LIFEBRANDZ LTD.

(Incorporated in the Republic of Singapore)

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2005

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

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 January		Change	6 months ended 31 January		Change
	2005 S$'000	2004 S$'000	%	2005 S$'000	2004 S$'000	%
Sales	**12,508**	9,432	33%	**25,220**	22,500	12%
Other operating income	**48**	9	433%	**98**	12	717%
Changes in inventories of finished goods	**165**	295	-44%	**373**	312	20%
Raw materials and consumables used, distributor fees and handling costs	**(4,905)**	(3,277)	50%	**(9,541)**	(8,685)	10%
Advertising and promotion expenses	**(5,087)**	(2,632)	93%	**(9,381)**	(6,241)	50%
Staff costs	**(711)**	(310)	129%	**(1,403)**	(492)	185%
Depreciation	**(100)**	(29)	245%	**(178)**	(39)	356%
Other operating expenses	**(673)**	(486)	38%	**(1,296)**	(897)	44%
	(11,263)	(6,430)	75%	**(21,328)**	(16,030)	33%
Profit from operations	**1,245**	3,002	-59%	**3,892**	6,470	-40%
Finance cost - net	**(34)**	(14)	143%	**(70)**	(139)	-50%
Profit before tax	**1,211**	2,988	-59%	**3,822**	6,331	-40%
Taxation	**(277)**	(627)	-56%	**(780)**	(1,295)	-40%
Net profit	**934**	2,361	-60%	**3,042**	5,036	-40%

Explanatory Notes:-

(a) LifeBrandz Ltd ("The Company") was incorporated in Singapore under the name of LifeBrandz Pte Ltd on 7 November 2003 as a private limited company. On 29 April 2004, it changed its name to LifeBrandz Ltd in connection with the Company's conversion to a public company limited by shares. On 18 June 2004, the Company was admitted to the main board of Singapore Exchange Securities Trading Limited ("SGX-ST") ("IPO").

(b) LifeBrandz Group (the "Group") was formed as a result of a restructuring exercise undertaken on 29 April 2004 as described in the Prospectus dated 8 June 2004 ("Restructuring Exercise").

(c) The consolidated financial statements (which include the consolidated Group's income statement, balance sheet, cash flow statement and statement of changes in equity) of the Group for the 3 months and 6 months ended 31 January 2004 have been prepared using the "Pooling of Interest" method, as the entities within the Group are under the common control before and after the restructuring exercise. Under the pooling of interest method, the financial statements of the Group for the 3 months and 6 months ended 31 January 2004 have been presented as if the Group has been in existence prior to 29 April 2004 and the assets and liabilities are brought into the consolidated financial statements at their existing carrying amount.

Notes to Income Statement

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

	The Group			
	3 months ended 31 January		6 months ended 31 January	
	2005	2004	2005	2004
	S$'000	S$'000	S$'000	S$'000
a) Depreciation of plant and equipment	**100**	29	**178**	39
b) Inventories written off	**5**	-	**7**	17
c) Foreign exchange loss/(gain)	**4**	-	**61**	-
d) Operating lease expenses	**94**	38	**173**	76
e) Other income	**(48)**	(9)	**(98)**	(12)

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	
	31/01/2005	31/07/2004	31/01/2005	31/07/2004
ASSETS	S$'000	S$'000	S$'000	S$'000
Current Assets				
Cash and cash equivalents	**22,931**	30,040	**20,432**	28,424
Receivables	**14,532**	11,390	**3,886**	210
Other current assets	**3,524**	2,184	**53**	211
Inventories	**725**	353	**-**	-
	41,712	43,967	**24,371**	28,845
Non-Current Assets				
Plant and equipment	**922**	625	**-**	-
Investments in subsidiaries	**-**	-	**5,022**	5,022
	922	625	**5,022**	5,022
Total Assets	**42,634**	44,592	**29,393**	33,867
LIABILITIES				
Current Liabilities				
Trade and other payables	**8,527**	8,571	**142**	164
Borrowings	**-**	-	**-**	-
Current tax	**2,002**	2,395	**21**	3
	10,529	10,966	**163**	167
Total Liabilities	**10,529**	10,966	**163**	167
Net Assets	**32,105**	33,626	**29,230**	33,700
SHAREHOLDERS' EQUITY				
Share capital	**6,120**	6,120	**6,120**	6,120
Share premium	**22,988**	23,068	**22,988**	23,068
Foreign currency translation reserve	**(14)**	2	**-**	-
Retained earnings	**3,011**	4,436	**122**	4,512
Total shareholders' equity	**32,105**	33,626	**29,230**	33,700

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

	The Group			
	As at 31/01/2005		As at 31/01/2004	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-
	-	-	-	-

Details of any collateral

N.A.

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

Refer to note (c) under section 1(a) for the basis of preparation of the consolidated cash flow statement.

