

LIFEBRANDZ LTD

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

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 APRIL 2017
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		Increase/ (Decrease)	9 months ended 30 April		Increase/ (Decrease)
	2017 S\$'000	2016 S\$'000		2017 S\$'000	2016 S\$'000	
Continuing operations						
Revenue	185	306	-40%	567	864	-34%
Other gains (net)						
- Miscellaneous	1	1	-	1	4	-75%
Expenses						
- Inventories and consumables used	(71)	(177)	-60%	(216)	(438)	-51%
- Advertising, media and entertainment	(3)	(8)	-63%	(10)	(26)	-62%
- Employee benefits	(215)	(233)	-8%	(663)	(745)	-11%
- Amortisation and depreciation	(1)	(1)	-	(2)	(7)	-71%
- Rental on operating leases	(56)	(51)	10%	(184)	(162)	14%
- Transportation	(1)	-	-	(1)	(1)	-
- Legal and professional fees	(68)	(30)	N.M.	(215)	(162)	33%
- Licence and permits	-	-	-	-	(2)	N.M.
- Other operating expenses	(35)	(33)	6%	(123)	(141)	-13%
Changes in inventories of finished goods	4	1	N.M.	8	3	N.M.
Total expenses	(446)	(532)	-16%	(1,406)	(1,681)	-16%
Loss before income tax	(260)	(225)	16%	(838)	(813)	3%
- Income tax expenses	-	-	-	-	(4)	N.M.
Loss for the period	(260)	(225)	16%	(838)	(817)	3%
Attributable to :						
Equity holders of the company	(260)	(159)		(837)	(815)	
Non controlling interest	-	(66)		(1)	(2)	
	(260)	(225)		(838)	(817)	

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		9 months ended 30 April	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Loss for the period	(260)	(225)	(838)	(817)
Other comprehensive income:				
Foreign currency translation	-	(6)	6	(2)
Total comprehensive income for the period	(260)	(231)	(832)	(819)
Attributable to :				
Equity holders of the company	(260)	(165)	(831)	(817)
Non controlling interest	-	(66)	(1)	(2)
	(260)	(231)	(832)	(819)

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

	The Group		The Group	
	3 months ended 30 April		9 months ended 30 April	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Continuing operations				
a) Depreciation on property, plant and equipment	1	1	2	7
b) Foreign exchange loss	1	8	1	5
c) Other Income	(1)	(1)	(1)	(4)

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	
	30/04/2017 S\$'000	31/7/2016 S\$'000	30/04/2017 S\$'000	31/7/2016 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	40	93	15	77
Trade and other receivables	95	84	634	534
Other current assets	183	143	62	32
Inventories at cost	18	9	-	-
	<u>336</u>	<u>329</u>	<u>711</u>	<u>643</u>
Non-Current Assets				
Property, plant and equipment	4	6	1	2
Investments in subsidiaries	-	-	321	321
	<u>4</u>	<u>6</u>	<u>322</u>	<u>323</u>
Total Assets	<u>340</u>	<u>335</u>	<u>1,033</u>	<u>966</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	1,330	493	1,170	376
	<u>1,330</u>	<u>493</u>	<u>1,170</u>	<u>376</u>
Total Liabilities	<u>1,330</u>	<u>493</u>	<u>1,170</u>	<u>376</u>
SHAREHOLDERS' EQUITY				
Share capital	55,086	55,086	55,086	55,086
Foreign currency translation	(19)	(25)	-	-
Accumulated losses	(56,060)	(55,223)	(55,223)	(54,496)
	<u>(993)</u>	<u>(162)</u>	<u>(137)</u>	<u>590</u>
Non controlling interest	<u>3</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total Equity	<u>(990)</u>	<u>(158)</u>	<u>(137)</u>	<u>590</u>
Total Liabilities & Equity	<u>340</u>	<u>335</u>	<u>1,033</u>	<u>966</u>

