

LIFEBRANDZ LTD

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

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 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		% Increase/ (Decrease)
	Year ended 31 July		
	2016 S\$'000	2015 S\$'000	
Continuing operations			
Revenue	1,022	1,260	-19%
Other gains (net)			
- Miscellaneous	48	48	0%
Expenses			
- Inventories and consumables used	(491)	(581)	-15%
- Advertising, media and entertainment	(36)	(57)	-37%
- Employee benefits	(929)	(939)	-1%
- Amortisation and depreciation	(7)	(142)	-95%
- Rental on operating leases	(217)	(186)	17%
- Transportation	(1)	(4)	-75%
- Legal and professional fees	(266)	(299)	-11%
- Licence and permits	(2)	49	N.M.
- Other operating expenses	(180)	(305)	-41%
Changes in inventories of finished goods	(4)	(3)	33%
Total expenses	(2,133)	(2,467)	-14%
Loss from continuing operations, before income tax	(1,063)	(1,159)	-8%
- Income tax expense	(4)	(4)	0%
Loss from continuing operations, net of tax	(1,067)	(1,163)	-8%
Discontinued operations			
Loss from discontinued operations, net of tax	-	(1,800)	N.M.
Loss for the financial year	(1,067)	(2,963)	-64%
Attributable to :			
Equity holders of the company			
- Continuing operations	(1,064)	(1,160)	
- Discontinued operations	-	(6,470)	
	(1,064)	(7,630)	
Non controlling interest			
- Continuing operations	(3)	(3)	
- Discontinued operations	-	4,670	
	(3)	4,667	
	(1,067)	(2,963)	

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	
	Year ended 31 July	
	2016 S\$'000	2015 S\$'000
Loss from operations attributable to equity holders of the Company	(1,067)	(2,963)
Other comprehensive income:		
Foreign currency translation	4	(2)
Total comprehensive income for the year	(1,063)	(2,965)
Attributable to :		
Equity holders of the company		
- Continuing operations	(1,060)	(1,162)
- Discontinued operations	-	(6,470)
	(1,060)	(7,632)
Non controlling interest		
- Continuing operations	(3)	(3)
- Discontinued operations	-	4,670
	(3)	4,667
	(1,063)	(2,965)

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

The Group		
Year ended 31 July		
	2016	2015
	S\$'000	S\$'000
Continuing operations		
a) Depreciation on property, plant and equipment	7	142
b) Foreign exchange loss / (gain) - net	10	(6)
c) Interest income	-	(9)
d) Other income	(48)	(33)
e) Bad debts written off	-	57

ii) Analysis on discontinued operations:-

The Group		
Year ended 31 July		
	2016	2015
	S\$'000	S\$'000
Discontinued operations		
Revenue	-	9,633
Depreciation on property, plant and equipment	-	(138)
Impairment on property, plant and equipment	-	(1,060)
Charge on fixed deposit	-	(1,980)
Other expenses	-	(11,402)
Gain on liquidation of subsidiaries (Note 1)	-	3,147
Loss from discontinued operations, before income tax	-	(1,800)
Income tax expense	-	-
Loss from discontinued operations, net of tax	-	(1,800)

		2015
		S\$'000
Note 1:		
Gain on liquidation of subsidiaries		
Non-current assets		725
Current assets		814
Non-current liabilities		(1,134)
Current liabilities		(3,552)
Net liabilities derecognised		(3,147)
Cash proceeds from liquidation		-
		(3,147)

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	
	31/07/2016	31/07/2015	31/07/2016	31/07/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	93	1,084	77	986
Trade and other receivables	84	128	534	544
Other current assets	143	162	32	41
Inventories at cost	9	13	-	-
	<u>329</u>	<u>1,387</u>	<u>643</u>	<u>1,571</u>
Non-Current Assets				
Property, plant and equipment	6	9	2	1
Investments in subsidiaries	-	-	321	321
	<u>6</u>	<u>9</u>	<u>323</u>	<u>322</u>
Total Assets	<u>335</u>	<u>1,396</u>	<u>966</u>	<u>1,893</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	315	491	198	1,263
	<u>315</u>	<u>491</u>	<u>198</u>	<u>1,263</u>
Non-current Liabilities				
Other payable	178	-	178	-
	<u>178</u>	<u>-</u>	<u>178</u>	<u>-</u>
Total Liabilities	<u>493</u>	<u>491</u>	<u>376</u>	<u>1,263</u>
SHAREHOLDERS' EQUITY				
Share capital	55,086	55,086	55,086	55,086
Foreign currency translation	(25)	(29)	-	-
Accumulated losses	(55,223)	(54,159)	(54,496)	(54,456)
	<u>(162)</u>	<u>898</u>	<u>590</u>	<u>630</u>
Non controlling interest	4	7	-	-
Total Equity	<u>(158)</u>	<u>905</u>	<u>590</u>	<u>630</u>
Total Liabilities & Equity	<u>335</u>	<u>1,396</u>	<u>966</u>	<u>1,893</u>

	The Group			
	As at 31/07/2016		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.

