LifeBrandz

Priming for CHANGE

LIFEBRANDZ LTD

ANNUAL REPORT 2015

Mission Statement

We aim to be the leading brand development and management company, improving the lifestyles of our customers through our distinctive branded conceptual products and services, and continuously striving to achieve growth, profitability and shareholder value.

LifeBrandz

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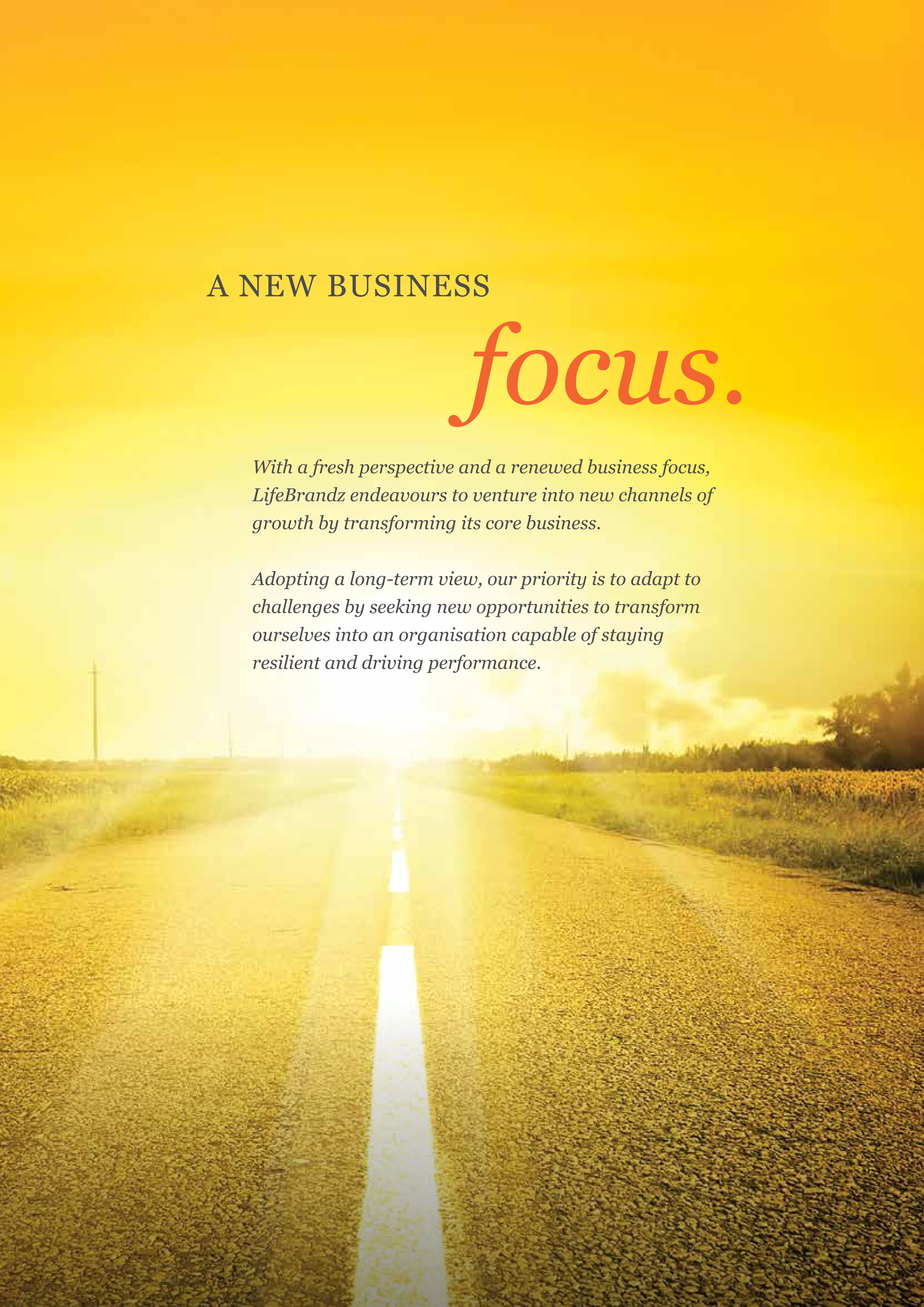


A NEW BUSINESS *focus.*

With a fresh perspective and a renewed business focus, LifeBrandz endeavours to venture into new channels of growth by transforming its core business.

Adopting a long-term view, our priority is to adapt to challenges by seeking new opportunities to transform ourselves into an organisation capable of staying resilient and driving performance.

About LifeBrandz Ltd

Established in 2001 and listed on SGX in 2004, LifeBrandz started as a brand development and management group specialising in the lifestyle and entertainment sectors. In 2015, the Group is pursuing a new strategic direction of shifting its business focus to generate stability and improve its growth prospects.

Letters to Shareholders

"I am committed in building a strong and resilient business model that can drive the Group towards long-term sustainable growth. Having said that, we will not be rushed into any and every new business opportunity. We will exercise prudence in reviewing and evaluating risks associated with any investment opportunity."

Chng Weng Wah
Chief Executive Officer

On behalf of the Board of Directors, I am pleased to present the annual report for LifeBrandz Ltd (the Group) for the financial year ended 31 July 2015 (FY2015).

This is my maiden report, having been appointed Executive Director on 27 January 2015 and Chief Executive Officer on 6 February 2015. I am humbled by the trust placed upon me by the Board and I will work with all stakeholders to bring the Group to the next level of growth. I am committed in serving to the best of my ability to move the Group forward to sustainable growth and delivering value to shareholders.

CHALLENGING YEAR

FY2015 was a challenging year, not just for the Group but also for the industry at large. At the macroeconomics level, Singapore's economic growth slowed in 2014 to 2.9%. In the first half of 2015, GDP continued to moderate, coming in at 2.3% year-on-year, in the lower half of the government's 2 to 4 per cent full-year forecast. The impact of the slower growth was felt by the food and beverage and nightlife industry, with many establishments, including Lifebrandz's outlets at Clarke Quay, experiencing declining patrons and customer spending. In addition, certain policy measures such as the restriction in liquor licensing hours further dampened business prospects for the industry.

SIGNIFICANT CORPORATE DEVELOPMENTS

On 6 February 2015, Mr Cedric Chong Sien Chern resigned as Executive Director and Chief Executive Officer of the Group to pursue personal interests. Subsequently, I was appointed Executive Director on 27 January 2015, and then Chief Executive Officer on 6 February 2015.

Following a re-organisation on 7 April 2015, the composition of the Board is as follows:

Mr Chng Weng Wah	Executive Director & CEO
Mr Lim Kee Way Irwin	Independent Director
Mr Toh Hock Ghim	Independent Director
Mr Wong Joo Wan	Independent Director

Letters to Shareholders

DECISIVE STEP

After undertaking a strategic review of the Group's business operations, taking into consideration our financial position, the intense competition in the operating environment, the Board came to the conclusion that the existing business model was not sustainable and took the decisive step to cease the F&B club operations in the Clarke Quay area.

