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

SECOND QUARTER FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 JANUARY 2007

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS (Q1,Q2,Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		
	3 months ended 31 Jan		%
	2007 S$'000	2006 S$'000	Increase/ (Decrease)
CONTINUING OPERATIONS			
Revenue	**9,686**	5,513	76%
Other gains			
- Miscellaneous	**698**	327	113%
- Exceptional income	**-**	1,800	NM
	698	2,127	
Expenses			
- Inventories and consumables used	**(2,642)**	(2,003)	32%
- Advertising, media and entertainment	**(1,211)**	(651)	86%
- Employee benefits	**(3,282)**	(1,122)	193%
- Amortisation, depreciation and impairment	**(947)**	(346)	174%
- Finance	**(90)**	(114)	-21%
- Rental on operating leases	**(1,173)**	(300)	291%
- Transportation	**(18)**	-	NM
- Legal and professional fees	**(299)**	(250)	20%
- Contract services	**(330)**	(201)	64%
- Licence and permits	**(160)**	(105)	52%
- Other operating expenses	**(752)**	(540)	39%
Changes in inventories of finished goods	**523**	741	-29%
Total expenses	**(10,381)**	(4,891)	112%
Profit before income tax	**3**	2,749	-100%
Income tax written back/(expense)	**220**	(255)	NM
Profit from continuing operations	**223**	**2,494**	-91%
DISCONTINUED OPERATIONS			
Total loss from discontinued operations	**-**	(4,000) *	NM
Total profit/(loss) for the period	**223**	**(1,506)**	-115%
Atrributable to:			
Equity holders of the Company	163	(1,538)	
Minority interest	60	32	
	223	(1,506)	

NM : Not meaningful

Notes to Income Statement

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

	The Group		
	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS
	3 months ended 31 Jan		3 months ended 31 Jan
	2007 S$'000	2006 S$'000	2006 * S$'000
a) Depreciation on property, plant and equipment	**829**	294	108
b) Amortisation on intangible assets	**118**	52	9
c) Foreign exchange (gain)/loss	**7**	(4)	41
d) Inventories written off	**-**	-	1,984
e) Interest income	**(26)**	(69)	(20)
f) Service charge surplus	**(660)**	(258)	-
g) Rental on operating leases	**1,173**	300	96
h) Intangible assets written off	**164**	93	-
i) Gain on disposal of equity interest in a subsidiary	**-**	1,800	-

* **DISCONTINUED OPERATIONS**
Results of discontinued operations. Only applicable to FY2006.
A summary of the results of Discontinued operations is as follows:-

	31-Jan-06 S$'000
Sales	1,235
Net costs/expenses	(5,252)
Income tax written back	17
Loss after tax of discontinued operations	(4,000) *

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets

	The Group		The Company	
	31/01/2007	31/07/2006	31/01/2007	31/07/2006
ASSETS	S$'000	S$'000	S$'000	S$'000
Current Assets				
Cash and cash equivalents	**5,828**	13,902	**2,448**	7,208
Trade and other receivables	**2,486**	1,385	**5,625**	3,148
Other current assets	**3,564**	1,106	**172**	138
Inventories at cost	**1,117**	537	**-**	-
	12,995	16,930	**8,245**	10,494
Non-Current Assets				
Property, plant and equipment	**18,239**	8,233	**236**	371
Intangible assets	**797**	991	**-**	-
Investments in subsidiaries	**-**	-	**3,500**	3,300
Intercompany long term loan	**-**	-	**1,000**	1,000
	19,036	9,224	**4,736**	4,671
Total Assets	**32,031**	26,154	**12,981**	15,165
LIABILITIES				
Current Liabilities				
Trade and other payables	**12,499**	5,781	**383**	2,131
Borrowings	**4,992**	5,973	**3,123**	2,917
Current income tax liabilities	**4**	4	**4**	4
	17,495	11,758	**3,510**	5,052
Non-current Liabilities				
Deferred tax liabilities	**219**	219	**-**	-
Borrowings	**1,828**	2,083	**1,248**	2,083
	2,047	2,302	**1,248**	2,083
Total Liabilities	**19,542**	14,060	**4,758**	7,135
Net Assets	**12,489**	12,094	**8,223**	8,030
SHAREHOLDERS' EQUITY				
Share capital and share premium	**29,108**	29,108	**29,108**	29,108
Foreign currency translation reserve	**-**	1	**-**	-
Accumulated losses	**(17,428)**	(17,643)	**(20,885)**	(21,078)
	11,680	11,466	**8,223**	8,030
Minority interest	**809**	628	**-**	-
Total equity	**12,489**	12,094	**8,223**	8,030