	The Group	
	Year ended 31 July	
	2016 S\$'000	2015 S\$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(1,063)	(1,159)
Loss before tax from discontinued operations	-	(1,800)
Loss before tax, total	(1,063)	(2,959)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	7	280
Impairment on property, plant and equipment	-	1,060
Exchange realignment	4	(2)
Interest income	-	(9)
Gain on liquidation of subsidiaries	-	(3,147)
Charge on Fixed Deposit	-	1,980
Bad debts written off	-	57
Operating loss before changes in working capital	(1,052)	(2,740)
<u>Changes in working capital</u>		
Decrease in trade and other receivables	44	163
Decrease in other current assets	19	37
Decrease in inventories	4	203
Increase in trade and other payables	2	712
Cash used in operations	(983)	(1,625)
Interest received	-	9
Income taxes paid	(4)	(4)
Net cash used in operating activities	(987)	(1,620)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4)	(46)
Net cash outflows on liquidation of subsidiaries	-	(132)
Net cash used in investing activities	(4)	(178)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,800
Share issuance expenses	-	(50)
Net cash generated from financing activities	-	1,750
Net decrease in cash and cash equivalents	(991)	(48)
Cash and cash equivalents at the beginning of the financial year	1,084	1,132
Cash and cash equivalents at end of the financial year	93	1,084
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	93	1,084

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 year ended 31 July 2016 - 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
Loss for the year	-	-	(1,064)	(3)	(1,067)
Other comprehensive income for the year	-	4	-	-	4
Balance at 31 July 2016	55,086	(25)	(55,223)	4	(158)
Balance at 1 August 2014	53,336	(27)	(48,820)	(2,369)	2,120
Issuance of shares	1,800	-	-	-	1,800
Share issuance expenses	(50)	-	-	-	(50)
Liquidation of subsidiaries	-	-	2,291	(2,291)	-
(Loss) / profit for the year	-	-	(7,630)	4,667	(2,963)
Other comprehensive income for the year	-	(2)	-	-	(2)
Balance at 31 July 2015	55,086	(29)	(54,159)	7	905

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

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 August 2015	55,086	(54,456)	630
Loss for the year	-	(40)	(40)
Balance at 31 July 2016	55,086	(54,496)	590
Balance at 1 August 2014	53,336	(50,307)	3,029
Issuance of shares	1,800	-	1,800
Share issuance expenses	(50)	-	(50)
Loss for the year	-	(4,149)	(4,149)
Balance at 31 July 2015	55,086	(54,456)	630

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 July 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 July 2016 and 31 July 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	
	31/07/2016	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 year 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	
	Year ended 31 July	
	2016	2015
Loss per share ("EPS") for the period attributable to the equity holders of the Company :		
Weighted average number of ordinary shares	<u>3,060,000,000</u>	<u>2,828,493,151</u>
Based on the weighted average number of ordinary shares		
- from continuing operations - Basic & Diluted (cents)	(0.03)	(0.04)
- from discontinued operations - Basic & Diluted (cents)	-	(0.23)
	<u>(0.03)</u>	<u>(0.27)</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	
	Year ended 31 July		Year ended 31 July	
	2016	2015	2016	2015
Net (liabilities) / assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	(0.01)	0.03	0.02	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\$1.02 million for the financial year 2016 (FY2016), which saw a decrease of about 19% comparing the corresponding last financial year. The drop in sales was mainly derived from the slower F&B sales activities for Mulligan's. The outlet saw a decline on the tourist arrival and patronage in the reported year possibly affected by the economical and weather conditions. Sales performance has also been distorted by stiff competition from other new and existing pubs and clubs at the vicinity. This has slowed sales performance for the year. The club operations continuously work to maintain the Mulligan's brand and concept to sustain sales activities. The trading business of component parts has maintained and contributed to the business activity and profile within the group for the year. The management will continue to work strategically with operations to manage the business performance for the Mulligans' outlet, and nurture and maintain trading transactions and activity for the group.

Miscellaneous income and expenses consisting of interest income and other related miscellaneous income maintained at S\$0.05 million in FY2016.

Cost & Expenses

Inventories and consumables usage saw a decrease of 15% to S\$0.49 million. The decrease was mainly due to the lower sales activity for the group in FY2016. Advertising, media and entertainment expenses dropped by 37% to S\$0.04 million mainly due to lesser advertising and marketing activities and cost control effort by the operations on such related expenses. Employee benefits saw a marginal decrease of 1% to S\$0.93 million mainly due to related cost structure deployment and provisions in the reported year. Amortisation and depreciation decreased by 95% to lower than S\$0.01 million in FY2016 due to lesser depreciation charges incurred for the year.

The Group saw rental on operating lease increased by 17% to S\$0.22 million mainly incurred for rental expenses of head office premises and facilities for the year. Legal and professional fees decreased by 11% to S\$0.27 million as there were lesser related payout and provisions for the business operations in the reported year. The Group has taken consistent and effective measures in reducing related cost and expenditures to the business and operations in the reported year. Other operating expenses in FY2016 saw a drastic decrease of 41% to S\$0.18 million mainly coming from cost control measures and initiatives carried out at the operations and group level.

