

**LIFEBRANDZ LTD**

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

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 OCTOBER 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.

	<b>The Group</b>		
	<b>3 months ended 31 October</b>		<b>Increase/ (Decrease) %</b>
	<b>2017 S\$'000</b>	<b>2016 S\$'000</b>	
<b>Revenue</b>	<b>426</b>	151	>100%
Expenses			
- Inventories and services	<b>(316)</b>	(60)	>100%
- Advertising, media and entertainment	<b>(12)</b>	(5)	>100%
- Employee benefits	<b>(393)</b>	(222)	77%
- Amortisation and depreciation	<b>(4)</b>	(1)	>100%
- Rental on operating leases	<b>(62)</b>	(56)	11%
- Transportation	<b>(3)</b>	-	N.M.
- Legal and professional fees	<b>(104)</b>	(72)	44%
- Other operating expenses	<b>(60)</b>	(32)	88%
Changes in inventories of finished goods	<b>(3)</b>	2	N.M.
Total expenses	<b>(957)</b>	(446)	>100%
Loss before income tax	<b>(531)</b>	(295)	80%
- Income tax expense	-	-	N.M.
<b>Loss for the period</b>	<b>(531)</b>	(295)	80%
<b>Attributable to :</b>			
Equity holders of the company	<b>(531)</b>	(295)	
Non controlling interest	-	-	
	<b>(531)</b>	(295)	

N.M. - Not Meaningful

A statement of comprehensive income (for the group), together with a comprehensive statement for the corresponding period of the immediate preceding financial year

	<b>The Group</b>	
	<b>3 months ended 31 October</b>	
	<b>2017 S\$'000</b>	<b>2016 S\$'000</b>
Loss from operations attributable to equity holders of the Company	<b>(531)</b>	(295)
Other comprehensive income:		
Foreign currency translation	<b>(5)</b>	3
Total comprehensive income for the period	<b>(536)</b>	(292)
<b>Attributable to :</b>		
Equity holders of the company	<b>(536)</b>	(292)
Non controlling interest	-	-
	<b>(536)</b>	(292)

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

<b>The Group</b>		
3 months ended 31 October		
	2017	2016
	S\$'000	S\$'000
a) Depreciation on property, plant and equipment	4	1
b) Foreign exchange loss - net	1	1

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**

	<b>The Group</b>		<b>The Company</b>	
	31/10/2017	31/7/2017	31/10/2017	31/7/2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	1,410	2,213	1,263	2,098
Trade and other receivables	60	64	1,037	154
Other current assets	538	143	38	24
Inventories at cost	9	12	-	-
	<u>2,017</u>	<u>2,432</u>	<u>2,338</u>	<u>2,276</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	195	7	6	4
Intangible assets	222	-	-	-
Deposit	168	-	-	-
Investments in subsidiaries	-	-	100	100
	<u>585</u>	<u>7</u>	<u>106</u>	<u>104</u>
<b>Total Assets</b>	<u>2,602</u>	<u>2,439</u>	<u>2,444</u>	<u>2,380</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	959	337	715	250
Bank borrowings	51	-	-	-
Taxation payables	2	-	-	-
	<u>1,012</u>	<u>337</u>	<u>715</u>	<u>250</u>
<b>Non-current Liabilities</b>				
Bank borrowings	24	-	-	-
	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>1,036</u>	<u>337</u>	<u>715</u>	<u>250</u>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	58,500	58,500	58,500	58,500
Foreign currency translation	(47)	(42)	-	-
Accumulated losses	(56,887)	(56,356)	(56,771)	(56,370)
<b>Total Equity</b>	<u>1,566</u>	<u>2,102</u>	<u>1,729</u>	<u>2,130</u>
<b>Total Liabilities &amp; Equity</b>	<u>2,602</u>	<u>2,439</u>	<u>2,444</u>	<u>2,380</u>

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

<b>The Group</b>				
	As at 31/10/2017		As at 31/07/2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less or on demand	-	51 *	-	-
	<u>-</u>	<u>51</u>	<u>-</u>	<u>-</u>
Amount repayable after one year	-	24 *	-	-
	<u>-</u>	<u>24</u>	<u>-</u>	<u>-</u>

\* Unsecured - Bank facility

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 October	
	2017	2016
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Loss before tax	(531)	(295)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	4	1
<b>Operating loss before changes in working capital</b>	<b>(527)</b>	<b>(294)</b>
<u>Changes in working capital</u>		
Decrease in trade and other receivables	7	-
Decrease / (Increase) in other current assets	131	(2)
Decrease / (Increase) in inventories	3	(2)
Increase in trade and other payables	372	225
<b>Net cash used in operating activities</b>	<b>(14)</b>	<b>(73)</b>
<b>Cash flows from investing activities</b>		
Net cash outflow on acquisition of a subsidiary	(778)	-
Purchase of property, plant and equipment	(2)	-
Exchange realignment	(5)	3
<b>Net cash (used in) / generated from investing activities</b>	<b>(785)</b>	<b>3</b>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(4)	-
<b>Net cash used in financing activities</b>	<b>(4)</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(803)</b>	<b>(70)</b>
Cash and cash equivalents at the beginning of the financial period	2,213	93
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,410</b>	<b>23</b>
<b>1(c)(i) Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	1,410	23

