

LIFEBRANDZ LTD

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014
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 October		
	2014	2013	
	S\$'000	S\$'000	Increase/ (Decrease)
Revenue	4,725	6,647	-29%
Other gains (net)			
- Miscellaneous	29	6	NM
Expenses			
- Inventories and consumables used	(1,616)	(1,827)	-12%
- Advertising, media and entertainment	(655)	(845)	-22%
- Employee benefits	(1,667)	(1,975)	-16%
- Amortisation and depreciation	(189)	(599)	-68%
- Rental on operating leases	(1,258)	(1,282)	-2%
- Transportation	(6)	(11)	-45%
- Legal and professional fees	(74)	(77)	-4%
- Contract services	(90)	(98)	-8%
- Licence and permits	(20)	(20)	0%
- Other operating expenses	(254)	(286)	-11%
Changes in inventories of finished goods	40	62	-35%
Total expenses	(5,789)	(6,958)	-17%
Loss before income tax	(1,035)	(305)	NM
- Income tax expense	-	-	0%
Loss for the year	(1,035)	(305)	NM
Attributable to :			
Equity holders of the company	(871)	(188)	
Non controlling interest	(164)	(117)	
	(1,035)	(305)	

A statement of comprehensive income (for the group), together with a comprehensive statement for the corresponding period of the immediate preceding financial year

	The Group	
	3 months ended 31 October	
	2014	2013
	S\$'000	S\$'000
Loss from operations attributable to equity holders of the Company	(1,035)	(305)
Other comprehensive income:		
Foreign currency translation	3	(9)
Total comprehensive income for the year	(1,032)	(314)
Attributable to :		
Equity holders of the company	(868)	(197)
Non controlling interest	(164)	(117)
	(1,032)	(314)

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

	The Group	
	3 months ended 31 October	
	2014	2013
	S\$'000	S\$'000
a) Depreciation on property, plant and equipment	189	331
b) Amortisaion of intangible asset	-	268
c) Interest income	(4)	(3)
d) Other income	(25)	(3)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	The Group		The Company	
	31/10/2014 S\$'000	31/7/2014 S\$'000	31/10/2014 S\$'000	31/7/2014 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	628	1,132	25	53
Trade and other receivables	483	821	1,777	3,439
Other current assets	301	219	28	30
Inventories at cost	356	315	-	-
	<u>1,768</u>	<u>2,487</u>	<u>1,830</u>	<u>3,522</u>
Non-Current Assets				
Property, plant and equipment	1,884	2,028	-	-
Fixed deposit	1,980	1,980	1,980	1,980
Deposit	-	91	-	-
Investments in subsidiaries	-	-	321	321
Other receivables	-	-	2,477	621
	<u>3,864</u>	<u>4,099</u>	<u>4,778</u>	<u>2,922</u>
Total Assets	<u>5,632</u>	<u>6,586</u>	<u>6,608</u>	<u>6,444</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	3,410	3,332	3,453	3,415
	<u>3,410</u>	<u>3,332</u>	<u>3,453</u>	<u>3,415</u>
Non-current Liabilities				
Provision	1,134	1,134	-	-
	<u>1,134</u>	<u>1,134</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,544</u>	<u>4,466</u>	<u>3,453</u>	<u>3,415</u>
Net Assets	<u>1,088</u>	<u>2,120</u>	<u>3,155</u>	<u>3,029</u>
SHAREHOLDERS' EQUITY				
Share capital and share premium	53,336	53,336	53,336	53,336
Foreign currency translation	(24)	(27)	-	-
Accumulated losses	(49,691)	(48,820)	(50,181)	(50,307)
	<u>3,621</u>	<u>4,489</u>	<u>3,155</u>	<u>3,029</u>
Non controlling interest	<u>(2,533)</u>	<u>(2,369)</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,088</u>	<u>2,120</u>	<u>3,155</u>	<u>3,029</u>

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

	The Group			
	As at 31/10/2014		As at 31/07/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less or on demand	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount repayable after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