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

	The Group			
	As at 30/04/2017		As at 31/07/2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured 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		
	2017	2016
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(260)	(225)
<u>Adjustments for:</u>		
Depreciation on property, plant and equipment	1	1
Exchange realignment	-	(6)
Operating loss before changes in working capital	(259)	(230)
<u>Changes in working capital</u>		
Decrease / (Increase) /in trade and other receivables	3	(14)
(Increase) / Decrease in other current assets	(40)	26
Increase in inventories	(5)	(2)
Increase / (Decrease) in trade and other payables	271	(19)
Net cash used in operating activities	(30)	(239)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(2)
Net cash used in investing activities	-	(2)
Net change in cash and cash equivalents	(30)	(241)
Cash and cash equivalents at the beginning of the financial period	70	478
Cash and cash equivalents at end of the financial period	40	237
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	40	237

- 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 2017 - 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 2017	55,086	(19)	(55,800)	3	(730)
Net loss for the period	-	-	(260)	-	(260)
Other comprehensive income	-	-	-	-	-
Balance at 30 April 2017	55,086	(19)	(56,060)	3	(990)
Balance at 1 February 2016	55,086	(25)	(54,815)	71	317
Net loss for the period	-	-	(159)	(66)	(225)
Other comprehensive income	-	(6)	-	-	(6)
Balance at 30 April 2016	55,086	(31)	(54,974)	5	86

(ii) Consolidated statement of changes in equity for the period ended 30 April 2017 - Company

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 February 2017	55,086	(54,981)	105
Net loss for the period	-	(242)	(242)
Balance at 30 April 2017	55,086	(55,223)	(137)
Balance at 1 February 2016	55,086	(54,650)	436
Net profit for the period	-	336	336
Balance at 30 April 2016	55,086	(54,314)	772

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the 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.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 Share Consolidation of every fifty (50) existing ordinary shares in the capital of the Company into one (1) ordinary share was approved by shareholders at the Extraordinary General Meeting on 13 April 2017. The Share Consolidation was completed on 25 April 2017 when 3,060,000,000 existing ordinary shares were consolidated into 61,199,996 consolidated shares, disregarding any fractions of ordinary shares arising from the Share Consolidation.

- 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	
	30/04/2017	31/07/2016
Total number of issued shares excluding treasury shares	61,199,996	3,060,000,000

- 1(d)(iv) A statement showing all sales, transfers, 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.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings 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 2016.

- 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 2016, except for the adoption of new or revised FRS that are mandatory for financial years on or after 1 August 2016. 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 2017	2016 (Restated)
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)	(0.42)	(0.26)
	(0.42)	(0.26)

* Earning per share value for the financial period ended 30 April 2016 are restated for the effect of the Share Consolidation.

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

	The Group		The Company	
	30/4/2017	31/07/2016 (Restated)	30/4/2017	31/07/2016 (Restated)
Net (liabilities) / assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	(1.62)	(0.26)	(0.22)	0.96

* Net (liabilities) / assets value for the financial year ended 31 July 2016 are restated for the effect of the Share Consolidation.

- 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\$0.19 million for Q3 FY2017, which saw a drop of 40% over the corresponding quarter of last financial year. The sales activities from F&B at Mulligans Pattaya was slow due to lesser tourist arrival and patronage. The Songkran festival during the period was directly affected with lesser crowd spending and activities. Clubs and pubs operations in all venues were demanded to mute on music and songs by the authorities. With such regular authority control, operations is indirectly facing difficulty in rolling out marketing and promotion activities. F&B activities are anticipated to improve moderately for the coming months. Trading activities for the reported quarter has also contributed to the drop in sales as demand has been low due to the economic slowdown. The management and operations will work collectively to enhance business operations and activities.

Miscellaneous income recorded and maintained at less than S\$0.01 million in Q3 FY2017, comparing to corresponding quarter of last financial year.