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

	The Group			
	As at 31/01/2007		As at 31/07/2006	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	**-**	**4,992**	-	5,973
Amount repayable after one year	**505**	**1,323**	500	1,583
	505	**6,315**	500	7,556

Details of any collateral

A charge on Fixed Deposit of the Company for S$505,000 placed with a financial institution for a credit facility granted to the Company.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	3 months ended 31 Jan	
	2007	2006
	S$'000	S$'000
Cash flows from operating activities		
Profit/(loss) before tax	**3**	(1,268)
Adjustments for:		
Depreciation on property, plant and equipment	**829**	454
Amortisation on intangible assets	**118**	9
Interest income	**(26)**	(69)
Factoring charges and interest expense	**90**	165
Franchise fee written off	**164**	93
Gain on disposal of equity interest in a subsidiary	**-**	(1,800)
Gain on disposal of property, plant and equipment	**-**	(20)
Operating cashflow before working capital changes	**1,178**	(2,436)
Change in operating assets and liabilities, net of effects from disposal of subsidiaries:		
Trade and other receivables	**(305)**	4,332
Other current assets	**(2,688)**	(350)
Inventories	**(523)**	(917)
Trade and other payables	**6,238**	3,978
Cash generated from operations	**3,900**	4,607
Income tax paid	**-**	(1,357)
Net cash generated from operating activities	**3,900**	3,250
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**-**	108
Purchases of property, plant and equipment	**(10,247)**	(5,943)
Purchases of franchises and licenses	**(106)**	-
Interest received	**26**	69
Net cash used in investing activities	**(10,327)**	(5,766)
Cash flows from financing activities		
Proceeds from sale of equity interest in a subsidiary	-	2,000
(Repayments)/Proceeds from borrowings	**(580)**	1,360
Factoring charges and interest expense paid	**(77)**	(165)
Dividends paid to shareholders	-	(616)
Net cash (used in)/generated from financing activities	**(657)**	2,579
Net (decrease)/increase in cash and cash equivalents	**(7,084)**	63
Cash and cash equivalents at the beginning of the financial period	**12,912**	18,291
Cash and cash equivalents at end of the financial period	**5,828**	18,354

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 Jan 2007 - Group

	Share Capital S$'000	Foreign Currency Translation Reserve S$'000	(Accumulated Losses)/ Retained Earnings S$'000	Minority Interest S$'000	Total S$'000
Balance at 1 August 2006	**29,108**	**1**	**(17,643)**	**628**	**12,094**
Net gain for the period	-	-	52	121	173
Net loss not recognised in income statement - currency translation differences	-	(1)	-	-	(1)
Total recognised gains and losses for the financial period	**-**	**(1)**	**52**	**121**	**172**
Balance at 31 October 2006	29,108	-	(17,591)	749	12,266
Net loss for the period	-	-	163	60	223
Net loss not recognised in income statement - currency translation differences	-	-	-	-	
Total recognised profit/(losses) for the period	**-**	**-**	**163**	**60**	**223**
Balance at 31 January 2007	**29,108**	**-**	**(17,428)**	**809**	**12,489**
Balance at 1 August 2005	**29,108**	**(9)**	**4,897**	**-**	**33,996**
Net loss for the period	-	-	(5,696)	-	(5,696)
Net loss not recognised in income statement - currency translation differences	-	(2)	-	-	- (2)
Total recognised gains and losses for the financial period	**-**	**(2)**	**(5,696)**	**-**	**(5,698)**
Balance at 31 October 2005	29,108	(11)	(799)	-	28,298
Net loss for the period			(1,538)	32	(1,506)
Net loss not recognised in income statement - currency translation differences		(2)			(2)
Total recognised profit/(losses) for the financial period	**-**	**(2)**	**(1,538)**	**32**	**(1,508)**
Dividend			**(616)**		**(616)**
Minority Interest				**200**	**200**
Balance at 31 January 2006	**29,108**	**(13)**	**(2,953)**	**232**	**26,374**