**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 2017 - 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 August 2017</b>	58,500	(42)	(56,356)	-	2,102
Net loss for the period	-	-	(531)	-	(531)
Other comprehensive income for the period	-	(5)	-	-	(5)
<b>Balance at 31 October 2017</b>	<b>58,500</b>	<b>(47)</b>	<b>(56,887)</b>	<b>-</b>	<b>1,566</b>
Balance at 1 August 2016	55,086	(25)	(55,223)	4	(158)
Net loss for the period	-	-	(295)	-	(295)
Other comprehensive income for the period	-	3	-	-	3
Balance at 31 October 2016	55,086	(22)	(55,518)	4	(450)

(ii) Consolidated statement of changes in equity for the period ended 31 October 2017 - Company

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
<b>Balance at 1 August 2017</b>	58,500	(56,370)	2,130
Net loss for the period	-	(401)	(401)
<b>Balance at 31 October 2017</b>	<b>58,500</b>	<b>(56,771)</b>	<b>1,729</b>
Balance at 1 August 2016	55,086	(54,496)	590
Net loss for the period	-	(229)	(229)
Balance at 31 October 2016	55,086	(54,725)	361

**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 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.

As at 31 October 2017 and 31 July 2017, the Company's issued share capital was 194,019,988 shares.

There were no treasury shares and subsidiary holdings held as at 31 October 2017 and 31 July 2017.

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>	
	31/10/2017	31/07/2017
Total number of issued shares excluding treasury shares	<b>194,019,988</b>	194,109,988

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, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfer, disposal, 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 2017.

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 adopted the new and revised financial reporting standards ("FRS") and interpretation of FRS ("INT FRS") that are effective for accounting period beginning on or before 1 August 2017. The adoption of these new and revised FRS and INT FRS where relevant has no material change or impact on the Group's accounting policies or the financial statements.

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>	
	3 months ended 31 October	
	2017	2016 (Restated)
Loss per share ("EPS") for the period attributable to the equity holders of the Company :		
Weighted average number of ordinary shares	<b>194,019,988</b>	61,199,996
Based on the weighted average number of ordinary shares		
- from continuing operations - Basic & Diluted (cents)	<b>(0.28)</b>	(0.48)
	<b>(0.28)</b>	(0.48)

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	
	31/10/2017	31/07/2017	31/10/2017	31/07/2017
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	0.81	1.08	0.89	1.10

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\$0.43 million for Q1 FY2018, which saw an increase of S\$0.28 million over the corresponding quarter of last financial year. The increase was mainly derived from the new transactions of e-Holidays Co., Ltd which contributed about 73% of the group revenues. The group is working and initiating on various trends to promote such related travel services transactions and activities. The sales activities from F&B at Mulligans Pattaya saw a continued decline of activities mainly affected by the economical and weather climate. The F&B industry is facing slowdown trends due to the drop of tourist arrival. Clubs and pubs operations have been demanded to tune down by the authorities in anticipation of the death anniversary of the late Thai King. This has negatively affected sales activities to the outlet's operation. With such constraint, marketing and promotion activities have been affected in all aspects. F&B activities are anticipated to improve progressively in the coming months. The management will work strategically with the operations to manage and enhance the business performance of the F&Bs and service activities.

No miscellaneous income and expenses was recorded in both Q1 FY2018 and Q1 FY2017.

##### Cost & Expenses

Inventories and services expenses saw an increase of S\$0.26 million to S\$0.32 million. The increase in cost was mainly contributed by higher sales activities from travel services which was partially offset by the lower sales from the F&B outlet in the reported quarter. Advertising, media and entertainment expenses increased to S\$0.01 million mainly due to increase advertising activities and promotion from the higher revenues and operations activities. Employee benefits increased by 77% to S\$0.39 million mainly due to additional staff deployment and new setup entities for the business operations in the reported quarter. Amortisation and depreciation charges increased to less than S\$0.01 million in Q1 FY2018 due to higher depreciation charges for the business entities incurred for the period.

