

**LIFEBRANDZ LTD**

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

**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 JANUARY 2016**
**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 31 January		% Increase/ (Decrease)	6 months ended 31 January		% Increase/ (Decrease)
	2016 S\$'000	2015 S\$'000		2016 S\$'000	2015 S\$'000	
<b>Continuing operations</b>						
Revenue	303	377	-20%	558	610	-9%
Other gains (net)						
- Miscellaneous	2	35	-94%	3	39	-92%
Expenses						
- Inventories and consumables used	(125)	(136)	-8%	(261)	(222)	18%
- Advertising, media and entertainment	(7)	(19)	-63%	(18)	(36)	-50%
- Employee benefits	(279)	(291)	-4%	(512)	(567)	-10%
- Amortisation and depreciation	(3)	(40)	-93%	(6)	(76)	-92%
- Rental on operating leases	(56)	(50)	12%	(111)	(91)	22%
- Transportation	(1)	(1)	0%	(1)	(2)	-50%
- Legal and professional fees	(73)	(53)	38%	(132)	(99)	33%
- Licence and permits	(1)	(1)	0%	(2)	(1)	100%
- Other operating expenses	(65)	(117)	-44%	(108)	(168)	-36%
Changes in inventories of finished goods	4	4	0%	2	2	0%
Total expenses	(606)	(704)	-14%	(1,149)	(1,260)	-9%
Loss from continuing operations, before income tax	(301)	(292)	3%	(588)	(611)	-4%
- Income tax expense	-	(4)	N.M.	(4)	(4)	0%
<b>Loss from continuing operations, net of tax</b>	<b>(301)</b>	<b>(296)</b>	<b>2%</b>	<b>(592)</b>	<b>(615)</b>	<b>-4%</b>
<b>Discontinued operations</b>						
Loss from discontinued operations, net of tax	-	(791)	N.M.	-	(1,508)	N.M.
Loss for the financial period	(301)	(1,087)	-72%	(592)	(2,123)	-72%
<b>Attributable to :</b>						
Equity holders of the company						
- Continuing operations	(366)	(294)		(656)	(612)	
- Discontinued operations	-	(635)		-	(1,189)	
	(366)	(929)		(656)	(1,801)	
Non controlling interest						
- Continuing operations	65	(2)		64	(3)	
- Discontinued operations	-	(156)		-	(319)	
	65	(158)		64	(322)	
	(301)	(1,087)		(592)	(2,123)	

**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 31 January		6 months ended 31 January	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Loss from operations attributable to equity holders of the Company	(301)	(1,087)	(592)	(2,123)
Other comprehensive income:				
Foreign currency translation	2	(3)	4	(3)
Total comprehensive income for the period	(299)	(1,090)	(588)	(2,126)
<b>Attributable to :</b>				
Equity holders of the company				
- Continuing operations	(364)	(297)	(652)	(615)
- Discontinued operations	-	(635)	-	(1,189)
	(364)	(932)	(652)	(1,804)
Non controlling interest				
- Continuing operations	65	(2)	64	(3)
- Discontinued operations	-	(156)	-	(319)
	65	(158)	64	(322)
	(299)	(1,090)	(588)	(2,126)

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

	The Group		The Group	
	3 months ended 31 January		6 months ended 31 January	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Continuing operations</b>				
a) Depreciation on property, plant and equipment	3	40	6	76
b) Interest income	-	(5)	-	(8)
c) Other income	(2)	(30)	(3)	(31)

ii) Analysis on discontinued operations:-

	The Group		The Group	
	3 months ended 31 January		6 months ended 31 January	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Discontinued operations</b>				
Revenue	-	3,939	-	8,431
Other income	-	31	-	56
Finished goods and consumables used	-	(1,306)	-	(2,795)
Depreciation on property, plant and equipment	-	(153)	-	(305)
Employee benefits	-	(1,268)	-	(2,660)
Other expenses	-	(2,034)	-	(4,235)
Loss from discontinued operations, before income tax	-	(791)	-	(1,508)
Income tax expense	-	-	-	-
Loss from discontinued operations, net of tax	-	(791)	-	(1,508)