Following the Board's direction, we closed all our establishments at Clarke Quay in March 2015. The venues that were closed included the Aquanova, Fenix Room, Mulligan's Irish pub (Clarke Quay branch), Playhouse and Hopdog.

Consequently, the Group announced on 7 May 2015 that subsidiaries including Brandz+ Pte Ltd, Luminox Pte Ltd, Lux Leisure Pte Ltd, Cannery Leisure Pte Ltd and Tribeca Leisure Pte Ltd have been placed under liquidation.

FINANCIAL REVIEW

In FY2015, Group revenue achieved were S$11.0 million comprising S$1.3 million from continuing operations and S$9.7 million from discontinued operations. Continuing operations saw an increase of 8% over last financial year which was attributed to new revenue stream from its trading activities in component parts commenced during the financial year under review. The trading business had been consistent, generating positive business volume and contribution to the Group. The Mulligan's operations in Thailand maintained its popularity and continued to attract the regular crowd and tourists who regularly patronise the outlet for its relaxed and enjoyable atmosphere.

Notwithstanding the Group's efforts to continuously refresh our brands and introduce new concepts, the volume of patrons to our establishments continued to decline, resulting in falling revenue contributions. As a result, we had exercised prudence and tightened cost control to reduce and eliminate non-essential expenses so as to keep our financial position on even keel.

Thus the Group's expenses in FY2015 reflected our cost control measures. Hence, employee benefits decreased 10% to S$0.94 million due to lower head count and tighter cost control. Many operating expenses also saw significant reduction, including advertising, media and entertainment which dropped 21% to S$0.06 million, attributed to lower advertising and promotion activities. Concomitant with reduced business volume, transportation expenses decreased by 50% compared to the previous year. Amortisation, depreciation and impairment maintained at S$0.14 million as related depreciation charge had been consistently held for the year.

Commiserate with the Group's corporate restructuring activities, legal and professional fees increased 60% to S$0.3 million, arising from engaging legal and related services to successfully complete the share placement exercise and re-organising the structure of the Group. Inventories and consumables amounted to S$0.58 million, an increase of 41% over the previous year due to the higher cost margin of component parts to support the Group's trading activities. Other operating expenses which included the writing off of S$0.06 million of receivable, saw an increase of 21%, reaching S$0.26 million in FY2015.

Overall, expenses recorded in FY2015 went up by 10% resulting in a net loss from continuing operations of S$1.16 million, up 22% year-on-year. In line with the decrease in the Group's turnover and taking into account the net loss from discontinued operations, the Group registered a net loss of S$2.96 million for FY2015.

PRUDENCE AND RISK MANAGEMENT

I am committed in building a strong and resilient business model that can drive the Group towards long-term sustainable growth. An essential element of sustainable growth is a high standard of governance and risk management. We believe that good governance will strengthen our fundamentals and place the Group on a solid platform for business development. As such, we have in place a robust governance and risk management framework. We will exercise prudence in reviewing and evaluating risks associated with any investment opportunity. Always, the interests of our shareholders will take precedence. We will adopt a long-term sustainability perspective, focusing on creating value and delivering stable returns to all stakeholders.

As part of our efforts to manage the financial risks of the Group, we have successfully placed 500,000,000 new ordinary shares at S$0.0036 per placement share on 16 January 2015, raising net placement proceeds of S$1.75 million. The share placement

Letters to Shareholders

strengthens the cash flow and capital base of the Group. The proceeds from the placements were used for, among other things, working capital and payment for professional fees. I am pleased to inform that the Group has no outstanding loan as at 31 July 2015. Cash and cash equivalents stood at S$1.08 million at the end of FY2015.

A NEW BUSINESS MODEL

On 16 July 2015, we announced that the Group has entered into a conditional sale and purchase agreement with Healthtrends Medical Investments to acquire the shares of four companies which operate medical aesthetics clinics in Singapore, Malaysia, Hong Kong and Vietnam. Healthtrends Medical Investments currently owns or intends to own in whole or in part the four companies.

The total purchase consideration for the proposed acquisition shall be S$100 million. The purchase price will be satisfied via the allotment and issuance of new shares in Lifebrandz.

Healthtrends Medical Investments is a Singapore-based company in the healthcare and wellness lifestyle business. It has existing shareholdings and planned acquisitions in four separate healthcare companies offering a comprehensive range of medical aesthetics, cosmetic surgery and specialist services through twelve medical clinics in the aforesaid markets.

The Board is of the opinion that demand for healthcare and medical aesthetics services in the region will increase substantially on the back of rising incomes, burgeoning middle-class consumers and increased health awareness. We believe that this business will not only be financially viable but, if managed well, will provide a solid growth platform for long-term sustainable growth and stable returns to shareholders.

THE NEXT MOVE

Discussions with Healthtrends Medical Investments and the relevant parties with regards to the terms and conditions of the above-mentioned transaction are proceeding accordingly. The discussions are undertaken with considerable goodwill and sincerity among the parties. Nonetheless, as the proposed acquisition constitutes a very substantial acquisition transaction under the regulations of SGX-ST, the Group will proceed cautiously.

Upon successful completion of the negotiations and agreement among the relevant parties to all the terms and conditions, the Group shall obtain approval of shareholders for the issuance of new shares to satisfy the consideration of the acquisition. Upon receipt of shareholder's approval, Healthtrends Medical Investments shall progressively deliver the sale shares of the four target companies and the Group shall issue the proportionate number of consideration shares in accordance with a formula as set out in the announcement on 16 July 2015. The target date for the first completion of the transaction is 31 January 2016, for the Group to review and progress with the transaction.

OUTLOOK FOR 2016

The macroeconomics outlook for the global economy in FY2016 remains uncertain with developed and emerging economies expecting to experience muted growth. However, the Asia Pacific is expected to continue to be the leader in global growth.

We believe that our proposed transition into the medical aesthetics business offers the best opportunity for the Group to move forward and develop a sustainable business that can deliver stable returns to shareholders. Subject to agreement by all relevant parties to the terms and conditions of the transaction and approval by shareholders for the Group's proposal, we are cautiously optimistic of prospects for 2016.

APPRECIATION

I would like to express my appreciation to my predecessor Mr Cedric Chong Sien Chern as well as former Board Members, Mr Bernand Lim Miang, Mr Wong Kok Hoe and Mr Thomas Carlton Thompson III for their services and contributions. I would like to especially thank shareholders for their patience and understanding as we strive to turn the Group around on a new growth path. Last but not least, I would like to thank the management and staff of the Group for their hard work and support during a challenging year.

Chng Weng Wah
Chief Executive Officer

Business Review

Lifebrandz was established as a brand development and management group, specialising in the lifestyle and entertainment sectors since 2001. Over the years, the Group has established itself as the most dynamic lifestyle player in the industry, setting the benchmark for stylish revelry and unforgettable dining experiences in state-of-the-art venues catering to the whims and fancy of dynamic and fashionable crowds who enjoy living life to the fullest.

