

LIFEBRANDZ LTD.

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

FIRST QUARTER FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 OCTOBER 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			
	Notes	3 months ended 31 Oct		% Increase/ (Decrease)
		2007 S\$'000	2006 S\$'000	
CONTINUING OPERATIONS				
Revenue		9,919	6,228	59%
Other gains (net)				
- Miscellaneous		844	469	80%
Expenses				
- Inventories and consumables used		(2,604)	(1,362)	91%
- Advertising, media and entertainment		(1,274)	(496)	157%
- Employee benefits		(3,620)	(1,955)	85%
- Amortisation, depreciation and impairment		(1,254)	(538)	133%
- Finance		(61)	(101)	(40%)
- Rental on operating leases		(1,243)	(660)	88%
- Transportation		(30)	(7)	329%
- Legal and professional fees		(237)	(95)	149%
- Contract services		(281)	(248)	13%
- Licence and permits		(139)	(13)	969%
- Other operating expenses		(1,137)	(522)	118%
Changes in inventories of finished goods		125	56	123%
Total expenses		(11,755)	(5,941)	98%
(Loss)/ Profit before income tax	(i)	(992)	756	(231%)
Income tax expense		-	(220)	NM
(Loss)/Profit from continuing operations		(992)	536	(285%)
(Loss)/Profit attributable to minority interest		(196)	121	
(Loss)/Profit from continuing operations attributable to equity holders of the Company		(796)	415	
* DISCONTINUED OPERATIONS				
Loss from discontinued operations		-	(363)	NM
Total loss for the period		-	(363)	(100%)

NM : Not meaningful

Notes to Income Statement
CONTINUING OPERATIONS

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

	The Group			
	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS *	
	3 months ended 31 Oct		3 months ended 31 Oct	
	2007 S\$'000	2006 S\$'000	2007 S\$'000	2006 S\$'000
a) Depreciation on property, plant and equipment	1,111	438	-	66
b) Amortisation and impairment of intangible assets	143	100	-	-
c) Provision for doubtful debts	25	-	-	-
d) Foreign exchange loss	27	5	-	-
e) Interest income	(59)	(61)	-	-
f) Interest expenses	57	101	-	-
g) Service charge surplus	(797)	(403)	-	-
j) Other income	(15)	(5)	-	-
k) Rental on operating leases	1,243	660	-	181

*** DISCONTINUED OPERATIONS**

On 23 July 2007, the Company had entered into the Sale Agreement for the sale by the Company of its entire shareholding interest in the Dashing Diva Pte Ltd and N-Inc Pte Ltd. In accordance with FRS 105, non current assets held for sale and discontinued operations, the results of Dashing Diva Pte Ltd and N-Inc Pte Ltd have been classified as discontinued operations and presented separately in the income statement for the financial period ended 31 October 2006.

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	
	31/10/2007 S\$'000	31/7/2007 S\$'000	31/10/2007 S\$'000	31/7/2007 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	13,390	15,571	11,396	13,238
Trade and other receivables	1,747	929	7,510	5,770
Other current assets	1,489	1,597	747	791
Inventories at cost	916	791	-	-
	<u>17,542</u>	<u>18,888</u>	<u>19,653</u>	<u>19,799</u>
Non-Current Assets				
Property, plant and equipment	18,040	16,849	61	116
Intangible assets	738	880	-	-
Investments in subsidiaries	-	-	3,200	3,200
Intercompany long term loan	-	-	1,000	1,000
	<u>18,778</u>	<u>17,729</u>	<u>4,261</u>	<u>4,316</u>
Total Assets	<u>36,320</u>	<u>36,617</u>	<u>23,914</u>	<u>24,115</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	9,259	7,879	680	704
Borrowings	4,764	4,992	3,417	3,522
Current income tax liabilities	4	4	4	4
	<u>14,027</u>	<u>12,875</u>	<u>4,101</u>	<u>4,230</u>
Non-current Liabilities				
Deferred tax liabilities	219	219	-	-
Borrowings	-	457	-	212
	<u>219</u>	<u>676</u>	<u>-</u>	<u>212</u>
Total Liabilities	<u>14,246</u>	<u>13,551</u>	<u>4,101</u>	<u>4,442</u>
Net Assets	<u>22,074</u>	<u>23,066</u>	<u>19,814</u>	<u>19,673</u>
SHAREHOLDERS' EQUITY				
Share capital and share premium	42,021	42,021	42,021	42,021
Accumulated losses	(20,131)	(19,335)	(22,208)	(22,348)
	<u>21,890</u>	<u>22,686</u>	<u>19,813</u>	<u>19,673</u>
Minority interest	184	380	-	-
Total equity	<u>22,074</u>	<u>23,066</u>	<u>19,813</u>	<u>19,673</u>

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

	The Group			
	As at 31/10/2007		As at 31/7/2007	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	527	4,237	308	4,684
Amount repayable after one year	-	-	212	245
	<u>527</u>	<u>4,237</u>	<u>520</u>	<u>4,929</u>