(ii) Statement of changes in equity for period ended 31 Jan 2007 - Company

	Share Capital S$'000	(Accumulated Losses)/ Retained Earnings S$'000	Total S$'000
Balance at 1 August 2006	**29,108**	**(21,078)**	**8,030**
Net loss for the period	-	(151)	**(151)**
Balance at 31 October 2006	29,108	(21,229)	7,879
Net profit for the period	-	344	**344**
Balance at 31 January 2007	**29,108**	**(20,885)**	**8,223**
Balance at 1 August 2005	**29,108**	**116**	**29,224**
Net profit for the period	-	13	**13**
Balance at 31 October 2005	29,108	129	29,237
Net profit for the period	-	2,450	**2,450**
Dividend		(616)	**(616)**
Balance at 31 January 2006	**29,108**	**1,963**	**31,071**

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 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.

(a) Changes in authorised share capital
There were no changes in the authorised share capital.

(b) Changes in paid-up share capital
There were no changes in the issued share capital.

(c) Options
There were no option granted as at 31 January 2007

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 period as compared with the most recently audited financial statements of LifeBrandz Ltd for the year ended 31 July 2006.

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 presentation of the financial statements for the current reporting period compared with the audited financial statements as at 31 July 2006, except for the adoption of the following new and revised Singapore Financial Reporting Standards (FRS) that are effective for our financial year beginning on 1 August 2006:

FRS 1 (revised 2006) Presentation of Financial Statements
FRS 19 (revised 2006) Employee Benefits

The adoption of the above FRS did not result in substantial changes to the Group’s accounting policies.

FRS 39 (revised 2006) Financial Instruments: Recognition and Measurement

The above FRS shall be assessed at financial year end.

The financial statements, comprising the consolidated income statement, balance sheets, statements of changes in equity and consolidated cashflow statements, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group 3 months ended 31 Jan 2007	 2006
Earnings / (Loss) per share ("EPS") for the year attributable to the equity holders of the Company :		
- from continuing operations - Basic (cents)	0.03	0.41
- from discontinued operations - Basic (cents)	-	(0.65)
	0.03	(0.25)

Diluted earnings per share is the same as basic earnings per share as there are no issuance of dilutive instrument.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	The Group		The Company	
	1/31/2007	7/31/2006	1/31/2007	7/31/2006
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	1.91	1.87	1.34	1.31

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include 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.

Background information:

In 4QFY2006, LifeBrandz entered into an agreement on 28 July 2006 for the sale of its entire shareholding interests in three subsidiary companies, namely LifePharm Pte Ltd, LifePharm Asia Limited and ThaiNutri Co. Ltd (the "LifePharm companies"), through which the Group had been carrying out its businesses relating to beauty and wellness supplement products and henceforth referred to as Discontinued Operations.

Pursuant to the subject sale, the Group is required to continue its separate disclosure of financial results through the new financial year ending 31 July 2007 ("FY2007"), and categorised under Continuing Operations and Discontinued Operations as appended.

Continuing Operations encompass LifeBrandz' first two LifeStyle product category concepts – The Balcony Bar at The Heeren and Ministry of Sound at The Cannery @ Clarke Quay, both of which commenced operations in Q2FY2006 – including any new lifestyle entertainment concepts subsequently unveiled by the Group; as well as other businesses, namely Dashing Diva Nail Spa and Boutique and N-Inc's Nué brand of ladies' designer shoes.