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	
	31/01/2016	31/07/2015	31/01/2016	31/07/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	478	1,084	420	986
Trade and other receivables	115	128	554	544
Other current assets	164	162	40	41
Inventories at cost	14	13	-	-
	<u>771</u>	<u>1,387</u>	<u>1,014</u>	<u>1,571</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	5	9	2	1
Investments in subsidiaries	-	-	321	321
	<u>5</u>	<u>9</u>	<u>323</u>	<u>322</u>
<b>Total Assets</b>	<b><u>776</u></b>	<b><u>1,396</u></b>	<b><u>1,337</u></b>	<b><u>1,893</u></b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	459	491	901	1,263
	<u>459</u>	<u>491</u>	<u>901</u>	<u>1,263</u>
<b>Total Liabilities</b>	<b><u>459</u></b>	<b><u>491</u></b>	<b><u>901</u></b>	<b><u>1,263</u></b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital and share premium	55,086	55,086	55,086	55,086
Foreign currency translation	(25)	(29)	-	-
Accumulated losses	(54,815)	(54,159)	(54,650)	(54,456)
	<u>246</u>	<u>898</u>	<u>436</u>	<u>630</u>
<b>Non controlling interest</b>	<b><u>71</u></b>	<b><u>7</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Equity</b>	<b><u>317</u></b>	<b><u>905</u></b>	<b><u>436</u></b>	<b><u>630</u></b>
<b>Total Liabilities &amp; Equity</b>	<b><u>776</u></b>	<b><u>1,396</u></b>	<b><u>1,337</u></b>	<b><u>1,893</u></b>

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

<b>The Group</b>				
	As at 31/01/2016		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.

<b>The Group</b>		
	3 months ended 31 January	
	2016 S\$'000	2015 S\$'000
<b>Cash flows from operating activities</b>		
Loss before tax from continuing operations	(301)	(292)
Loss before tax from discontinued operations	-	(791)
Loss before tax, total	(301)	(1,083)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	3	193
Exchange realignment	2	(3)
Interest income	-	(5)
<b>Operating loss before changes in working capital</b>	(296)	(898)
<u>Changes in working capital</u>		
Increase in trade and other receivables	(29)	(190)
Increase in other current assets	(2)	(19)
(Increase) / Decrease in inventories	(4)	30
(Decrease) / Increase in trade and other payables	(16)	970
<b>Cash used in operation</b>	(347)	(107)
Interest received	-	5
Income taxes paid	-	(4)
<b>Net cash used in operating activities</b>	(347)	(106)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2)	(10)
<b>Net cash used in investing activities</b>	(2)	(10)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	1,800
Share issuance expenses	-	(50)
<b>Net cash generated from financing activities</b>	-	1,750
<b>Net (decrease) / Increase in cash and cash equivalents</b>	(349)	1,634
Cash and cash equivalents at the beginning of the financial period	827	628
<b>Cash and cash equivalents at end of the financial period</b>	478	2,262
<b>1(c)(i) Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	478	2,262

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 January 2016 - Group

	Share Capital S\$'000	Foreign Currency Translation S\$'000	Accumulated Losses S\$'000	Non Controlling Interest S\$'000	Total S\$'000
<b>Balance at 1 November 2015</b>	<b>55,086</b>	<b>(27)</b>	<b>(54,449)</b>	<b>6</b>	<b>616</b>
Net (loss) / profit for the period	-	-	(366)	65	(301)
Other comprehensive income for the period	-	2	-	-	2
<b>Balance at 31 January 2016</b>	<b>55,086</b>	<b>(25)</b>	<b>(54,815)</b>	<b>71</b>	<b>317</b>
Balance at 1 November 2014	53,336	(24)	(49,691)	(2,533)	1,088
Issuance of shares	1,800	-	-	-	1,800
Share issuance expenses	(50)	-	-	-	(50)
Net loss for the period	-	-	(929)	(158)	(1,087)
Other comprehensive income for the period	-	(3)	-	-	(3)
Balance at 31 January 2015	55,086	(27)	(50,620)	(2,691)	1,748

(ii) Consolidated statement of changes in equity for the period ended 31 January 2016 - Company

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
<b>Balance at 1 November 2015</b>	<b>55,086</b>	<b>(54,677)</b>	<b>409</b>
Net profit for the period	-	27	27
<b>Balance at 31 January 2016</b>	<b>55,086</b>	<b>(54,650)</b>	<b>436</b>
Balance at 1 November 2014	53,336	(50,181)	3,155
Issuance of shares	1,800	-	1,800
Share issuance expenses	(50)	-	(50)
Net profit for the period	-	51	51
Balance at 31 January 2015	55,086	(50,130)	4,956

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.

As at 31 January 2016, the Company's issued capital was 3,060,000,000 shares. There has been no change in the Company's share capital between 31 January 2016 and 31 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.

