by 35% to S\$0.01 million due to lower advertising activities and cost control effort on such related expenses. Employee benefits decreased by 16% to S\$0.23 million mainly due to fewer staff deployment and effective control by management in the reported quarter. Amortisation and depreciation decreased by 92% to lower than S\$0.01 million in Q1 FY2016 due to lesser depreciation charges incurred for the period.

The Group saw rental on operating lease increased to S\$0.06 million mainly incurred from rental expenses for the head office premises in Q1 FY2016. Legal and professional fees saw an increase of 28% to S\$0.06 million as there were related consultancy expenses incurred for the business operations in the related quarter. The Group has taken measures to reduce all related cost and expenditures in the reported quarter. Licence and permits amounted at less than \$0.01 million for related renewal costs for the existing concept in Q1 FY2016. Other operating expenses in Q1 FY2016 saw a decline of 16% to S\$0.04 million mainly coming from cost control measures and initiatives carried out at the operations and group level.

Total expenses in Q1 FY2016 dropped by 2% to S\$0.54 million mainly due to the collective effort in reducing and controlling all related expenses. With the prevalent sales activities and contained cost structure for the quarter, the Group registered a loss of S\$0.29 million in Q1 FY2016 which was lower than the loss of S\$0.32 million incurred in the last financial year's quarter.

Statement of Financial Position and Statement of Cash Flows

The group's current assets held as at 31 October 2015 was S\$1.1 million. Non-current assets stated at approximately \$0.01 million as at 31 October 2015 comprising property, plant and equipment maintained after taking into account of depreciation and amortization in Q1 FY2016.

Trade and other receivables decreased to S\$0.09 million partly due to the group's consistent collection effort in the related quarter. Other current assets which include security deposit and prepayment maintain at S\$0.16 million as at 31 October 2015. Inventory amount saw a decrease to S\$0.01 million as at 31 October 2015 being due to better control on stock holding and management for the period.

Trade and other payables decreased to S\$0.48 million as at 31 October 2015. Trade and other payables include trade suppliers' payables, payables to contractors and services, and provisions and accrual as at Q1 FY2016. The Group has cleared and settled all outstanding loans and has no outstanding loan as at 31 October 2015.

The Group generated negative net cash in operating activities of S\$0.26 million for Q1 FY2016 mainly due to lower sales activities and payment from the outlet operations. There is no cash flows from financing activities in the reported quarter. With the slow transaction structure, there is also no cash flows incurred for investing activities for Q1 FY2016. Cash and cash equivalents stood at S\$0.83 million as at 31 October 2015.

Equity attributable to shareholders of the Group as at 31 October 2015 amounted to S\$0.62 million. Based on existing issued share capital of 3,060 million shares, net asset value per ordinary shares as at 31 October 2015 of the Group stood at 0.02 Singapore cents.

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

The Group's quarter results is in line with the Company's commentary on prospects as previously announced.

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 Board is mindful of the intense competition of this industry and will continue to explore business opportunities to positing and transform its business profile and strategic direction.

The Company refers to the Company's announcements on 9 October 2015 and 23 October 2015 in relation to the Company's intention to transfer listing from the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") to the Catalist Board of the SGX-ST (the "Proposed Transfer"). The Company has been transferred to the Catalist Board of the SGX-ST on the effective date of 4 December 2015, as per announcement dated 1 December 2015.

As per Announcement dated 16 July 2015, the Company had entered into a conditional sale and purchase agreement ("the SPA") with Healthtrends Medical Investments Limited ("Vendor") on 15 July 2015, to acquire ordinary shares of four Target Companies ("Sales Shares") which are currently owned or intends to own in whole or in part by the Vendor. The total purchase consideration for the proposed acquisition shall be Singapore Dollars One Hundred Million (S\$100,000,000) taking into consideration the valuation in aggregate to the Vendor's shareholdings in the Target Companies. The purchase price will be satisfied via the allotment and issuance by the Company for the account of each Vendor and/or its nominees of an aggregate 10,000,000,000 new shares ("Consideration Shares").

The Group will update on further development in this matter accordingly.

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/recommended, a statement to that effect

No dividend has been declared/recommended 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 have a general mandate for interested person transactions. There were no interested person transactions which amount to more than S\$100,000 during Q1 FY16.

14 Utilisation of proceeds from the placement of new shares.

The net proceeds from the placement of 500,000,000 ordinary shares in FY2015 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 S\$'000	Amount utilised S\$'000	Balance S\$'000
Working Capital	1,750	(1,009) *	741
Total	1,750	(1,009)	741

Note :

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

	S\$'000
Salaries & related expenses	662
Professional fees	242
Operating Expenses	105
Total	1,009

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 Q1 FY2016 to be false or misleading in any material aspect.

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers, in the format as set out in Appendix 7H pursuant to Rule 720(1).

ON BEHALF OF THE BOARD OF DIRECTORS

Chng Weng Wah
CEO / Executive Director

11 December 2015

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor is: -

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