

LIFEBRANDZ LTD
(Company Registration No. 200311348E)
(Incorporated in Republic of Singapore)

**EMPHASIS OF MATTER BY INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014**

In compliance with Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of Lifebrandz Ltd. (the "Company") would like to announce that the Company's Independent Auditors (the "Auditors"), Ernst & Young LLP had included in the Independent Auditor's Report an emphasis of matter in respect of the Group's ability to continue as a going concern on the Company's financial statements for the financial year ended 31 July 2014. The opinion of Auditors remains unqualified.

A copy of the Independent Auditors' Report and note 2 to the financial statements are annexed to this announcement for information.

Shareholders of the Company are advised to read the Audited Financial Statements in its annual report 2014, which will be despatched in due course.

By order of the Board

Chong Sien Chern Cedric
CEO/Director

3 November 2014

Independent Auditor's Report

For the financial year ended 31 July 2014
To the Members of LifeBrandz Ltd

Report on the financial statements

We have audited the accompanying financial statements of LifeBrandz Ltd (the "Company") and its subsidiaries (collectively the "Group") set out on pages 35 to 70, which comprise the statements of financial position of the Group and the Company as at 31 July 2014, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheet and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 July 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Emphasis of matter

We draw attention to Note 2 to the financial statements. The Group and the Company incurred net losses of \$6,772,000 and \$6,531,000 respectively during the financial year ended 31 July 2014 and as at that date, the Group's current liabilities exceeded its current assets by \$845,000. The Group also incurred an operating cash outflow of \$2,493,000 for the year. This indicates the

existence of a material uncertainty which may cast significant doubt about the Group and Company's ability to continue as going concern. As disclosed more fully in Note 2, the directors have prepared these financial statements on a going concern basis as the Directors are of the view that the Group and Company will be able to continue to generate net cash inflows from operating activities for a period of 12 months from the date these financial statements were approved to enable the Group and Company to meet their financial obligations as and when they fall due.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore
30 October 2014

Notes to the Financial Statements

31 July 2014

2. Fundamental accounting concept

During the year ended 31 July 2014, the Group and the Company incurred net losses of \$6,772,000 (2013: net profit of \$202,000) and \$6,531,000 (2013: net profit of \$1,252,000) respectively. As at that date, the Group's current liabilities exceeded its current assets by \$845,000 (2013: \$2,255,000). The Group had also incurred an operating cash outflow of \$2,493,000 for the year. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concern.

In the opinion of the directors, the Group and the Company are able to continue as going concern as the Directors are of the view that the Group and Company will be able to continue to generate net cash inflows from operating activities for a period of 12 months from the date these financial statements were approved to enable the Group and Company to meet their financial obligations as and when they fall due. Accordingly, the directors of the Group and the Company are of the view that the use of the going concern assumption is appropriate for the preparation of these financial statements.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.