In partnership with real estate titan, CapitaMalls Asia, it created The Cannery, the mammoth entertainment complex at Clarke Quay in 2006. It sets new standards for the nightlife entertainment scene with the opening of five distinct partying venues within the 80,000 sq ft locale, the first of its kind in Asia at the time. The Cannery presented the ultimate jet set night life that attracted the well-heeled, the young and trendy, the hardcore clubbers and the savvy tourists.

In addition to the iconic dance club, Ministry of Sound, The Cannery also housed other renowned international brands like Barfly, F Bar, Kandi Bar, The Clinic and Bice.

As the entertainment and lifestyle industry evolved, Lifebrandz continuously reviewed and refreshed its concepts, leveraging its insight into consumers' changing preferences and tastes, always staying ahead of trends and its ability to innovate breakthrough concepts to cater to the demands of a sophisticated clientele.

Although Lifebrandz started by acquiring foreign-owned brands and concepts, by 2010 it began to move in the direction of creating local concepts and developing local brands such as ZIRCA Mega Club, which hosted 3 nightclubs under one roof – Zirca, Rebel and Yello Jello. In addition, fusion dining concepts like the Lunar Asian Fusion Bar and Lunar Cafe were also introduced. Themed F&B concepts were developed including Mulligan's Irish Pub and Borgata Trattoria Osteria offering an exquisite Northern Italian menu and fine wine selections. Elsewhere, it launched Café Del Mar, a chic beach bar in Sentosa and Mulligan's Irish Pub in Pattaya, Thailand.

Business Review

In the last few years, Lifebrandz continued to reinvent and introduce new concepts and brands. Fenix Room which opened in 2013 as an exclusive members-only "ultra-lounge" featured capacity crowds every weekend, establishing itself as most-talked-about lounge about town. AQUANOVA Restaurant Bar was set up in 2012 with the aim to set the bar as the hot spot for an unparalleled experience for dining and live performances. In the same year, REBEL'HOOD, the first hip-hop themed café in Singapore was created to become the congregation point of the cool and non-conformists.

Over the years, the Group had always been proactive in adapting to changing consumers' taste and lifestyle preferences by constantly revamping unsustainable outlets and launching new concepts. However, the challenge to Lifebrandz was that its success, the vibrancy of the entertainment and F&B industry in general and the robust economic recovery after the 2008 recession, had attracted an increasing number of local and foreign players into the industry, creating a very competitive environment. Thus, when the economy slowed down in the last two years and when the industry was adversely affected by a combination of factors affecting business including stiffer competition, lower patrons' spending and government restriction on liquor licensing hours, Lifebrandz experienced drastically reduced business revenue and profitability.

The unfavourable business condition had reached a stage when we believed it was to the best interests of shareholders to cut losses and cease the Group's core business, except for Mulligan's Irish Pub in Thailand. This pub continues to maintain its business volume and remains popular with tourists.

Thus, effective March 2015, the Group decided to stop operating all our F&B and entertainment outlets in Singapore and set the stage to explore other viable business opportunities. Our focus was to identify high-growth industries which can provide the Group with opportunities to develop long-term sustainable growth.

After reviewing prospects in various industries, the Group has identified the medical aesthetic industry as one that can provide good opportunities for the Group to develop a financially viable and sustainable business. In this respect, the Group is engaged in discussions with Healthtrends Medical Investments with regard to the proposed acquisition of four companies which operate medical aesthetics clinics in Singapore and the region. We are reviewing the terms and conditions of this transaction. We are cautiously hopeful that agreement by various parties to the transaction can be attained and the Group can move forward to build a sustainable business.

Board of Directors

CHNG WENG WAH

CEO / Executive Director

Mr Chng was appointed as our Executive Director on 27 January 2015, and currently the Chief Executive Officer ("CEO") of the Group as at 6 February 2015. Mr Chng is also a member of the Group's Nominating Committee. As CEO, Mr Chng is responsible for setting the strategic direction of our Group together with the Board and oversees the overall management of our Group, including steering the business of the Group for future growth and expansion. Mr Chng has a diverse business background for more than two decades. He received Asia Europe Young Entrepreneurs Award at the Berlin Asia-Europe Young Entrepreneurs Forum in 1999 and was Vice President at China's Foreign Trade Council, a sub-council of China Council for the Promotion of International Trade (CCPIT) from 2004 to 2006. He was a former Director and Deputy Chairman of WE Holdings Ltd over the preceding 3 years. Mr Chng is presently the Group CEO and Executive Director of Equation Summit Limited and sits on the board of several companies.

LIM KEE WAY IRWIN

Independent Director

Mr Irwin Lim was appointed as an Independent Director of the Group on 21 April 2004. He is currently the Chairman of the Group's Audit Committee and a member of the Group's Remuneration Committee. He was last re-elected a Director on 25 November 2014. Mr Lim is currently the Operating Partner of Novo Tellus Capital Partners, a private equity firm. He is also the Managing Director of Inflexion Ventures Private Ltd which is a business advisory and investment firm. Prior to that, he was the Group CFO of United Test and Assembly Centre Ltd (UTAC). Mr Lim has vast experience in the field of venture capital and private equity activities in Asia and was previously responsible for AsiaVest Partners, TCW/YFY (Taiwan) Ltd.'s investments, primarily in the Southeast Asian region. Mr Lim started his career with the Economic Development Board of Singapore. He holds a Master of Science in Management from Imperial College, University of London, and Bachelor of Science in Industrial Engineering from Columbia University. He also sits on the Board as the Independent Director of MS Holdings Limited.

Board of Directors

TOH HOCK GHIM

Independent Director

Mr Toh was appointed as an Independent Director of the Group on 27 January 2015. He is currently the Chairman of the Group's Nominating Committee and member of the Group's Audit and Remuneration Committees.

He joined the Singapore Ministry of Foreign Affairs in 1966. In 1991 he became Director of the Asean Directorate in the Foreign Ministry. Before and after this appointment, he served as ambassador and in other capacities in the embassies of Singapore in Malaysia, Philippines, Thailand and Vietnam. He was Consul-General in Hong Kong and Macao from 2002 to 2007. Upon his return from Hong Kong and Macao in 2008, he was appointed Senior Adviser to the Foreign Ministry.

In addition to these public appointments, he is the Chairman of Singapore-listed Equation Summit Limited and Director on the Board of Singapore-listed CEFC International Limited and Director of Precious Treasure Pte Ltd which owns The Fullerton Hotel Singapore. He is also Director of CIAM Group Limited, a Hong Kong-listed company. He was also a former Director and Chairman of WE Holdings Ltd, and Independent Director of Kinergy Limited over the preceding 3 years.

Mr Toh Hock Ghim obtained his Bachelor of Arts (Political Science) Degree from the University of Singapore.

WONG JOO WAN

Independent Director

Mr Wong was appointed as an Independent Director of the Group on 7 April 2015. He is currently the Chairman of the Group's Remuneration Committee and member of the Group's Audit and Nominating Committees. Mr Wong is currently a Director of Alternative Advisors Pte Ltd and brings more than 20 years' experience in the area of corporate advisory and finance, corporate restructuring and recovery and also specialises in investigations and litigation support services. Mr Wong has considerable experience in the supervision of numerous commercial and securities fraud investigations, and has undertaken various valuation and financial review assignments. Mr Wong holds a degree in Commerce (Accounting & Finance) from the University of Western Australia. He is an approved Liquidator registered with the Accounting and Corporate Regulatory Authority (ACRA) in Singapore and a Fellow with the Insolvency Practitioners Association of Singapore Limited (IPAS). He also sits on the Board as the Independent Director of Ecowise Holdings Limited and KLW Holdings Limited.

