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

FIRST QUARTER FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 OCTOBER 2006

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 Oct		%
	2006 S$'000	2005 S$'000	Increase/ (Decrease)
CONTINUING OPERATIONS			
Revenue	6,515	69	9342%
Other gains	469	68	590%
Expenses			
- Inventories and consumables used	(1,428)	(160)	
- Advertising, media and entertainment	(517)	(106)	
- Employee benefits	(2,222)	(242)	
- Amortisation, depreciation and impairment	(604)	(26)	
- Finance	(101)	(57)	
- Rental on operating leases	(841)	(26)	
- Transportation	(9)	-	
- Legal and professional fees	(106)	(140)	
- Contract services	(248)	(8)	
- Licence and permits	(13)	-	
- Other operating expenses	(558)	(214)	
Changes in inventories of finished goods	56	104	
Total expenses	(6,591)	(875)	653%
Profit/(loss) before income tax	393	(738)	-153%
Income tax expense	(220)	-	NM
Profit/(loss) from continuing operations	173	(738)	-123%
DISCONTINUED OPERATIONS			
Total loss from discontinued operations	-	(4,958) *	NM
Total profit/(loss) for the period	173	(5,696)	-103%
Atrributable to:			
Equity holders of the Company	52	(5,696)	
Minority interest	121	-	
	173	(5,696)	

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 Oct		3 months ended 31 Oct
	2006 S$'000	2005 S$'000	2005 * S$'000
a) Depreciation on property, plant and equipment	504	25	125
b) Amortisation on intangible assets	100	-	9
c) Foreign exchange (gain)/loss	5	(5)	(123)
d) Inventories written off	-	-	844
e) Interest income	(61)	(68)	-
f) Service charge surplus	(403)	-	-
g) Rental on operating leases	841	26	104

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

	31-Oct-06 S$'000
Sales	1,921
Net costs/expenses	(6,879)
Loss before tax of discontinued operations	(4,958)

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	
	31/10/2006	31/07/2006	31/10/2006	31/07/2006
ASSETS	S$'000	S$'000	S$'000	S$'000
Current Assets				
Cash and cash equivalents	12,912	13,902	5,789	7,208
Trade and other receivables	2,182	1,385	4,026	3,148
Other current assets	876	1,106	145	138
Inventories at cost	593	537	-	-
	16,563	16,930	9,960	10,494
Non-Current Assets				
Property, plant and equipment	8,813	8,233	305	371
Intangible assets	972	991	-	-
Investments in subsidiaries	-	-	3,300	3,300
Intercompany long term loan	-	-	1,000	1,000
	9,785	9,224	4,605	4,671
Total Assets	26,348	26,154	14,565	15,165
LIABILITIES				
Current Liabilities				
Trade and other payables	6,240	5,781	2,099	2,131
Borrowings	5,339	5,973	2,522	2,917
Current income tax liabilities	223	4	4	4
	11,802	11,758	4,625	5,052
Non-current Liabilities				
Deferred tax liabilities	219	219	-	-
Borrowings	2,061	2,083	2,061	2,083
	2,280	2,302	2,061	2,083
Total Liabilities	14,082	14,060	6,686	7,135
Net Assets	12,266	12,094	7,879	8,030
SHAREHOLDERS' EQUITY				
Share capital	29,108	29,108	29,108	29,108
Foreign currency translation reserve	-	1	-	-
(Accumulated losses)/Retained earnings	(17,591)	(17,643)	(21,229)	(21,078)
	11,517	11,466	7,879	8,030
Minority interest	749	628	-	-
Total equity	12,266	12,094	7,879	8,030

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

	The Group			
	As at 31/10/2006		As at 31/07/2006	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand	-	5,339	-	5,973
Amount repayable after one year	505	1,556	500	1,583
	505	6,895	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 Oct	
	2006	2005
	S$'000	S$'000
Cash flows from operating activities		
Profit/(loss) before tax	393	(5,696)
Adjustments for:		
Depreciation on property, plant and equipment	504	150
Amortisation on intangible assets	100	9
Interest income	(61)	(68)
Factoring charges and interest expense	101	125
Loss on disposal of property, plant and equipment	5	-
Operating cashflow before working capital changes	1,042	(5,480)
Change in operating assets and liabilities, net of effects from disposal of subsidiaries:		
Trade and other receivables	(797)	(1,875)
Other current assets	230	(89)
Inventories	(56)	(70)
Trade and other payables	447	352
Cash generated from/(used in) operations	866	(7,162)
Income tax paid	-	(46)
Net cash generated from/(used in) operating activities	866	(7,208)
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,089)	(2,099)
Purchases of franchises and licenses	(81)	(288)
Interest received	61	68
Net cash used in investing activities	(1,109)	(2,319)
Cash flows from financing activities		
(Repayments)/Proceeds from borrowings	(656)	7,920
Factoring charges and interest expense paid	(89)	(125)
Net cash (used in)/generated from financing activities	(745)	7,795
Net decrease in cash and cash equivalents	(988)	(1,732)
Cash and cash equivalents at the beginning of the financial period	13,902	20,025
Effects of exchange rate changes on cash and cash equivalents	(2)	(2)
Cash and cash equivalents at end of the financial period	12,912	18,291