The Group		
3 months ended 31 October		
	2014	2013
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(1,035)	(305)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	189	331
Amortisation of intangible assets	-	268
Exchange realignment	3	(9)
Interest income	(4)	(3)
Operating (loss) / profit before changes in working capital	(847)	282
<u>Changes in working capital</u>		
Decrease in trade and other receivables	338	32
Decrease / (increase) in other current assets	9	(21)
Increase in inventories	(41)	(62)
Increase / (decrease) in trade and other payables	78	(221)
Cash (used in) / from operation	(463)	10
Interest received	4	3
Net cash (used in) / from operating activities	(459)	13
Cash flows from investing activities		
Purchase of property, plant and equipment	(45)	(80)
Net cash used in investing activities	(45)	(80)
Cash flows from financing activities		
Repayments of hire purchase	-	(1)
Net cash generated from financing activities	-	(1)
Net decrease in cash and cash equivalents	(504)	(68)
Cash and cash equivalents at the beginning of the financial period	1,132	1,227
Cash and cash equivalents at end of the financial period	628	1,159
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	628	1,159

- 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 October 2014 - Group

	Share Capital S\$'000	Foreign Currency Translation S\$'000	Accumulated Losses S\$'000	Non Controlling Interest S\$'000	Total S\$'000
Balance at 1 August 2014	53,336	(27)	(48,820)	(2,369)	2,120
Net loss for the period	-	-	(871)	(164)	(1,035)
Other comprehensive income for the period	-	3	-	-	3
Balance at 31 October 2014	53,336	(24)	(49,691)	(2,533)	1,088
Balance at 1 August 2013	49,951	(33)	(43,069)	(1,348)	5,501
Net loss for the period	-	-	(188)	(117)	(305)
Other comprehensive income for the period	-	(9)	-	-	(9)
Balance at 31 October 2013	49,951	(42)	(43,257)	(1,465)	5,187

(ii) Consolidated statement of changes in equity for the period ended 31 October 2014 - Company

	Share Capital	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 August 2014	53,336	(50,307)	3,029
Net profit for the period	-	126	126
Balance at 31 October 2014	53,336	(50,181)	3,155
Balance at 1 August 2013	49,951	(43,776)	6,175
Net profit for the period	-	97	97
Balance at 31 October 2013	49,951	(43,679)	6,272

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 corresponding period of the immediately preceding financial year.

Not Applicable

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	
	31/10/2014	31/07/2014
Total number of issued shares excluding treasury shares	2,560,000,000	2,560,000,000

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 financial 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 2014.

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 preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 July 2014, except for the adoption of new or revised FRS that are mandatory for financial years on or after 1 August 2014. The adoption of these FRS has no significant impact to the Group.

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 2014	2013
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 & Diluted (cents)	(0.03)	(0.01)
	<u>(0.03)</u>	<u>(0.01)</u>

- 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	
	3 months ended 31 October 2014	3 months ended 31 October 2013	3 months ended 31 October 2014	3 months ended 31 October 2013
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	0.04	0.24	0.12	0.29

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must be 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.

Income Statement

Revenue

The Group achieved a lower revenue of S\$4.7 million for Q1 FY2015. There was a drop of about 29% over the corresponding quarter of last financial year. The lower sales was mainly caused by restriction on liquor licensing hours imposed by the authorities, and lesser crowd profiles and spending at the respective outlets. The operating outlets are also facing stiff competition from other clubs at the vicinity. Existing concepts of Mulligans and Fenix clubs maintained its popularity and business pace at the Clarke Quay environment. Market condition in the industry has been challenging and competitive. The Group continues to embark on various promotion activities to maintain business sales and performance.

Miscellaneous income consisting of interest income and other related miscellaneous income increased to S\$29,000 in Q1 FY2015. The increase were mainly due to miscellaneous income derived from operations support services in the reported quarter.

Cost & Expenses

Inventories and consumables usage saw a decrease of 12% to S\$1.6 million. The decrease was mainly due to lower sales activities in Q1 FY2015. Advertising, media and entertainment expenses dropped by 22% to S\$655,000 mainly due to cost control effort on such marketing and promotion activities. Employee benefits decreased by 16% to S\$1.7 million, was mainly due to cost management in staff deployment for the various concepts in the reported quarter. Amortisation, depreciation and impairment dropped to S\$189,000 in the reported quarter being due to lesser depreciation charges for the period.