Key Management

CHNG WENG WAH

Chief Executive Officer

Mr Chng was appointed Chief Executive Officer ("CEO") of the Group on 6 February 2015. Mr Chng is also a member of the Group's Nominating Committee. As CEO, Mr Chng is responsible for setting the strategic direction of our Group together with the Board and oversees the overall management of our Group, including steering the business of the Group for future growth and expansion. Mr Chng has a diverse business background for more than two decades. He received Asia Europe Young Entrepreneurs Award at the Berlin Asia-Europe Young Entrepreneurs Forum in 1999. Mr Chng is presently the Group CEO and Executive Director of Equation Summit Limited and sits on the board of several companies.

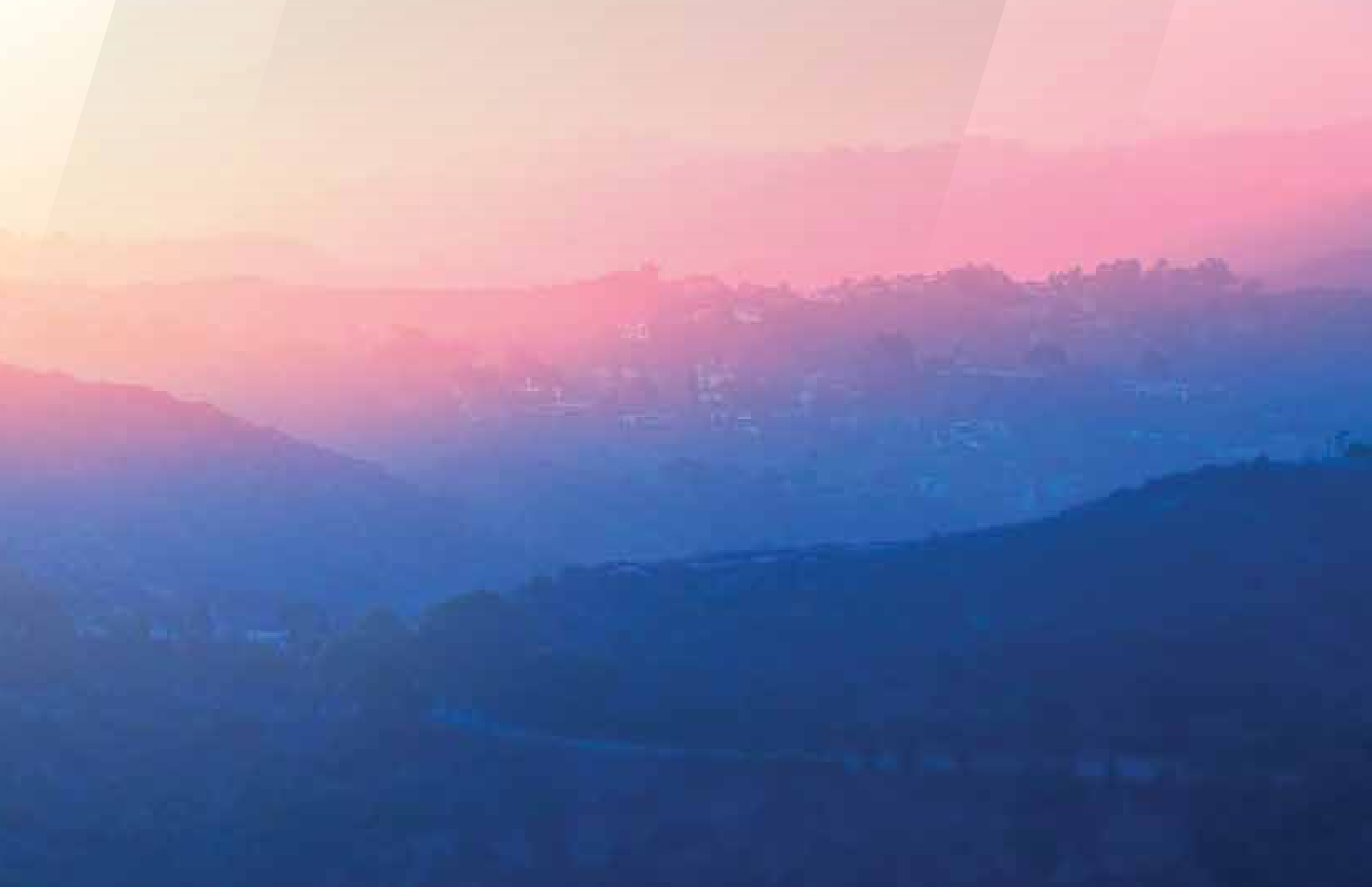
JOE CHIANG KOK KIN

Chief Financial Officer

As Chief Financial Officer, Mr Joe Chiang oversees the financial, accounting, corporate and business development, corporate secretarial and operation management of the Group. He also assists the CEO in formulating long-term strategy and direction for the Group and will set up financial discipline for growth and expansion. Prior to joining LifeBrandz, Mr Chiang was the Director of Corporate Development with Fish & Co Group of Companies for the past 10 years. Mr Chiang held various senior financial and accounting positions in local and multi-national corporations. Mr Chiang has a Master in Business Administration, and a Fellow with the Association of International Accountants (UK). He is currently a Full Member of the Singapore Institute of Directors.

LifeBrandz is embracing change and
seeking new opportunities.

With sights set on sustainable growth, LifeBrandz will continue to exercise a prudent and strategic stance in seeking, evaluating and tapping new investment opportunities to revitalise our business.



Corporate Structure

LifeBrandz

- 100% Balcony Pte Ltd
- 80% Cannery Holding Pte Ltd
  - 100% Cannery Leisure Pte Ltd*
  - 100% Mercier Group Pte Ltd
  - 100% Tribeca Leisure Pte Ltd*
  - 100% The Cannery Pte Ltd
- 100% Palms Development Pte Ltd
- 100% Brandz+ Pte Ltd*
- 100% Luminox Pte Ltd*
- 100% Orientstar Group Limited
- 100% Mulligan's Pte Ltd
- 100% LifeBrandz (Thailand) Co Ltd
  - 100% Mulligan's Co Ltd
- 100% Lux Leisure Pte Ltd*