	The Group 6 months ended 31 January 2005 S$'000	2004 S$'000
Cash flows from operating activities:		
Profit before tax	**3,822**	6,331
Adjustments for:		
Depreciation	**178**	39
Foreign currency translation adjustment	**(1)**	1
Interest income	**(98)**	-
Interest expenses	**70**	139
Operating cashflow before working capital change	**3,971**	6,510
Change in operating assets and liabilities		
Receivables	**(3,141)**	851
Other current assets	**(1,340)**	(1,515)
Inventories	**(372)**	(312)
Payables	**(44)**	265
Cash (used in)/generated from operations	**(926)**	5,799
Income tax paid	**(1,172)**	(643)
Net Cash (outflow)/inflow from operating activities	**(2,098)**	5,156
Cash flows from investing activities		
Payments for plant and equipment	**(492)**	(401)
Interest received	**98**	-
Net cash (outflow) from investing activities	**(394)**	(401)
Cash flows from financing activities:		
Payments from Share Premium	**(80)**	**-**
Repayments of borrowings	**-**	(323)
Interest paid	**(70)**	(139)
Dividends paid to shareholders	**(4,467)**	(2,000)
Net cash (outflow) from financing activities	**(4,617)**	(2,462)
Net (decrease)/increase in cash and cash equivalents held	**(7,109)**	2,294
Cash and cash equivalents at the beginning of period	**30,040**	1,207
Cash and cash equivalents at end of the financial period	**22,931**	3,501

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

Refer to note (c) under section 1(a) for the basis of preparation of the consolidated statement of changes in equity of the Group.

(i) Consolidated statement of changes in equity for the period ended 31 January 2005 - Group

	Share Capital S$'000	Share Premium S$'000	Foreign Currency Translation Reserve S$'000	Retained Earnings S$'000	Total S$'000
Balance at 1 August 2004	6,120	23,068	2	4,436	**33,626**
Net profit for the period	-	-	-	2,108	**2,108**
Net loss not recognised in income statement - currency translation differences	-	-	(14)	-	**-** **(14)**
Total recognised gains and losses for the financial period	**-**	**-**	**(14)**	**2,108**	**2,094**
Balance at 31 October 2004	**6,120**	**23,068**	**(12)**	**6,544**	**35,720**
Net profit for the period	-	-	-	934	**934**
Net loss not recognised in income statement - currency translation differences	-	-	(2)	-	**(2)**
Net change in share premium	-	(80)	-	-	**(80)**
Total recognised gains and losses for the financial period	**-**	**(80)**	**(2)**	**934**	**852**
Dividend	-	-	-	(4,467)	**(4,467)**
Balance at 31 January 2005	**6,120**	**22,988**	**(14)**	**3,011**	**32,105**
Balance at 1 August 2003	456	-	-	4,459	**4,915**
Total recognised gain for the financial period - Net Profit	**-**	**-**	**-**	**2,675**	**2,675**
Balance at 31 October 2003	456	-	-	7,134	**7,590**
Net profit for the period	-	-	-	2,361	**2,361**
Net gain not recognised in income statement - currency translation differences	-	-	1	-	**1**
Total recognised gains for the financial period	**-**	**-**	**1**	**2,361**	**2,362**
Dividend	-	-	-	(2,000)	**(2,000)**
Balance at 31 January 2004	**456**	**-**	**1**	**7,495**	**7,952**

** The share capital and retained earnings for the financial period ended 31 January 2005 represents the share capital and retained earnings of the subsidiary, LifePharm Pte Ltd, prior to the Restructuring Exercise.*

(ii) Statement of changes in equity for period ended 31 January 2005 - Company

	Share Capital S$'000	Share Premium S$'000	Retained Earnings S$'000	Total S$'000
Balance at 1 August 2004	6,120	23,068	4,512	**33,700**
Total recognised gain for the financial period - Net Profit	**-**	**-**	38	**38**
Balance at 31 October 2004	**6,120**	**23,068**	**4,550**	**33,738**
Net profit for the period	-	-	39	**39**
Net change in share premium	-	(80)	-	**(80)**
Total recognised gains and losses for the financial period	**-**	**(80)**	**39**	**(41)**
Dividend	-	-	(4,467)	**(4,467)**
Balance at 31 January 2005	**6,120**	**22,988**	**122**	**29,230**

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 31January 2005

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither 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 LifePharm Pte Ltd (principal subsidiary of the Company) for the year ended 31 July 2004.

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 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") as required by the Companies Act.

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		The Group	
	31/01/2005	**31/01/2004**	**31/01/2005**	**31/01/2004**
	3 months ended 31 January		**6 months ended 31 January**	
Earnings per ordinary share ("EPS") for the period after deducting any provision for preference dividends :				
Basic Earnings per share *	0.15	0.49	0.50	1.05

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

Notes:-
* Basic earnings per share for the period ended 31 January 2005 is calculated by dividing the net profit attributable to member of LifeBrandz Ltd by the the issued share capital of 612,000,000. For comparative purposes, basic EPS for the period ended 31 January 2004 is computed based on the pre-invitation share capital of 480,000,000 ordinary shares.

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	
	31/01/2005	31/07/2004	31/01/2005	31/07/2004
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	5.25	5.49	4.78	5.51

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.