Cost & Expenses

Inventories and consumables usage saw a drop of 60% to S\$0.07 million. The decrease was mainly due to the lower sales activity and usage for the group in the reported quarter. Advertising, media and entertainment expenses declined by 63% to less than S\$0.01 million mainly due to lower advertising spending and cost control effort from operations on such related expenses. Employee benefits decreased by 8% to S\$0.22 million mainly due to effective staff deployment and cost control by management in the reported quarter. Amortisation and depreciation maintained at lower than S\$0.01 million in Q3 FY2017 due to lesser depreciation charges incurred for the period.

The Group saw rental on operating lease increased marginally to S\$0.06 million mainly incurred from rental expenses for the operations facilities in Q3 FY2017. Legal and professional fees amounted to S\$0.07 million which increase was mainly due to the reversal of related professional fee recorded in the corresponding quarter of last financial year. The Group has taken actions and measures to manage all related cost and expenditures in the reported quarter. Other operating expenses in Q3 FY2017 recorded and maintained at S\$0.04 million mainly derived from cost control measures and initiatives carried out at the operations and group level.

Total expenses in Q3 FY2017 decreased by 16% to S\$0.45 million mainly due to the effective operations structure, and collective effort in reducing and managing all related expenses in the quarter. With the prevalent sales activities and lower cost structure contained in the quarter, the Group registered a loss of S\$0.26 million in Q3 FY2017 as compared to S\$0.23 million of last financial year's quarter.

Statement of Financial Position and Statement of Cash Flows

The group's current assets held as at 30 April 2017 was S\$0.34 million. Non-current assets stated at less than \$0.01 million as at 30 April 2017 comprising property, plant and equipment maintained after taking into account of amortisation and depreciation in Q3 FY2017.

Trade and other receivables increased to about S\$0.10 million due to an increase in other receivables for the reported quarter. Other current assets which include security deposit and prepayment recorded at S\$0.18 million as at 30 April 2017. The increase in other current assets are related to the prepayment on the right issues exercise. Inventory amount saw an increase to S\$0.02 million as at 30 April 2017 being due to stock holding catered for the festive period and lower sales activities in the reported quarter.

Trade and other payables increased to S\$1.3 million as at 30 April 2017. Trade and other payables include trade suppliers' payables, payables to contractors and services, and provisions and accrual as at Q3 FY2017.

The Group generated a negative cash outflow in operating activities of S\$0.03 million for Q3 FY2017 mainly due to lower sales activities and the movement in working capital in the reported quarter. 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 Q3 FY2017. Cash and cash equivalents stood at S\$0.04 million as at 30 April 2017.

The Group was in a net current liabilities of S\$0.99 million as at 30 April 2017. The Group had negative equity of S\$ 0.99 million at the end of the reported quarter comparing to negative equity of S\$0.16 million as at 31 July 2016, mainly due to accumulated losses recorded for the quarter.

The Company had on 24 January 2017 announced a proposed renounceable non-underwritten rights cum warrants of up to 122,400,000 new Shares with up to 122,400,000 free detachable warrants. The directors / shareholders will continue to provide financial and business support to the Company to ensure smooth operations and compliance. The directors are also exploring on various fund raising with various parties. The materialization of these transactions 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.

No forecast statement or prospect statement has been previously disclosed.

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 on 24 January 2017, the proposed consolidation of every fifty (50) existing ordinary shares in the capital of the Company into one (1) ordinary shares together with the proposed renounceable non-underwritten rights cum warrants issue of up to 122,400,000 new Shares ("Right Shares") at an issue price of S\$0.025 with up to 122,400,000 free detachable warrants ("Warrants") at an exercise price of S\$0.05. The share consolidation has been completed as per announcement on 25 April 2017. The renounceable non-underwritten rights cum warrants issue were fully subscribed with the Results of the Rights cum Warrants Issue announced on 2 June 2017.

The Group will update on further development 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 has a general mandate for interested person transactions. There were no interested person transactions which amount to more than S\$100,000 during Q3 FY2017.

14 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 FY2017 to be false or misleading in any material aspect.

15 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

Saito Hiroyuki
Executive Chairman / CEO

14 June 2017

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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