* *In the process of liquidation*

Corporate Information

BOARD OF DIRECTORS

Chng Weng Wah
Executive Director

Lim Kee Way Irwin
Independent Director

Toh Hock Ghim
Independent Director

Wong Joo Wan
Independent Director

KEY MANAGEMENT

Chng Weng Wah
Chief Executive Officer

Joe Chiang Kok Kin
Chief Financial Officer

AUDIT COMMITTEE

Lim Kee Way Irwin
Chairman

Toh Hock Ghim
Member

Wong Joo Wan
Member

REMUNERATION COMMITTEE

Wong Joo Wan
Chairman

Lim Kee Way Irwin
Member

Toh Hock Ghim
Member

NOMINATING COMMITTEE

Toh Hock Ghim
Chairman

Chng Weng Wah
Member

Wong Joo Wan
Member

COMPANY SECRETARY

Toon Choi Fan

REGISTERED OFFICE

1001 Jalan Bukit Merah #06-11
Singapore 159455
Tel: (65) 6270 7080
Fax: (65) 6270 7106
Email: invest@lifebrandz.com
Website: www.lifebrandz.com

REGISTRATION NUMBER

200311348E

AUDITORS

Mazars LLP
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536

PARTNER-IN-CHARGE

Chan Hock Leong, Rick
(Appointed with effect from financial year ended 31 July 2015)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00
Singapore 068898

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
#12-00, UOB Plaza 1
Singapore 048624

Corporate Governance Statement

The Board of Directors of LifeBrandz Limited (the "Company") is committed to ensure that the highest standards of corporate governance and transparency are practised throughout the Company and its subsidiaries (the "Group"), as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial information of the Group. In view of this, the Board fully supports the principles behind the Code of Corporate Governance 2012 (the "Code"), which forms part of the Continuing Obligations of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual, by adopting and adapting the Code throughout the Group.

The SGX-ST's Listing Manual requires an issuer to describe its corporate governance practices with specific reference to the Code in its annual report. It must also disclose any deviation from any aspect of the Code together with an appropriate explanation for such deviation in the annual report.

This statement outlines the policies adopted during the financial year ended 31 July 2015 and practised by the Group, with specific reference given to the relevant provisions of the Code.

THE CODE

The Code is divided into four main sections:

1. Board Matters
2. Remuneration Matters
3. Accountability and Audit
4. Shareholder Rights and Responsibilities

1. BOARD MATTERS

Principle 1:
The Board's Conduct of its Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The principal functions of the Board are:

(a) Reviewing and approving corporate strategies, annual budgets and financial plans and monitoring the organisational performance towards them;

(b) Reviewing the adequacy and integrity of the Company's internal controls, risk management systems, and the financial information reporting systems;

(c) Ensuring the Group's compliance to laws, regulations, policies, directives, guidelines and internal code of conduct;

(d) Approving nominations to the Board of Directors by the Nominating Committee ("NC") and endorsing the appointments of the Management team and external auditors;

(e) Reviewing and approving the remuneration packages for the Board and key executives; and

(f) Ensuring accurate, adequate and timely reporting to, and communication with shareholders.

Matters which are specifically reserved to the full Board for decision include those involving corporate plans and budgets, material acquisitions and disposal of assets, corporate and financial restructuring, share issuances, dividends, other returns to shareholders and interested person transactions.

The Board has delegated specific responsibilities to 3 committees (Audit, Nominating, and Remuneration), the details of which are set out below. These committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. These committees have the authority to examine particular issues and report back to the Board with a fair recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the Board. The effectiveness of each committee is also constantly reviewed by the Board.

Corporate Governance Statement

New directors are also informed about matters such as the Code of Dealing in the Company's shares. To keep pace with regulatory changes, the Company provides opportunities for on-going education on Board processes and best practices, as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Singapore Exchange Securities Trading Limited ("SGX-ST") that will affect the Company and/or Directors in discharging their duties. Board members are also encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company works closely with professionals to provide its Directors with pertinent information in relation to changes to relevant laws, regulations and accounting standards.

The Board meets at least four times a year, with additional meetings convened as necessary. Board meetings are held in Singapore and the Directors attend the meetings regularly. The matrix on the frequency of the meetings and the attendance of Directors at these meetings is set out on page 25.

Principle 2:
Board's Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board of Directors comprises four Directors, three of whom are independent Directors. All Board members bring about an independent judgment and diversified knowledge and experiences to bear on the issues of strategy, performance, resources and standards of conduct. A brief description on the background of each Director is presented on "Board of Directors" section on page 8.

During FY2015, the Group carried out a restructuring of the Board composition whereby Mr Bernard Lim Miang and Mr Wong Kok Hoe resigned as Non Executive Director, and Mr Thomas Carlton Thompson III resigned as an Independent Director on 27 January 2015. On the same date, Mr Chng Weng Wah was appointed as the Executive Director of the Group, and Mr Toh Hock Ghim and Mr Chee Keng Koon were appointed as Independent Directors. Mr Cedric Chong Sien Chern then resigned as Executive Director and CEO of the Group on 6 February 2015 and Mr Chng Weng Wah assumed the position of CEO on the same date. Mr Chee Keng Koon subsequently resigned as Independent Director on 7 April 2015, and was replaced by Mr Wong Joo Wan on the same date.

In line with the 2012 Code, the NC introduced the peer assessment of independence of each director who has served the Board beyond nine years. The peer assessments considered, amongst others, the contribution by the director, the uniqueness of his skills and participation at meetings. Having carried out their review for FY2015 and taking into account the view of the NC, the Board determined that Mr Lim Kee Way Irwin who was appointed on 21 April 2004, be considered independent notwithstanding that he has served on the Board beyond nine years. Mr Lim Kee Way Irwin has contributed effectively by providing impartial and autonomous views, advice and judgement. He has continued to demonstrate strong independence in character and mind in all matters.

The criterion for independence is determined based on the definition as provided in the Code. The Board considers an "independent" Director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Group. As independent Directors make up more than half of the Board, no individual or group is able to dominate the Board's decision-making process.

The independence of each Director is reviewed annually by the NC.

The Board examines its size to satisfy that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company's operations. The NC is of the view that the current Board size is appropriate and able to function effectively and efficiently.

Principle 3:
Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual represents a considerable concentration of power.

In the year under review, Mr Cedric Chong Sien Chern stepped down as Executive Director and Chief Executive Officer ("CEO") of the Group on 6 February 2015. Mr Chng Weng Wah was appointed as Executive Director on 27 January 2015, and assumed the position of CEO of the Group on 6 February 2015. There is no appointment of a Chairman of the Group as in the opinion of the Board, the current group structure and business scope does not warrant such appointment and that there is a good balance of power and authority to the best interest of the Group.

Corporate Governance Statement

The CEO is responsible to the Board for all corporate governance procedures to be implemented by the Group and to ensure conformance by the Management to such practices. There is no concentration of power as the Group is run objectively on a transparent basis as the Board feels that there is adequate representation of independent and Non-Executive Directors (more than half) on the Board. All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority with in the spirit of good corporate governance.

As a general rule, Board papers are sent to the Directors in advance in order for the Directors to be adequately prepared for the meeting. Management staff who have prepared the papers are invited to present the papers at the meeting.

Principle 4:
Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Nominating Committee

The NC comprises three members, a majority of whom, including the Chairman, are independent. The members of the NC are:

Mr Toh Hock Ghim	Chairman and Independent Director
Mr Wong Joo Wan	Independent Director
Mr Chng Weng Wah	Executive Director

The NC has adopted the written terms of reference which describes the responsibilities of NC and the proceedings at NC meetings.