	<b>Group</b>	
	31/01/2016	31/07/2015
Total number of issued shares excluding treasury shares	<b>3,060,000,000</b>	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.**

<b>The Group</b>		
<b>3 months ended 31 January</b>		
	<b>2016</b>	<b>2015</b>
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)	<b>(0.01)</b>	(0.01)
- from discontinued operations - Basic & Diluted (cents)	-	(0.03)
	<b><u>(0.01)</u></b>	<u>(0.04)</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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>31/1/2016</b>	<b>31/07/2015</b>	<b>31/1/2016</b>	<b>31/07/2015</b>
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	<b>0.01</b>	0.03	<b>0.01</b>	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\$0.30 million for Q2 FY2016, which saw a decrease of about 20% comparing the corresponding quarter of last financial year. The drop in sales was mainly contributed from the lower F&B sales activities for Mulligan's. The outlet saw a slowdown on the tourist arrival and spending during the festive period mainly affected by the economical and weather conditions. Sales performance has also been distorted by competition from new F&B entrants at the vicinity. This has slowed sales momentum for the period. The club operations continuously work to maintain good and positive relationship and communication with customers in enhancing the outlets' concept and branding. The trading business of component parts is consistent in maintaining business activity and profile within the group. The management will work closely with operations to manage business performance for the Mulligans' outlet, and will nurture and maintain trading transactions and activities for the group.

Miscellaneous income and expenses consisting of interest income and other related miscellaneous income decreased and maintained at less than S\$0.01 million in Q2 FY2016. The decreased were mainly due to lower interest and miscellaneous income derived in the reported quarter.

**Cost & Expenses**

Inventories and consumables usage saw a decrease of 8% to S\$0.13 million. The decrease was mainly due to the lower sales activity for the group in Q2 FY2016. Advertising, media and entertainment expenses dropped by 63% to lower than S\$0.01 million mainly due to lower advertising activities and cost control effort on such related expenses. Employee benefits also saw a decrease of 4% to S\$0.28 million mainly due to fewer staff deployment and effective cost control by management in the reported quarter. Amortisation and depreciation decreased by 93% to lower than S\$0.01 million in Q2 FY2016 due to lesser depreciation charges incurred for the period.

The Group saw rental on operating lease marginally increased to S\$0.06 million mainly incurred for the rental expenses of head office premises and facilities in Q2 FY2016. Legal and professional fees saw an increase of 38% to S\$0.07 as there were related consultancy and professional expenses incurred for the business operations in the related quarter. The Group has consistently and effectively taken measures to reduce related cost and expenditures in the reported quarter. Licence and permits amounted at less than \$0.01 million for renewal and maintenance costs for the existing concept in Q2 FY2016. Other operating expenses in Q2 FY2016 saw a decline of 44% to S\$0.07 million mainly coming from cost control measures and initiatives carried out at the operations and group level.

Total expenses in Q2 FY2016 dropped by 14% to S\$0.61 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 and maintained a loss of S\$0.30 million in Q2 FY2016 as compared with last financial year's quarter.

## **Statement of Financial Position and Statement of Cash Flows**

The group's current assets held as at 31 January 2016 was S\$0.77 million. Non-current assets stated at approximately \$0.01 million as at 31 January 2016 comprising property, plant and equipment maintained after taking into account of depreciation and amortization in Q2 FY2016.

Trade and other receivables decreased to S\$ 0.12 million partly due to the group's consistent collection effort in the related quarter. Other current assets which include security deposit and prepayment maintained at S\$0.16 million as at 31 January 2016. Inventory amount maintained at S\$0.01 million as at 31 January 2016 being due to effective control on stock usage and holding for the related period.

Trade and other payables decreased to S\$0.46 million as at 31 January 2016. Trade and other payables include trade suppliers' payables, payables to contractors and services, and provisions and accrual as at Q2 FY2016. The Group has cleared and settled all outstanding loans and has no outstanding loan as at 31 January 2016.

The Group generated negative net cash in operating activities of S\$0.35 million for Q2 FY2016 mainly due to lower sales activities and payment from the outlet operations. Cash flows from investing activities of less than S\$0.01 million was mainly for operations equipment incurred for the business and outlet concept. With the slow transaction structure, there is no cash flows incurred for investing activities for Q2 FY2016. Cash and cash equivalents stood at S\$0.48 million as at 31 January 2016.

Equity attributable to shareholders of the Group as at 31 January 2016 amounted to S\$0.32 million. Based on existing issued share capital of 3,060 million shares, net asset value per ordinary shares as at 31 January 2016 of the Group stood at 0.01 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 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 including fund raising exercise to position and transform its business profile and strategic direction.

The Company announced the entering into a conditional sale and purchase agreement ("the SPA") with Healthtrends Medical Investments Limited ("Vendor") on 15 July 2015. Please refer to the announcement dated 16 July 2015 for more details.

The Group will update on any further developments in the 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 Q2 FY2016.

**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	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000
Working Capital	1,750	(1,289) *	461
Total	1,750	(1,289)	461

Note :

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

	S\$'000
Salaries & related expenses	873
Professional fees	290
Operating expenses	126
Total	1,289

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 Q2 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**

**10 March 2016**

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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