

**LIFEBRANDZ LTD.**

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

**THIRD QUARTER FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 APRIL 2008**

**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

	Notes	The Group		
		3 months ended 30 Apr		%
		2008 S\$'000	2007 S\$'000	Increase/ (Decrease)
<b>CONTINUING OPERATIONS</b>				
Revenue		8,952	11,341	-21%
Other gains (net)				
- Miscellaneous		802	985	-19%
Expenses				
- Inventories and consumables used		(2,162)	(2,674)	-19%
- Advertising, media and entertainment		(1,299)	(1,548)	-16%
- Employee benefits		(3,797)	(3,558)	7%
- Amortisation, depreciation and impairment		(1,151)	(1,178)	-2%
- Finance		(112)	(86)	30%
- Rental on operating leases		(1,242)	(1,416)	-12%
- Transportation		(35)	(23)	52%
- Legal and professional fees		(507)	(259)	96%
- Contract services		(317)	(320)	-1%
- Licence and permits		(409)	(170)	141%
- Other operating expenses		(1,033)	(1,253)	-18%
Changes in inventories of finished goods		(190)	139	-237%
Total expenses		(12,254)	(12,345)	-1%
<b>Loss from continuing operations</b>	(i)	(2,500)	(19)	-13058%
<b>Loss attributable to minority interest</b>		(453)	(191)	137%
<b>(Loss)/ profit from continuing operations attributable to equity holders of the Company</b>		(2,047)	172	-1290%
<b>* DISCONTINUED OPERATIONS</b>				
Loss from discontinued operations		-	(350)	NM
<b>Total loss for the period</b>		-	(350)	NM

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 30 Apr 2008 S\$'000	2007 S\$'000	3 months ended 30 Apr 2008 S\$'000	2007 S\$'000
a) Depreciation on property, plant and equipment	1,128	1,030	-	66
b) Amortisation and impairment of intangible assets	23	148	-	-
c) Foreign exchange loss/ (gain)	38	(13)	-	-
d) Interest income and miscellaneous income	(106)	(96)	-	-
e) Interest expenses	106	86	-	-
f) Service charge surplus	(734)	(889)	-	-
g) Rental on operating leases	1,242	1,416	-	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 January 2007.

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	
	30/4/2008 S\$'000	31/7/2007 S\$'000	30/4/2008 S\$'000	31/7/2007 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	13,417	15,571	11,553	13,238
Trade and other receivables	2,632	929	13,750	5,770
Other current assets	1,534	1,597	719	791
Inventories at cost	717	791	-	-
	<u>18,300</u>	<u>18,888</u>	<u>26,022</u>	<u>19,799</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	15,940	16,849	17	116
Intangible assets	896	880	-	-
Investments in subsidiaries	-	-	3,200	3,200
Intercompany long term loan	-	-	1,000	1,000
	<u>16,836</u>	<u>17,729</u>	<u>4,217</u>	<u>4,316</u>
<b>Total Assets</b>	<u>35,136</u>	<u>36,617</u>	<u>30,239</u>	<u>24,115</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	7,812	7,879	2,622	704
Borrowings	2,720	4,992	2,475	3,522
Current income tax liabilities	4	4	4	4
	<u>10,536</u>	<u>12,875</u>	<u>5,101</u>	<u>4,230</u>
<b>Non-current Liabilities</b>				
Deferred tax liabilities	219	219	-	-
Borrowings	5,055	457	5,055	212
	<u>5,274</u>	<u>676</u>	<u>5,055</u>	<u>212</u>
<b>Total Liabilities</b>	<u>15,810</u>	<u>13,551</u>	<u>10,156</u>	<u>4,442</u>
<b>Net Assets</b>	<u>19,326</u>	<u>23,066</u>	<u>20,083</u>	<u>19,673</u>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital and share premium	42,021	42,021	42,021	42,021
Accumulated losses	(22,177)	(19,335)	(21,938)	(22,348)
	<u>19,844</u>	<u>22,686</u>	<u>20,083</u>	<u>19,673</u>
Minority interest	(518)	380	-	-
<b>Total equity</b>	<u>19,326</u>	<u>23,066</u>	<u>20,083</u>	<u>19,673</u>

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

	The Group			
	As at 30/04/2008		As at 31/07/2007	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	530	2,189	308	4,684
Amount repayable after one year	-	5,056	212	245
	<u>530</u>	<u>7,245</u>	<u>520</u>	<u>4,929</u>

Details of any collateral

A charge on Fixed Deposit of the Company for S\$533,000 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