Total expenses in FY2016 dropped by 14% to S\$2.13 million mainly due to an effective operations structure and collective effort in reducing and controlling all related expenses. With the prevalent sales activities and contained cost structure for the year, the Group registered and lowered the loss to S\$1.06 million in FY2016 as compared to S\$1.16 million in the last financial year.

Statement of Financial Position and Statement of Cash Flows

The group's current assets held as at 31 July 2016 was S\$0.33 million. Non-current assets stated at approximately \$0.01 million as at 31 July 2016 comprising property, plant and equipment maintained after taking into account of depreciation and amortisation in the reported year.

Trade and other receivables decreased to S\$ 0.08 million partly due to the group's consistent collection effort in the reported year. Other current assets which include security deposit and prepayment decreased to S\$0.14 million as at 31 July 2016 mainly due to related cost allocation to the business operations in FY2016. Inventory amount decreased to lesser than S\$0.01 million as at 31 July 2016 being due to better operation control on stock ordering and holding in the reported year.

Trade and other payables decreased to S\$0.32 million as at 31 July 2016. Trade and other payables include trade suppliers' payables, payables to contractors and services, and provisions and accrual in the reported year. The Group has cleared and settled all outstanding loans and has no outstanding loan as at 31 July 2016.

Non-current liabilities amounted to S\$0.18 million mainly comprises related payables and amount of the group for the reported year.

The Group generated negative net cash in operating activities of S\$0.99 million for 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 and activity structure, there is no cash flows incurred for financing activities for the reported year. Cash and cash equivalents stood at S\$0.09 million as at 31 July 2016.

The Group had negative equity of S\$0.16 million as at 31 July 2016, as compared to total equity of S\$0.91 million as at 31 July 2015, mainly due to accumulated losses recorded in FY2016.

The Company had on 12 July 2016 and 19 July 2016 respectively, announced the entering into a non-binding term sheet with Asidokona Mining Resources Pte. Ltd. on the proposed acquisition of the entire issued and paid-up share capital of Tolukuma Gold Mines Limited, and the entering of a non-binding term sheet with Crede Capital Group, LLC in relation to the proposed issue of convertible senior notes by the Company for the related amount of USD20 million. The directors are also exploring on various fund raising activities with interested parties to better position the assets and structure of the Group. With the materialization of these transactions, such activities would bring the Group's equity to a positive position.

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.

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 non-binding term sheet ("Term Sheet") with Asidokona Mining Resources Pte Ltd pursuant to the proposed acquisition of the entire issued and paid-up share capital of Tolukuma Gold Mines Limited ("Target Company") on 12 July 2016, and also a Corrigendum on the proposed acquisition as per announcement on 19 July 2016. The Company further announced the entering of a non-binding term sheet with Crede Capital Group, LLC or its nominee on 17 July 2016, in relation to the proposed issue of convertible senior notes by the Company to Crede Capital Group, LLC. Please refer to the announcements dated 12 July 2016 and 19 July 2016 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/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 have a general mandate for interested person transactions. There were no interested person transactions which amount to more than S\$100,000 during the financial year 2016.

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	(1,562) *	188
Total	1,750	(1,562)	188

Note :

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

	S\$'000
Salaries & related expenses	1,029
Professional fees	387
Operating Expenses	146
Total	1,562

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

PART II ADDITIONAL INFORMATION REQUIRE FOR FULL YEAR ANNOUNCEMENT

15 **Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group			
Sales Revenue			
Year ended 31 July			
	2016	2015	
	S\$'000	S\$'000	
Continuing operations			
Singapore			
- Trading of component parts	193	213	
Thailand			
- Food and beverages	829	1,047	
	1,022	1,260	
Discontinued operations			
Singapore	-	9,633	
	1,022	10,893	

The Group			
Carrying Amount of Assets		Property, Plant & Equipment and Intangible Asset	
31/07/2016	31/07/2015	31/07/2016	31/07/2015
S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations			
Singapore	170	1,142	2
Thailand	165	254	4
	335	1,396	6
			9

16 **In the review of performance, the factors leading to any changes in contribution to turnover and earnings by the business or geographical segments.**

For discussion on material changes, please refer to paragraph 8.

17 A breakdown of sales

	The Group		
	31/07/2016 S\$'000	31/07/2015 S\$'000	% Increase/ (Decrease)
Continuing Operations			
Revenue reported for the first half year	558	609	-8%
Operating loss after tax reported for the first half year	(592)	(616)	-4%
Revenue reported for the second half year	464	651	-29%
Operating loss after tax reported for the second half year	(475)	(547)	-13%

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Total Annual Dividend

(S\$)	Year 2016	Year 2015
Ordinary	-	-
Preference	-	-
Total	-	-

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
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There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

20 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

28 September 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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