Accordingly, the comparison of year-on-year changes of line items (i.e. for Q2 FY2007 ended 31 January 2007 vs Q2 FY2006 ended 31 January 2006) as highlighted in previous results announcements will not be meaningful and hence omitted. The balance sheet line items as at 31 July 2006 and 31 January 2007 included only the remaining assets utilised by the Continuing Operations of the Group after taking into account the effect of the subject disposal.

As the major businesses for the Beauty/Wellness/Fashion product category were carried out under the LifePharm Companies and hence categorized under Discontinued Operations, segmentation into Beauty/Wellness/Fashion and LifeStyle product categories will no longer be required.

Income Statement

The Group recorded a profit after tax for the second quarter ended 31 January 2007 ("Q2FY2007") of S$223,000 while profit attributed to equity holders after accounting for minority interests was S$163,000. For the first six months of FY2007, the Group recorded revenue of S$16.2 million, while profit attributable to shareholders amounted to S$215,000. For the first six months of FY2006, the Group's recorded total loss of S$7.2 million attributed mainly from the Discontinued Operations.

In Q2FY2007, the Group achieved revenue amounting to S$9.7 million, mainly attributed to its core Ministry of Sound operation that has continued to do well. Due to the commencement of operations of the new outlets late into Q2FY2007, their revenue contributions were inevitably limited in line with the number of operating days in this reporting period.

The modest profit recorded continues to be mainly due to the recognition in Q2FY2007 of development and initial set-up expenses as well as pre-opening expenses in the two months leading to the Group's opening of five new concepts under Phase II at the Cannery in Clarke Quay and Café Del Mar at Siloso Beach, Sentosa, which have been explained in the following paragraphs.

1) Continuing Operations

The Group's mainstay concept at Cannery at Clarke Quay, i.e., Ministry of Sound dance club, continued to receive warm patronage by both locals and tourists since its opening in mid December 2005.

On 15 December 2006, the Group launched its five exceptionally unique lifestyle brands in Singapore under the Group's multi-faceted the Cannery block in Clarke Quay : - Barfly by Buddha Bar, Kandi Bar by Hed Kandi, Bice, Fashion Bar and The Clinic/Aurum, which were positively received by the respective target markets for these concepts.

On 19 January 2007, the Group's Spanish beach lifestyle concept, Café Del Mar at Sentosa Island's Siloso Beach, also opened to rave reviews.

With the five new outlets at the Cannery operating for less than 1 ½ months in Q2FY2007 while Café del Mar was operating for only 11 days in Q2FY2007, revenue contributions from the six new outlets for the quarter were limited.

On the other hand, prior to these new outlets opening for business, the Group carried out intense pre-operating procedures and preparations, which resulted in incurring high pre-operating expenses for these six new outlets.

These expenses included mainly expenses from increases in headcount and salaries as new executive staff are recruited in advance for the new outlets to plan and undertake groundwork / setting up processes, while service staff were signed on from November 2006 to undergo extended training and preparation for the commencement of operations.

In addition, the Group incurred professional fees and travel expenses in flying in appointed international architects, interior designers and representatives from the Licensors and Franchisors, and other consultants to Singapore for the proper set-up of the outlets' premises, audio-visual system, bar and kitchen operations and F&B menu, etc.

Promotional expenses were also incurred in the creation of initial consumer awareness of the new outlets and concepts leading to the grand opening, coupled with additional expenses in hosting preview events.

The abovementioned cost items contributed to Other Operating Expenses of S$0.8 million and Employee Benefits of S$3.3 million recorded for Q2FY2007. Similarly, the new outlets' commencement of operations contributed to the increases in the following:- Cost of goods and consumables used in Q2FY2007 to S$2.6 million; advertising, media and entertainment related expenses to S$1.2 million; rental expenses to S$1.2 million; amortisation and depreciation of property, plant and equipment to S$0.8 million and amortisation of intangibles to S$0.1 million. As such, total operating expenses recorded for Q2FY2007 increased to S$10.4 million.

2) Discontinued Operations:

These comprised businesses undertaken by the disposed LifePharm companies which had carried out the Group's former businesses relating to beauty and wellness supplement products. As such, for Q2FY2007, no profit or loss was recorded by Discontinued Operations.