The Group saw rental on operating lease maintained at S\$1.3 million in Q1 FY2015. Legal and professional fees saw a drop of 4% to S\$74,000 as there were lesser cost and payout incurred in the reported quarter and all legal suits had been resolved. The Group has taken steps to reduce all related cost components in the reported quarter. Licence and permits maintained at S\$20,000 for related renewal costs for the existing concepts in Q1 FY2015. The Group managed to reduce contract services by 8% to S\$90,000 in Q1 FY2015. Such contract services mainly include security control and safety as deployed at the Clarke Quay premises. Other operating expenses in Q1 FY2015 saw a decline of 11% to S\$254,000 mainly coming from cost control measures and initiatives carried out at the Group level.

Total expenses in Q1 FY2015 dropped by 17% to S\$5.8 million mainly due to effort in reducing and controlling all related expenses. With the lower sales activities achieved for the quarter, the Group registered a loss of S\$1.0 million in Q1 FY2015.

Statement of Financial Position and Statement of Cash Flows

The Group's current assets held as at 31 October 2014 was S\$1.8 million. Non-current assets maintained at S\$3.9 million as at end Q1 FY2015 comprising fixed deposit of S\$2.0 million, property, plant and equipment maintained at S\$1.9 million as at 31 October 2014 after taking into account of depreciation and amortization for the reported quarter.

Trade and other receivables decreased to S\$483,000 mainly due to the Group's consistent collection effort during the quarter. Other current assets which include security deposit and prepayment increased to S\$301,000 in the reported quarter. The increase is mainly due to additional prepayment for the respective concepts. Inventory amount saw an increase from S\$315,000 to S\$356,000 as at end Q1 FY2015 mainly due to the higher stock holding and promotion in the reported quarter.

Trade and other payables increased to S\$3.4 million as at end of Q1 FY2015. Trade and other payables include trade suppliers' payables, payables to contractors and services, and provisions and accrual for the year. The Group has also settled all outstanding loans in FY2014 and has no outstanding loan as at 31 October 2014.

Non-current liability includes provision made for lease reinstatement of S\$1.1 million related to the lease.

The Group generated negative net cash in operating activities of S\$459,000 for Q1 FY2015 mainly due to lower sales activities from the outlet operations. Capital expenditure of S\$45,000 was mainly incurred on the addition fitting works and equipment for the existing concepts. Cash and cash equivalents stood at S\$628,000 as at 31 October 2014.

Equity attributable to shareholders of the Group as at 31 October 2014 amounted to S\$1.1 million. Based on existing issued share capital of 2,560 million shares, net asset value per ordinary shares as at 31 October 2014 of the Group stood at 0.04 Singapore cents.

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.

The Group continues to remain cautious about the outlook and condition of the overall business environment. The Board is mindful of the intense competition of this industry. The Board is monitoring the operating landscape closely to ensure pro-active measures and initiatives are taken swiftly to boost business performance and activities.

Effectively managing and controlling the operation cost will remain a top priority whilst the Group focuses on improving the existing portfolio of brands and its performance. The Group will take constant direction to promote new concepts and revamp existing outlets to maintain business presence and activities.

The Group will continue to explore opportunities to enhance its business profiles and strategic direction.

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 dividend has been declared/recommendeded for the year under review.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not have a general mandate for interested person transactions. There were no interested person transactions with amount more than S\$100,000 during Q1FY15.

14 Utilisation of proceeds from the placement of new shares.

The net proceeds from the placement of 425,000,000 new ordinary shares at the issue price of S\$0.0081 per placement share in the share capital of the company was \$3,385,500, with the amount utilised as set out below :

Intended use of net proceeds	Net proceeds from placement shares	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000
Loan Repayment	500	(500)	0
Working Capital	2,885	(2,691) *	194
Total	3,385	(3,191)	194

Note :

* The breakdown of the working capital utilised was as follows :-

	S\$'000
Rental of premises	400
Operation supplies	1,881
Marketing and promotion	410
Total	2,691

The use of proceed from the placement as at the date of this report, is in accordance with the intended use.

15 Statement pursuant to Rule 705(5) 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 Q1 FY2015 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Chong Sien Chern Cedric
CEO / Executive Director

12 December 2014