	<b>The Group</b>	
	<b>3 months ended 30 Apr</b>	
	<b>2008</b>	<b>2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(2,500)	(369)
Adjustments for:		
Depreciation on Property, Plant and Equipment	1,128	1,096
Property, Plant & Equipment written off	51	-
Loss on disposal of Property, Plant and Equipment	(2)	8
Amortisation on intangible assets	23	148
Interest income	(34)	(78)
Factoring charges and interest expense	106	86
Operating (loss)/ profit before working capital changes	<u>(1,228)</u>	<u>891</u>
Change in operating assets and liabilities, net of effects from		
Trade and other receivables	612	(122)
Other current assets	(523)	1,751
Inventories	190	(139)
Trade and other payables	(534)	(3,103)
<b>Net cash used in operating activities</b>	<u>(1,483)</u>	<u>(722)</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(74)	(838)
Purchases of franchises and licenses	(26)	(373)
Interest received	34	78
<b>Net cash used in investing activities</b>	<u>(66)</u>	<u>(1,133)</u>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	(1,053)	(686)
Proceeds from placement of new ordinary shares	-	12,913
Placement in bank deposits pledged as security	(533)	(520)
Factoring charges and interest expense paid	(106)	(72)
<b>Net cash (used) in/ generated from financing activities</b>	<u>(1,692)</u>	<u>11,635</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<u>(3,241)</u>	<u>9,780</u>
Cash and cash equivalents at the beginning of the financial period	<u>16,126</u>	<u>5,827</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>12,885</u></u>	<u><u>15,607</u></u>
<b>1(c)(i) Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	12,885	15,607
Short-term deposits pledged as security	533	520
	<u>13,417</u>	<u>16,127</u>
<b>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</b>		
(i) Consolidated statement of changes in equity for the period ended 30 Apr 2008 - Group		

	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Minority Interest S\$'000	Total S\$'000
<b>Balance at 1 February 2008</b>	42,021	-	(20,130)	(65)	21,826
Net loss for the period	-	-	(2,047)	(453)	(2,500)
<b>Balance at 30 April 2008</b>	<u>42,021</u>	<u>-</u>	<u>(22,177)</u>	<u>(518)</u>	<u>19,326</u>
<b>Balance at 1 February 2007</b>	29,108	-	(17,428)	809	12,489
Issuance of 122,000,000 ordinary shares @ S\$0.115	14,030	-	-	-	14,030
Share issue expenses	(1,117)	-	-	-	(1,117)
Net loss for the period	-	-	(178)	(191)	(369)
<b>Balance as at 30 April 2007</b>	<u>42,021</u>	<u>-</u>	<u>(17,606)</u>	<u>618</u>	<u>25,033</u>

(ii) Statement of changes in equity for the period ended 30 Apr 2008- Company

	Share Capital S\$'000	(Accumulated Losses)/ Earnings S\$'000	Total S\$'000
<b>Balance at 1 February 2008</b>	42,021	(21,921)	20,100
Net loss for the period	-	(17)	(17)
<b>Balance at 30 April 2008</b>	<b>42,021</b>	<b>(21,938)</b>	<b>20,083</b>
<b>Balance at 1 February 2007</b>	29,108	(20,885)	8,223
Issuance of 122,000,000 ordinary shares @ S\$0.115	14,030	-	14,030
Share issue expenses	(1,117)	-	(1,117)
Net profit for the period	-	399	399
<b>Balance at 30 April 2007</b>	<b>42,021</b>	<b>(20,486)</b>	<b>21,535</b>

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of issuer, as at the end of the current financial period reported on and as at the end of the end of the corresponding period of the immediately preceding financial year.

The company did not issue any shares during the current period and the corresponding period under review.

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	
	30/4/2008	31/7/2007
Total number of issued shares excluding treasury shares	734,000,000	734,000,000

1(d)(iv) A statement showing all sales, transfers, disposal, 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 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 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 30 April 2008	2007
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)	(0.28)	0.03
- from discontinued operations - Basic (cents)	-	(0.06)
	<b>(0.28)</b>	<b>(0.03)</b>

- 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	
	30/4/2008	31/7/2007	30/4/2008	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)	2.70	3.09	2.74	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.

The quarter under review saw the Group's F&B and entertainment businesses affected by intensified competition as well as the ongoing weakness in market and consumer sentiment brought on by an uncertain economic outlook. Revenues declined by S\$2.40 million or 21% over the same period a year ago.

On the other hand, license and permit fees increased to S\$409,000 during Q3 2008, due to increased franchise fees payable to the franchisor. The initial fixed royalty arrangement expired and has been replaced with a royalty fee arrangement based on a percentage of revenues from the venue. Legal and professional fees also rose from S\$259,000 to S\$507,000 over the same quarter last year, reflecting provisions for legal fees in relation to the ongoing litigation with Nimbus Holdings Limited and Ministry of Sound International Limited.

Gross profit margin decreased slightly, from 74% against 78% in the same quarter last year. This is mainly attributable to the increase in cost of goods due to inflation on food and liquor prices.

The Group maintained a net positive cash flow position, with cash and cash equivalents of S\$13.42 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**

Management is adopting a cautious outlook in the coming months, a reflection of the current economic climate and the resulting depressed consumer sentiment. During this period, management intends to focus on further strengthening its portfolio of branded F&B and entertainment options and has plans to rejuvenate and revamp selected branded concepts at The Cannery. At the same time, management will continue its programme of cost containment throughout all divisions of Group operations.

Over the past months, the Group has also been working aggressively to explore opportunities associated with Singapore's inaugural F1 race taking place in September 2008.

As previously announced, LifeBrandz Ltd was issued with a Writ of Summons alleging the infringement of Nimbus Holdings Ltd's registered Ministry of Sound trademark, seeking an injunction to restrain LifeBrandz Ltd from using the trademark and an inquiry as to damages. This issue is ongoing and LifeBrandz Ltd will provide shareholders with an update as and when appropriate.

- 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 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 Q3FY2008 to be false or misleading.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Lee Shieh-Peen Clement  
Director

Kenneth Goh Tzu Seoh  
Director

13 June 2008