The NC's principal responsibilities are as follows:

(a) To make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board, as well as ensuring there are procedures in place for the selection and appointment of Non-Executive Directors;

(b) To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(c) To be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominees have the requisite qualifications and whether or not they are independent;

(d) To recommend Directors who are retiring by rotation to be put forward for re-election;

(e) To oversee the management development and succession planning of the Group;

(f) To decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;

(g) To be responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board;

In determining the independence of the Directors, the NC has developed a Return on Independence which is required to be completed by all Directors on an annual basis and submitted to NC for its review.

Nomination and Selection

In the event a new Director had been required, the search would have been through search companies, contacts and recommendations so that the Company could cast its net as wide as possible for the right candidates. The NC will identify potential candidates for appointments based on and after taking into consideration the candidates' qualification, knowledge, skills and experience, as well as his/her ability to increase the effectiveness of the Board and the Group's business. The NC will then recommend their appointments to the Board for consideration.

Corporate Governance Statement

Election and re-election

New Directors are appointed by way of a Board resolution, upon their nomination from the NC. In accordance with the Company's Articles of Association, these new Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles of Association of the Company also require that one-third of the Board retire from office at each Annual General Meeting ("AGM"). Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

Directors who are above the age of 70 years are required to seek re-appointment at each AGM under Section 153(6) of the Companies Act, Cap 50. Mr Toh Hock Ghim has attained the age of over 70 years, and is therefore required to be re-appointed annually pursuant to Section 153(6) of the Companies Act, Cap 50.

Policy on external appointments

The Group recognises that its Executive Directors may be invited to become Non-Executive Directors of other companies and that the exposure to such non-executive duties can broaden the experience and knowledge of its Executive Directors which will benefit the Group. Executive Directors are therefore allowed to accept non-executive appointments as long as these are with non-competing companies, are not likely to lead to conflict of interest and their commitment to the Group is not compromised. Despite some of the directors having multiple Board representations, the NC is satisfied that these directors are able to and have adequately carried out their duties as Directors of the Company, after taking into consideration the number of listed company board representations and other principal commitments. Currently, the Board has not determined the maximum number of listed board representations which any Director may hold. The NC is of the view that there are currently no compelling reasons to impose a cap on the number of board representations each director may hold as each director is able to and have adequately carried out his duties as a director of the Company.

Principle 5:
Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

In line with the principles of good corporate governance, the NC implemented and continued with the annual performance evaluation for assessing the effectiveness of the Board as a whole. The NC had decided unanimously, that the Directors will not be evaluated individually. The NC, in considering the re-nomination of any Director, had considered but not limited to the extent of their attendance, participation and contribution in the proceedings of the meetings. The results of the evaluation are used constructively by the NC to identity areas of improvement and to make recommendation to the Board the appropriate action.

During FY2015, the Board was reconstituted and of the current four (4) Directors, three (3) Directors were newly appointed in early 2015 (i.e. 27 January 2015 and 7 April 2015). With the recommendation from the NC Chairman and consensus agreement from the NC and Board members, the evaluation of the overall effectiveness of the Board as a whole would not be conducted for FY2015. Instead the assessment for FY2015 will be based on constant interaction within the Board to nurture better understanding and cohesion in order for the members to establish good working relationship and commitment towards the Board's objectives. The purpose of such direct interaction and evaluation process is to increase the overall effectiveness and efficiency of the Board functions.

Each Director will be requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole at the end of the current Board's first year tenure. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, quality of agenda, communication with key management personnel, Director's standard of conduct and quality of decision making.

No external facilitator has been used for the purpose of Board assessment in FY2015. The annual evaluation and continued improvement of the assessment has been effective and fulfilled the objectives of the Board performance. The Board and the NC have endeavoured to ensure that Directors appointed to the Group's business possess the necessary experience, knowledge and expertise critical to the Group's business.

Principle 6:
Access to Information

In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Requests for information from the Board are dealt with promptly by the Management. The Board is informed of all material events and transactions as and when they occur. The Management provides the Board with monthly and quarterly reports of the Group's performance. The Management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with Board papers timely and prior to Board meetings. Analysts' reports on the Company are also forwarded to the Directors on an on-going basis as and when received.

The Company Secretary or representative from the Secretary's office administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Memorandum and Articles of Association and the relevant rules and regulations applicable to the Company are complied with.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, direct the Company to appoint professional adviser to render professional advice. The Board takes independent professional advice as and when necessary to enable it or the independent Directors to discharge the responsibilities effectively.

2. REMUNERATION MATTERS

The Company adopted the objective as recommended by the Code to determine the remuneration for a Director so as to ensure that the Company attracts and retains the Directors needed to run the Group successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by the particular Non-Executive Director concerned.

Principle 7:
Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

Remuneration Procedure

The Code endorses, as good practice, a formal framework for fixing the remuneration packages of individuals, with a Remuneration Committee making recommendations to the Board.

Remuneration Committee

The Remuneration Committee ("RC") comprises three members, who are independent. The members of the RC are:

Mr Wong Joo Wan	Chairman and Independent Director
Mr Lim Kee Way Irwin	Independent Director
Mr Toh Hock Ghim	Independent Director

The RC has adopted the written terms of reference which describes the responsibilities of RC and the proceedings at RC meetings.

The RC's principal responsibilities are as follows:

(a) To approve the structure of the compensation programme for Directors and Senior Management to ensure that the programme is competitive and sufficient to attract, retain and motivate Senior Management of the required quality to run the Company successfully.

(b) To review and recommend the remuneration packages of the Executive Directors, the CEO and key executives of the Company annually.

(c) To implement, oversee and review the administration of the LifeBrandz Employees Share Option ("ESOS") as defined in the option scheme. Any matter pertaining to the ESOS and any dispute and uncertainty as to the interpretation of the ESOS, any rule, regulation or procedure thereunder or any rights under the ESOS shall be determined by the RC.

(d) To review the appropriateness of compensation for Non-Executive Directors including but not limited to Directors' fees, allowances and share options.

Corporate Governance Statement

(e) To review and recommend to the Board any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.

(f) To carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

Principle 8:
Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Remuneration Committee will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key management personnel when determining their remuneration packages. In structuring and reviewing the remuneration packages, the Remuneration Committee seeks to align interests of Directors with those of shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. Such performance-related remuneration should be aligned with the interest of shareholders and promote long term success of the Company. The Independent Directors receive Directors' fees and in accordance with their contributions, taking into account factors such as efforts and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors.