The Group saw rental on operating lease increased by 11% to S\$0.06 million mainly incurred from rental expenses for the head office and business premises facilities in Q1 FY2018. Transportation expenses amounting to less than S\$0.01 million in the reported quarter mainly incurred for the expanded business and operating activities. Legal and professional fees saw an increase of 44% to S\$0.1 million mainly due to related professional and legal fees incurred for the new business transactions and activities in the related quarter. Other operating expenses in Q1 FY2018 saw an increase of 88% to S\$0.06 million mainly incurred for related expenses to the corporate structure and new business entities.

Total expenses in Q1 FY2018 saw an increase of S\$0.51 million to S\$0.96 million mainly due to the increase in operating cost and related employee expenses. Such increase is directly contributed from the increase in business setups and transactions in the reported quarter.

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

The group's current assets held as at 31 October 2017 was S\$2.02 million. Non-current assets stated at S\$0.59 million as at 31 October 2017 mainly due to the inclusion of the goodwill of S\$0.22 million from the acquisition of the e-Holidays Co., Ltd, and the deposit of S\$0.17 million related to the issuance of the travel agency licence. Fixed assets comprising property, plant & equipment amounted to S\$0.2 million as at 31 October 2017 after taking into account of amortization and depreciation in Q1 FY2018.

Trade and other receivables maintained at S\$0.06 million with activities and collections being consistent in the reported quarter. Other current assets which include security deposit, advances and prepayment increased to S\$0.54 million mainly due to the higher activities and expanded business transactions. Inventory amount saw a decrease to S\$0.01 million as at 31 October 2017 being due to better control on stock holding and management for the reported period.

Trade and other payables increase to S\$0.96 million as at 31 October 2017 mainly due to the expanded business structure and activities. Trade and other payables include trade suppliers' payables, advance receipts from customers, payable to contractors, provisions and accruals as at Q1 FY2018.

There is an existing bank facility amounted to S\$0.07 million which attributed to the acquired travel business. Such loan granted is to facilitate the business activities of the related business segment. The duration of the loan payable is S\$0.05 million within the current year and the balance of S\$0.02 million in the pursuing years.

The Group generated negative net cash in operating activities of S\$0.01 million mainly due to the operating loss and the movement in working capital in Q1 FY2018. Cash flows used in investing activities amounting to S\$0.79 million in Q1 FY2018 comprising amount of S\$0.78 million on the acquisition of e-Holidays Co., Ltd, and amount of S\$0.01 million incurred for operating equipment for the business and the exchange translation of the related entities. The cashflow used in financing activities amounting less than S\$0.01 million in Q1 FY2018 mainly incurred for repayment of bank facilities. Cash and cash equivalents stood at S\$1.41 million as at 31 October 2017.

The Group is in a positive equity position amounted to S\$1.6 million as at 31 October 2017 as compared to S\$2.1 million as at 31 July 2017.

The Company incorporated a wholly-owned subsidiary, Finesse Digital Pte Ltd on 8 September 2017 with a paid-up share capital of S\$1.00 to provide fintech application and innovation, information technology and development service. The Company further incorporated another wholly-owned subsidiary, LB F&B Pte Ltd on 4 October 2017, with a paid-up share capital of S\$1.00 to provide food and beverage services. The directors will continue to explore on various fund raising activities and transactions with interested parties to better position the assets and structure of the Group.

**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 the related industry and will continue to explore business opportunities which may include fund raising exercise to position and transform its business profile and strategic direction.

With the approval and mandate of the business diversifications to include travel, fintech, IT and fund management businesses, the Company is in process to structure and direct these related segments to attain all business feasibilities and operation activities in the coming periods.

The Group will update on further development on 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 amounted to more than S\$100,000 during Q1 FY2018.

**14 Utilisation of proceeds from the rights issue and placement of new shares**

The net proceeds from the rights issue of 122,399,992 new ordinary shares at the issue price of S\$0.025 per rights share in the share capital of the company was \$2,930,000, with the amount utilised as set out below :

<b>Intended use of net proceeds</b>	<b>Net proceeds from rights issue S\$'000</b>	<b>Amount utilised S\$'000</b>	<b>Balance S\$'000</b>
Business Acquisition	1,172	(850)	322
Working Capital	1,758	(1,281) *	477
<b>Total</b>	<b>2,930</b>	<b>(2,131)</b>	<b>799</b>

Note :

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

	<b>S\$'000</b>
Salaries & related expenses	708
Director fees	120
Professional fees	283
Operating expenses	170
<b>Total</b>	<b>1,281</b>

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

The net proceeds from the placement of 10,420,000 new ordinary shares at the issue price of S\$0.048 per placement share in the share capital of the company was \$483,660, 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	484	(407) *	77
Total	484	(407)	77

Note :

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

	S\$'000
Salaries & related expenses	192
Operating Expenses	145
Professional fees	70
Total	407

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 FY2018 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**

**Saito Hiroyuki**  
Executive Chairman / CEO

14 December 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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