Group Balance Sheet and Cash Flow:

The balance sheet items as at 31 January 2007 reflected the remaining assets and liabilities of the Group after the Disposal.

The Group's pre-operating preparatory activities and commencement of business of the Group's six new outlets have contributed to the increases in various balance sheet and cash flow items as at 31 January 2007 compared to 31 July 2006:-

Trade and other receivables rose from S$1.4 million as at 31 July 2006 to S$2.5 million as at 31 January 2007 largely due to increase in sundry receivables for expenses incurred in advance for the new outlets, and trade receivables from corporate events and sponsorship.

Other current assets increased from S$1.1 million to S$3.6 million, which comprise deposits relating to leases and utilities, as well as various prepayments related to franchise/music entertainment fees and other prepayments (licences, insurance, maintenance etc). Inventories increased from S$0.5 million to S$1.1 million, commensurate with the need to set-up full bars and/or kitchen operations prior to opening for business.

Property, plant and equipment increased significantly from S$8.2 million as at 31 July 2006 to S$18.2 million largely due to purchases made in Q2FY2007 as part of the setting–up process for the six new concepts. Intangible assets encompassed franchise fees and licences paid upfront in respect of the LifeStyle businesses, which decreased from S$1.0 million to S$0.8 million as amortization of these licences/franchises will commence the moment the respective outlet opens for business.

Trade and other payables, which include mainly payments due to suppliers and accruals for operating expenses, increased from S$5.8 million to S$12.5 million largely attributed to the six new outlets.

Total borrowings decreased from S$8.1 million to S$6.8 million, while cash and cash equivalents decreased from S$13.9 million to S$5.8 million as the commencement operations of the six new outlets in Q2FY2007 inevitably requiring significantly more cash outflow.

Operating activities in Q2FY2007 generated a net cash of S$3.9 million, while net cash used in investing activities amounted to S$10.3 million due to the purchases of property, plant and equipment as well as franchises and licences primarily for the Group's new outlets. Net cash of S$0.7 million was used in financing activities mainly due to the repayment of bank borrowings of $0.6 million.

Placement Exercise

During the quarter being reviewed, the Group also embarked upon and completed a share placement exercise to raise net proceeds of approximately $12.9 million for the purpose of working capital for the Group. The share placement exercise was completed on 5 February 2007.

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

With reference to the Q1FY2007 results announcement on 15 December 2006, the outlook for the Group remains upbeat for 2HFY2007 – the Group is able to continue leveraging on favourable operating conditions as Singapore aims to become one of the top destinations in Southeast Asia for clubs, bars and other forms of entertainment to complement the development of its two integrated resorts.

The Group's six newly launched outlets, Kandi Bar, Barfly, Bice, Fashion Bar, and The Clinic/Aurum at the Cannery in Clarke Quay, and Café Del Mar at Sentosa's Siloso Beach opened in Q2FY2007 to warm market reception and the Group is optimistic that these new exceptionally unique concepts, in offering exciting diverse entertainment alternatives, will continue to attract regular patronage by the respective target markets.

With the full quarter revenue contributions from the 6 newly launched outlets in Q3FY2007 and the continuing warm patronage by both locals and tourists to the Ministry of Sound, the Group is confident of achieving higher revenue in Q3FY2007 as compared to Q2FY2007.

In addition, having completed the Cannery in Clarke Quay and Café Del Mar at Sentosa Island as scheduled, the Group was able to resume exploring fresh opportunities for its next stage of expansion, leveraging on its proven success in Singapore to attract several well-sought after international brands, projects and prospective partners.

The Group has since identified several exciting projects in fast-growing markets like Macau, Shanghai, Beijing which it will be pursuing in collaboration with strategic partners over the next two years, and plans to introduce more international brands of nightclubs and restaurants to wow both the local and tourist crowds. Further developments will be announced in due course upon reaching conclusive agreements.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the 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 interim dividend has been declared/recommended for the period under review.

13 Statement pursuant to Rule 705(4) 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 Q2FY2007 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Kenneth Goh Tzu Seoh **Director**	**Michael Wong C. K.** **Director**

15-Mar-2007