The Independent Directors shall not be over-compensated to the extent their independence may be compromised. All Independent Directors are paid Directors' fees that are subject to shareholders' approval at the Annual General Meeting. The remuneration for the Executive Director and key management personnel comprise a basic salary and bonus component, and the annual remuneration in the form of Directors' fees which is subject to the approval by shareholders at the Annual General Meeting. The Company entered into a service agreement with Executive Director and CEO, Mr Chng Weng Wah for an initial appointment period of three (3) years and it does not contain onerous removal clauses. The service agreement allows termination by either party giving not less than six months' notice in writing to the other. The Remuneration Committee is responsible for the review of compensation commitments in the service agreement, if any, entails in the event of early termination. The Board is of the view that the remuneration offered to the Directors and key management personnel is fair and competitive. The Remuneration Committee will carry out annual reviews of the remuneration packages of the Directors and key management personnel, having due regard to their contributions as well as the financial and commercial needs of the Group. The Remuneration Committee may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive pay-out component of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

Principle 9:
Disclosure on Remuneration

Each Company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The RC recommends to the Board the framework of executive remuneration and the remuneration package for each Executive Director. In its deliberations, the RC will take into consideration industry practices and norms in compensation in addition to the Company's relative performance in the industry and the performance of the individual Directors. The remuneration packages recommended by the RC are ultimately approved by the Board. No Director is involved in deciding his own remuneration.

Remuneration package

The Company adopts a remuneration policy for staff comprising a fixed and variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus which is linked to the Group's performance as well as the individual's performance which is assessed based on their respective key performance indicators allocated to them and the level of efficiency and productivity. Staff appraisals are conducted once every year.

Corporate Governance Statement

Directors' Remuneration

A breakdown showing the level and mix of each individual Director's remuneration in bands payable for FY2015 is as follows:

	2015	2014
$250,000 to below $500,000	–	–
Below $250,000	5	5
Total	5	5

Name	Remuneration Band S$	Salary %	Bonus %	Directors' Fees* %	Total %
Chng Weng Wah [(1)]	Below $250,000	90	–	10	100
Cedric Chong Sien Chern [(2)]	Below $250,000	100	–	–	100
Toh Hock Ghim	Below $250,000	–	–	100	100
Lim Kee Way Irwin	Below $250,000	–	–	100	100
Wong Joo Wan	Below $250,000	–	–	100	100

* The remuneration in the form of Directors' fee is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

(1) Mr Chng Weng Wah was appointed Executive Director on 27 January 2015, and assumed the appointment of Chief Executive Officer on 6 February 2015.

(2) Mr Cedric Chong Sien Chern, stepped down as Executive Director and Chief Executive Officer on 6 February 2015.

For competitive reasons, the Company discloses each individual Director's remuneration by way of respective bands of remuneration of each Director.

Remuneration of Key Employees

The table below shows the range of gross remuneration received by the Group's key executives (excluding Executive Directors) in the Company.

No. of Executives in Remuneration Bands	2015	2014
Below $250,000	2	3

- Joe Chiang Kok Kin — Chief Financial Officer
- Joshua Michael Schwartz — Chief Operating Officer (resigned on 11 May 2015)

In view of the confidentiality of remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of key executives in the annual report.

The Company does not have any employee who is an immediate family member of a Director or the CEO whose remuneration in FY2015 exceeded $50,000.

3. ACCOUNTABILITY AND AUDIT

Principle 10:
Accountability

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

For all announcements (including financial performance reporting) made to the public via SGXNET and the annual report to shareholders, as required by the SGX-ST, the Board has a responsibility to present a fair assessment of the Group's position including the prospects of the Group.

Corporate Governance Statement

To enable effective monitoring and decision-making by the Board, Management provides the Board with a continual flow of relevant information on a timely basis as well as quarterly management accounts of the Group. Particularly, prior to the release of quarterly and full year results to the public, Management will present the Group's financial performance together with explanatory details of its operations to the Audit Committee, which will review and recommend the same to the Board for approval and authorisation for the release of the results.

Principle 11:
Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risk which the Board is willing to take in achieving its strategic objectives.

The Group has established a risk identification and management framework. With the aforesaid framework, the Group identifies keys risks and undertakes appropriate measures to control and mitigate these risks. Action plans to manage the risks are continually being monitored and refined by Management and the Board. The Group will reviews regularly all significant control policies and procedures, and highlight all significant matters to the AC and the Board.

The internal controls structure of the Group has been designed and put in place by management of the Group's business units to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations. However, no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgment in decision-making, losses, fraud or other irregularities.

The Internal Auditors carry out internal audit on the system of internal controls at least annually and reports the findings to the AC. The Group's External Auditors, Messrs Mazars LLP have also carried out, in the course of their statutory audit, a review of the group's material internal controls. Material non-compliance and internal control weaknesses and recommendations for improvements noted during their audit were reported to the AC. The Board reviewed the adequacy of the Group's key internal controls with the assistance of the internal and external auditors and Management, who provide regular reports during the year to the AC in addition to the briefings and updates provided in the AC Meetings.

Management will continue to review and strengthen the Group's control environment, and further refine its internal policies and procedures especially in relation to impairment assessment for property, plant and equipment and intangible assets on a timely basis.

The Board has also received assurance from the Group's CEO and the Group's Chief Financial Officer that financial records have been properly maintained and the financial statements provide a true and fair view of the Company's operations and finances, and the Company risk management and internal control systems in place are effective.

Based on the internal control established and maintained by the Group, work performed by the internal auditors during the financial year, as well as the statutory audit by the external auditors and review performed by management, various Board committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's system of risk management and internal controls, addressing financial, operational, compliance and information technology controls risks, were adequate and effective for the financial year ended 31 July 2015.

Principle 12:
Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The role of the Audit Committee is to assist the Board in the execution of its corporate governance responsibilities within the established Board's references and requirements. The financial statements, accounting policies and system of internal accounting controls are responsibilities that fall under the ambit of the Audit Committee. The Audit Committee has its set of written terms of reference defining its scope of authority and further details of its major functions are set out below and also in the Directors' Report.

The Audit Committee ("AC") comprises three members, all AC members including Chairman of the Committee are independent. At the date of this report, the Audit Committee comprises the following members:

Mr Lim Kee Way Irwin	Chairman and Independent Director
Mr Toh Hock Ghim	Independent Director
Mr Wong Joo Wan	Independent Director

Corporate Governance Statement

The Board ensures that the members of the AC are qualified to discharge their responsibilities. The AC is chaired by Mr Lim Kee Way Irwin, who holds a Master of Science in Management from Imperial College, University of London, and Bachelor of Science in Industrial Engineering from Columbia University. The members of the AC bring with them many years of accounting, corporate finance, business management, economics, marketing expertise and investment experience.

In performing its functions, the AC confirms that it has explicit authority to investigate any matter within its terms of reference, full access to and co-operation from the Management, and has been given full discretion to invite any Director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly.

The main functions of the AC are as follows:

(a) Review with the external auditors of the Company, their audit plan, evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss (in the absence of the Management).

(b) Ensure co-operation is given by the Company's Management to the internal and external auditors.

(c) Review the announcement of the quarterly and year-end results to SGX-ST.

(d) Review the annual financial statements and the auditor's report on the Company's annual financial statements before they are presented to the Board, focusing on:

- going concern assumption;
- compliance with accounting standards and regulatory requirements;
- any changes in accounting policies and practices;
- significant issues arising from the audit; and
- major judgmental areas;

(e) Review with the Management and the external auditors the adequacy and effectiveness of the Company's internal controls, business and service systems and practices.