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 2006 - 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 Oct 2006	29,108	-	(17,591)	749	12,266
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 Oct 2005	29,108	(11)	(799)	-	28,298

(ii) Statement of changes in equity for period ended 31 Oct 2006 - 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 Oct 2006	29,108	(21,229)	7,879
Balance at 1 August 2005	29,108	116	29,224
Net profit for the period	-	13	13
Balance at 31 Oct 2005	29,108	129	29,237

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 October 2006

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 Oct	
	2006	2005
Earnings / (Loss) per share ("EPS") for the year attributable to the equity holders of the Company :		
- from continuing operations - Basic (cents)	0.01	(0.12)
- from discontinued operations - Basic (cents)	-	(0.81)
	0.01	(0.93)

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	
	10/31/2006	**7/31/2006**	**10/31/2006**	**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)	1.88	1.87	1.29	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 info

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 – and other businesses, namely Dashing Diva Nail Spa and Boutique as well as N-Inc's Nué brand of ladies' designer shoes.

Accordingly, the comparison of year-on-year changes of line items (i.e. for Q1 FY2007 ended 31 October 2006 vs Q1 FY2006 ended 31 October 2005) 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 October 2006 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 total profit after tax for the first quarter ended 31 October 2007 ("Q1FY2007") of S$173,000 while profit attributed to equity holders after accounting for minority interests was S$52,000.

While the Group's Continuing Operations achieved Q1FY2007 revenue amounting to S$6.5 million, which was largely attributed to Ministry of Sound operations, profit after tax for the quarter was a modest S$173,000. This was mainly due to the recognition in Q1FY2007 of development and initial set-up expenses for several new concepts that are due to be opened sometime in the subsequent Q2FY2007, as well as increases in headcount and salaries as executives had to be recruited in advance to plan and undertake groundwork / setting up processes for the new concepts.

Nevertheless, Q1FY2007's modest profit represented a significant turnaround from the S$5.7 million total net loss, and loss attributable to equity holders, recorded for the previous Q1FY2006 largely due to the S$5.0 million loss arising from the deterioration of Beauty/Wellness product category businesses now categorised under Discontinued Operations. Continuing Operations had recorded a loss of S$0.7 million in Q1FY2006 attributed to the initial set-up costs as the LifeStyle businesses mainly commenced operations only from the subsequent Q2FY2006.

Moreover, with the disposal of the Beauty/Wellness businesses under the LifePharm companies, the Group's holding company's expenses are now borne entirely by the LifeStyle product category.

The results are consistent with the guidance on the general outlook for FY2007 provided in conjunction with the Group's FY2006 results announcement.

1) Continuing Operations

The Group's LifeStyle concepts continued to be positively received by the market during Q1FY2007, in particular, Ministry of Sound which is amongst the largest dance clubs in the region, thereby resulting in the Group recording Q1FY2007 revenue of S$6.5 million. This compares favourably with the total sales of S$19.1 million achieved in FY2006 by the Group's Continuing Operations, which came mainly from Ministry of Sound during its eight months of operations since opening in December 2005.

Following the expeditious disposal of the loss-making LifePharm subsidiaries as announced on 28 July 2006, henceforth the management has been able to channel the freed-up resources, time and energy to expedite the development of new concepts under its LifeStyle product category, thus maximising leverage on the bullish market conditions favouring Singapore's lifestyle and entertainment industry.

Kandi Bar, a convention defying concept bar, was recently opened in December 2006, to rave reviews. The Group is now progressing to introduce five additional, exceptionally hot, lifestyle brands in Singapore sometime in Q2FY2007. B*fly, Bice, FBar and Aurum by The Clinic will raise the adrenaline levels of party-goers to Phase II of the Group's multi-faceted Cannery block in Clarke Quay; as well as Café Del Mar, which will be idyllically sited on Siloso Beach of Singapore's premier lifestyle island, Sentosa.