Details of any collateral

A charge on Fixed Deposit of the Company for S\$527,000 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 Oct	
	2007	2006
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/ profit before tax	(992)	393
Adjustments for:		
Depreciation on Property, Plant and Equipment	1,111	504
Property, Plant & Equipment written off	2	-
(Gain)/ loss on disposal of Property, Plant and Equipment	(1)	5
Amortisation on intangible assets	142	100
Provision for doubtful debts	25	-
Interest income	(59)	(61)
Factoring charges and interest expense	57	101
Operating profit before working capital changes	<u>285</u>	<u>1,042</u>
Change in operating assets and liabilities, net of effects from:		
Trade and other receivables	(843)	(797)
Other current assets	108	230
Inventories	(125)	(56)
Trade and other payables	1,358	447
Provision for other liabilities	22	-
Net cash generated from operating activities	<u>805</u>	<u>866</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,305)	(1,089)
Purchases of franchises and licenses	-	(81)
Proceeds from sale of plant and equipment	2	-
Interest received	59	61
Net cash used in investing activities	<u>(2,244)</u>	<u>(1,109)</u>
Cash flows from financing activities		
Repayments of borrowings	(685)	(656)
Placement in bank deposits pledged as security	(527)	(505)
Factoring charges and interest expense paid	(57)	(89)
Net cash used in financing activities	<u>(1,269)</u>	<u>(1,250)</u>
Net decrease in cash and cash equivalents	<u>(2,708)</u>	<u>(1,493)</u>
Cash and cash equivalents at the beginning of the financial period	15,571	13,902
Effects of exchange rate changes on cash and cash equivalents	-	(2)
Cash and cash equivalents at end of the financial period	<u>12,863</u>	<u>12,407</u>
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	12,863	12,407
Short-term deposits pledged as security	527	505
	<u>13,390</u>	<u>12,912</u>

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 Oct 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 2007	42,021	-	(19,335)	380	23,066
Net loss for the period	-	-	(796)	(196)	(992)
Net loss not recognised in income statement-currency translation differences	-	-	-	-	-
Total recognised gains and losses for the financial period					
Balance at 31 October 2007	<u>42,021</u>	<u>-</u>	<u>(20,131)</u>	<u>184</u>	<u>22,074</u>
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)	-	-	-
Total recognised gains and losses for the financial period	<u>-</u>	<u>(1)</u>	<u>52</u>	<u>121</u>	<u>172</u>
Balance at 31 Oct 2006	<u>29,108</u>	<u>-</u>	<u>(17,591)</u>	<u>749</u>	<u>12,266</u>

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

	Share Capital S\$'000	(Accumulated Losses)/ Retained Earnings S\$'000	Total S\$'000
Balance at 1 August 2007	42,021	(22,348)	19,673
Net gain for the period	-	140	140
Balance at 31 Oct 2007	<u>42,021</u>	<u>(22,208)</u>	<u>19,813</u>
Balance at 1 August 2006	29,108	(21,078)	8,030
Net loss for the period	-	(151)	(151)
Balance at 31 Oct 2006	<u>29,108</u>	<u>(21,229)</u>	<u>7,879</u>

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.

Not Applicable.

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 2007.

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 2007, except for the adoption of the FRS 107, Financial Instruments: Disclosure and Amendments to FRS 1, Presentations of Financial Statements (Capital Disclosure). The Standards relate mainly to disclosure requirements.

FRS 1 Presentation of Financial Statements
FRS 107 Financial Instruments : Disclosure and Amendments

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

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 October 2007	2006
Earnings / (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 (cents)	(0.11)	0.07
- from discontinued operations - Basic (cents)	-	(0.06)
	<u>(0.11)</u>	<u>0.01</u>

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	
	31/10/2007	31/7/2007	31/10/2007	31/7/2007
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	2.98	3.09	2.70	2.68

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.

Revenue rose by 59% in Q1, FY2008 over the same period last year. This was due to contributions from new concept venues launched at The Cannery, namely Barfly, BICE, Aurum, Clinic, Lunar, Fashion Bar, Kandi Bar, as well as designer beach concept, Café del Mar on Sentosa Island. Revenue gains were however impacted by the closure of Clinic in the months of August and September 2007. The Clinic venue was revamped and renovated as Lunar, the Asian fusion bar, which launched at the end of September 2007.

The addition of eight venue concepts to the existing two venues (Ministry of Sound and Balcony) during the same period last year also meant an increase in Group expenses from S\$5.94 million to S\$11.76 million. Broadly, this increase impacted usual major heads of expenditure such as inventories and consumables used, employee benefits, advertising, media and entertainment, as well as rental on operating leases. It should also be noted that an additional S\$126,000 was incurred in relation to the new licences and permits for the new branded venues, up from S\$13,000.

Management's financial prudence and ongoing efforts to rationalize bank borrowings have yielded results - finance costs declined by 40% during the period under review, from S\$101,000 to S\$61,000.

In addition, the Group continued to maintain a strong cashflow position from its operations. The slight decline in cash and cash equivalents, from S\$15.57 million to S\$13.39 million is attributable to bank borrowing repayments and capital expenditure payments incurred for the launch of Lunar.

Finally, the Group has reduced its levels of unsecured borrowings in the last quarter by 14%, from S\$4.93 million to S\$4.24 million.

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

During the period under review, the Group continued to enjoy strong performances from its branded venues. In line with management's philosophy of keeping its brands fresh by rejuvenating concepts and staying ahead of the market, Lunar, the Asian fusion bar, was launched at the end of September 2007. Management is pleased to report that response has so far been encouraging.

In recent months, management has also focused efforts on its overseas expansion plans. This primarily involved progressing the launch of the Group's upcoming venues, Buddha-bar and Lunar in the Las Vegas Sands Venetian Resort in Macao, and management is currently focusing its resources on the construction of these two concepts and management believes that the launch of these concepts will contribute to the Group's revenues.

The upcoming festive season is also expected to result in increased sales for the Group's current portfolio of branded venues.

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 interim dividend has been declared/recommended for the year 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 Q1FY2008 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Lee Shieh-Peen Clement
Director

Kenneth Goh Tzu Seoh
Director

14 December 2007