For the six months ended 31 January 2005 ("1H 2005"), the Group recorded a profit after tax of $3.0 million on sales of $25.2 million.

The Group's 1H 2005 sales grew 12% compared to the previous corresponding period in FY2004. A comparative breakdown of the sales by major product categories for the period under review is as follows:-

	6 months ended 31 January			
	2005		2004	
Major Product Category	**S$'M**	**%**	**S$'M**	**%**
Nutraceuticals	17.0	67.5	16.7	74.2
Cosmeceuticals	4.0	15.8	5.2	23.0
Functional Food and Beverage	0.9	3.6	0.6	2.8
Personal/Family Care and Lifestyle	3.3	13.1	-	-
	25.2	**100**	**22.5**	**100**

Nutraceuticals remained the key contributor accounting for $17.0 million (representing 68%) of the Group's sales in 1H 2005. Cosmeceuticals was the second largest contributor with sales growth of Intenz Skin Activator series continuing to be positive. Functional Food and Beverages consisted mainly of Genki Tea sales. With the introduction of several new products in the Personal/Family care and Lifestyle Category during 1H 2005, the Group recorded sales of $3.3 million in 1H 2005 (representing 13% of Group's sales) for this product category.

The Group's gross profit margin improved slightly from 63% in 1H 2004 to 64% in 1H 2005 due mainly to the lower distribution and logistic costs.

Total operating expenses increased by $4.6 million from $7.7 million in 1H 2004 to $12.3 million in 1H 2005. The increase was principally attributable to:-

(a) Higher advertising and promotion ("A&P") expenses which increased by $3.1 million from $6.3 million in 1H 2004 to $9.4 million in 1H 2005. This represented 37% of the Group's total 1H 2005 sales, which remained in line with the Group's previously stated guidelines. In 1H 2004, the A&P expenses were incurred mainly for two products, Extrim carbohydrate neutraliser tablets and Intenz Skin Activator. In 1H 2005, the Group incurred higher A&P expenses in tandem with the increase in the number of products to more than 10.

The Group also invested greater A&P budget towards building brand awareness for various products and further strengthening market share in existing markets. Additional expenses were also incurred during 1H 2005 in laying the groundwork for further expansion into the region;

(b) Higher other operating expenses (e.g. staff costs, depreciation and others) which increased by $1.4 million to $2.9 million, due mainly to the increase in staff strength including a number of senior management staff, more frequent overseas travel and higher professional and administrative charges, which were in line with the Group's business expansion and overseas market penetration during 1H 2005.

During the review period, the Group successfully expanded its brand portfolio under all four of its major product categories namely Nutraceuticals, Cosmeceuticals, Functional Food & Beverages and Personal/Family Care and Lifestyle. We have further entrenched our existing top-selling brands such as Extrim and Intenz, while a new brand — TummiTrim which was well received.

In addition, the momentum of the Group's launch of Extrim carbohydrate neutralizer tablets in the new Indonesia market during 1H 2005 was temporarily dampened by local circumstances and concerns, e.g., the onset of Ramadan and Hari Raya Puasa in October~November 2004, while the 26 December tsunami also affected consumer sentiments and delayed the Group's promotion plans. Nonetheless, despite these initial setbacks, the Group has since received a subsequent batch of orders for its Extrim tablets from DKSH Group, the appointed exclusive distributor for Indonesia.

On the strategic front, the Group is pleased to have made significant headway in its push to penetrate the new countries of Taiwan and Thailand. The Group has recorded its first sale in Taiwan during the 1H 2005 period.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast made previously.

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

Going forward, we will continue our commitment to build brand equity through various means including appropriate A&P campaigns. While these efforts are yielding results, we believe the investment in strategic branding will greatly entrench the Group's market position in its existing countries and prepare the Group for further expansion into the region. The Group expects to build on its initial sales in Taiwan and also expects maiden sales from Thailand to come in shortly.

In the area of new product development, the Group is progressing as scheduled and will soon gear up for the launch of new products under various categories before the end of FY2005. This may include launching our own brands and products as well as forging joint ventures or strategic partnerships with both local brands as well as internationally renowned brands, which will enable the Group to broaden its customer and earnings bases.

The Group sees tremendous opportunities in exploiting its core competence and track record in developing and managing brand concepts in the Lifestyle category. The Group has been aggressively pursuing negotiations to advanced stages and several strategic developments are in the pipeline for 2H 2005 onwards.

The first project under its Lifestyle category, will soon kick off with the Group's signing of a letter of intent with Dashing Diva Franchise Corporation ("Dashing Diva") and KMC Exim Corp, the world's largest manufacturer of design nails. The Group is thus poised to capture the fragmented Asian nail care and beauty services market as the exclusive Licensee for Dashing Diva in Singapore, Hong Kong and Taiwan (please refer to a separate announcement dated 11 March 2005 "LifeBrandz inks exclusive deal with the world's largest design nail manufacturer" for further details).

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

If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared/recommended for the period under review.

BY ORDER OF THE BOARD

Koh Boon Liang / Tan Ping Ping
Joint Company Secretaries
11-Mar-05