Consequently, the Group has incurred expenses in carrying out business development, licensing and contract negotiations and initial set-up/groundwork for the new concepts, including management travel expenses and costs of flying international architects and other consultants to Singapore. In addition, senior executives had to be recruited in advance to plan and undertake the groundwork and pre-opening set-up process for the new concepts that will start operations in the subsequent quarter. These cost items contributed to Other Operating Expenses of S$0.6 million and Employee Benefits of S$2.2 million recorded for Q1FY2007.

Cost of goods and consumables used amounted to S$1.4 million; and advertising, media and entertainment related expenses of S$0.5 million. Finance cost incurred was S$0.1 million. In addition, depreciation of property, plant and equipment amounted to S$0.5 million and amortisation of intangible assets was S$0.1 million, while rental on operating leases was S$0.8 million. Total operating expenses incurred for Q1FY2007 thus amounted to S$6.6 million.

Other gains included miscellaneous income of S$0.5 million mainly attributed to the 10% service charge received by LifeStyle business outlets.

Following the abovementioned additional expenses attributed to the new concepts for Q1 FY2007, LifeBrandz' Continuing Operations recorded a pre-tax profit of S$393,000.

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.

Thus for Q1FY2007, no profit or loss was recorded by Discontinued Operations, which had recorded a loss of S$5.0 million for the previous corresponding Q1FY2006.

Group Balance Sheet and Cash Flow

The balance sheet items as at 31 July 2006 reflected the remaining assets and liabilities of the Group after the Disposal.

The Continuing Operations mainly entail sales transacted on a cash basis. Trade and other receivables rose from S$1.4 million as at 31 July 2006 to S$2.2 million as at 31 October 2006 largely due to sundry receivables of S$0.7 million for expenses incurred in advance for new businesses, S$0.6 million in outstanding consideration from the buyer of the Cannery Holding (payable by end 2006) and trade receivables of S$0.3 million from corporate events and sponsorship.

Other current assets decreased from S$1.1 million to $0.9 million, which comprise approximately $0.4 million in deposits relating to lease and utilities, as well as various prepayments amounting to $0.5 million, mainly related to franchise/music entertainment fees and other prepayments (licences, insurance, maintenance etc).

Property, plant and equipment increased from S$8.2 million as at 31 July 2006 to S$8.8 million largely due to purchases made in Q1FY2007 as part of the setting--up process for new concepts scheduled to be launched sometime in Q2FY2007. Intangible assets of S$1.0 million encompass franchise fees and licences paid upfront in respect of the LifeStyle businesses.

Trade and other payables stood at S$6.2 million which include mainly payments due to suppliers and accruals for operating expenses.

Total borrowings amounted to S$7.4 million while cash and cash equivalents amounted to S$12.9 million, thus the Group is in a net cash position.

Total shareholders' equity amounted to S$12.3 million with retained earnings in a negative balance of S$17.6 million attributed to the accumulated losses from discontinued operations.

As the comparative statement for 1QFY2006 included the impact of the Group's businesses that have been sold and categorised under Discontinued Operations, it is no longer meaningful to compare line-by-line with the cash flow statement for Q1FY2007.

Operating activities in Q1FY2007 generated a net cash of S$0.9 million, while net cash used in investing activities amounted to S$1.1 million due to the purchases of plant and equipment as well as franchises and licences primarily for the Group's new concepts. Net cash of S$0.7 million was used in financing activities mainly due to the repayment of bank borrowings.

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 FY2006 results announcement on 28 September 2006, the Group maintains its confident outlook on its prospects and performance in FY2007 and will continue to focus on accelerating plans in the pipeline for its promising LifeStyle product category.

The Group's current LifeStyle businesses, The Balcony, Ministry of Sound and the recently launched Kandi Bar have performed well since their openings, and are expected to perform well throughout FY2007.

In addition to Kandi Bar, as announced on 20 November 2006, the Group is on track to progressively launch five more lifestyle venues in Q2FY2007, ahead of the festive period in Singapore. These include B'fly, Bice, FBar and Aurum by The Clinic under Phase II of the Group's multi-faceted The Cannery @ Clarke Quay, as well as the Café Del Mar designer beach party concept to be located at Siloso Beach on Sentosa island. The Group is optimistic that these new offerings will be well received by the market thus broadening its existing consumer base.

The Group's optimism for its LifeStyle business is buoyed by the positive market conditions in its major market, Singapore. Main factors underpinning the Group's optimism include the continuing unprecedented international media spotlight on Singapore's lifestyle and entertainment industry arising from the new integrated resorts-cum-casino projects on Marina South and Sentosa island, Singapore Tourism Board's forecast tourism arrivals for 2007, and Singapore's recent acclaim as being the second hottest spot in the world for dining and nightlife by Global Country Brand Index.

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 Q1FY2007 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Kenneth Goh Tzu Seoh
Director

Michael Wong C. K.
Director

15 December 2006