(f) Monitor and review related and interested party transactions and conflict of interest situation that may arise within the Group. The AC is also required to ensure that the Directors report such transactions annually to shareholders in the annual report.

(g) Review the scope and result of the internal audit procedures.

(h) Make recommendation on the appointment and re-appointment of the external and internal auditors to the Board.

(i) Review significant risks or exposures that exist and assess the steps taken by the Management to minimise such risks to the Company, and

(j) Any other functions which may be agreed by the AC and the Board.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibilities. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The Company has put in place a whistle-blowing policy to provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The objective for such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

The AC has full access to and co-operation of the Company's Management and has full discretion to invite any Director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions.

Corporate Governance Statement

The AC, having reviewed the range and value of non-audit services performed by the external auditors, Messrs Mazars LLP, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has also reviewed and confirmed that Messrs Mazars LLP is a suitable audit firm to meet the Company's audit obligations, having regards to the adequacy of resources and experience of the firm and the assigned audit engagement partner, other audit engagements, size and nature of the Group, number and experience of supervisory and professional staff assigned to the audit. The aggregate amount of fees paid to the external auditors of the Company, broken down into audit and non-audit services during FY2015 are disclosed in the note 8 to the financial statements.

The AC is satisfied that Rules 712 and 715 of the Listing Manual of the SGX-ST are complied with and has recommended to the Board that, Messrs Mazars LLP be nominated for re-appointment as external auditors at the forthcoming AGM.

Principle 13:
Internal Audit

The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

For the financial year ended 31 July 2015, the Company outsourced its internal audit function to Bakers Tilly TFW, an external professional firm, who reports directly to the Chairman of AC and administratively to the Management. Baker Tilly TFW is an international, integrated and independent organisation specialising in audit, accountancy, tax, legal and advisory services. Baker Tilly TFW has a network of global resources that can be reached through the membership of Baker Tilly International.

The internal auditor is guided by the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner. The internal auditors have identified the Group's main business processes and developed an audit plan that covers the main business process.

To achieve its objectives, the internal auditor has unrestricted access to all record, properties and personnel of the Group. The AC will review the adequacy of the function of the internal audit annually. Based on the review of the internal audit, the AC believes that the internal auditors are independent and have the appropriate standing and adequate resources to perform its function effectively and objectively.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14:

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Board treats all shareholders fairly and equitably and facilitate the exercise of shareholders' rights.

Notice of AGM is despatched to Shareholders together with explanatory notes or circular on items of special business (if necessary), at least fourteen (14) days prior to the meeting date. The Board is accountable to the shareholders and recognise its obligation to provide timely and fair disclosure of material information to shareholders, investors and public. The Company ensured that the Shareholders have the opportunity to participate effectively in and vote at the general meeting and the information on the rules, including voting procedures that govern general meeting have been provided to the shareholders.

Principle 15:

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company does not practise selective disclosure. In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Corporate Governance Statement

Information is disseminated to shareholders on a timely basis through:

- SGXNET systems and news release
- Annual reports prepared and issued to all shareholders
- The Company's website at www.lifebrandz.com and investor relations site, Shareinvestor, at which shareholders can access information on the Group

Results and annual reports are announced or issued within the mandatory period. The Group has an investor relation team which communicates with its investors on a regular basis and attends to their queries. All shareholders of the Company will receive a copy of the annual report and the notice of the Annual General Meeting. The notice is also advertised in newspaper and made available at the SGX-ST's and the Company's websites.

Principle 16:

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goal. The Company encourages active shareholders' participation. During the AGM, shareholders may raise questions or share their views regarding the proposed resolutions and also the Company's businesses and affairs. The respective Chairman of the AC, NC, RC and senior management will attend to address questions relating to the progress and performance of the Group. The independent auditor would also be present to assist the Directors in addressing any relevant queries by shareholders.

Shareholders can vote in person or appoint not more than two proxies to attend and vote on behalf. Voting in absentia and electronic mail may only be possible following careful study to ensure the integrity of the information and authentication of the identity of members through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

The Company will practise having separate resolutions at general meetings on each substantially separate issue. "Bundling" of resolutions are kept to a minimum and are done only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved.

The Company will put all resolutions to vote by poll. Announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages is made on the same day.

The Company will make available minutes of general meetings to shareholders upon their request.

Risk Management

The Company does not have a Risk Management Committee. However, the management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

Dealing in Securities

The Company has complied with Rule 1207(19) of the Listing Manual. The Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Company for the period of two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month prior to the announcement of the Company's full year financial statements, and ending on the date of the announcement of the relevant results.

In addition, the Company, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term consideration.

Material Contracts

There was no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling shareholder for the financial year ended 31 July 2015.

Corporate Governance Statement

Interested Person Transactions ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There have been no IPTs equal to or exceeding $100,000 in value for the financial year ended 31 July 2015.

The Company does not have a shareholders' mandate for interested person transactions.

Name of Interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil

Use of Placement Proceeds

The Company announced on 16 January 2015 in relation to the completion of the placement of 500,000,000 new ordinary shares at the issue price of S$0.0036 per placement share in the share capital of the Company, and on 8 May 2015 and 30 July 2015 further announced the update on the usage of the net placement proceeds of S$1,750,000 as follows:

Intended use of net proceeds	Net Proceeds from placement of shares S$'000	Cumulative Amount utilised as at the date of announcement S$'000	Balance of net proceeds as at the date of the announcement S$'000
Working Capital	1,750	(763)*	987
Total	**1,750**	**(763)**	**987**

Note: *

The breakdown of the working capital utilised was as follows:

	S$'000
Salaries and related expenses	506
Professional fees	220
Operating Expenses	37
Total	763

Summary of Committee Meetings

The number of Board and Board Committee meetings held during the financial year ended 31 July 2015 and the attendance of each Director where relevant is as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	4	4	1	1
No. of meetings attended by respective Directors:				
Chng Weng Wah (1)	3	N.A.	1	N.A.
Lim Kee Way Irwin	4	4	N.A.	1
Toh Hock Ghim (2)	1	1	1	1
Wong Joo Wan (3)	2	2	1	1

(1) Mr Chng Weng Wah was appointed Executive Director on 27 January 2015, and assumed the appointment of Chief Executive Officer on 6 February 2015.
(2) Mr Toh Hock Ghim was appointed as Independent Director on 27 January 2015.
(3) Mr Wong Joo Wan was appointed as Independent Director on 7 April 2015.

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Report of the Directors

The directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 31 July 2015 and the statement of financial position and statement of changes in equity of the Company as at 31 July 2015.

1. DIRECTORS

The directors of the Company in office at the date of this report are:

Executive Director and Chief Executive Officer

Chng Weng Wah (Appointed on 27 January 2015)

Independent non-executive director

Lim Kee Way Irwin
Toh Hock Ghim (Appointed on 27 January 2015)
Wong Joo Wan (Appointed on 7 April 2015)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, except as disclosed in paragraphs 3 and 5 below.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year, had no interest in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as disclosed below:

	Direct interest		Deemed interest	
Name of director	**At date of appointment**	**At the end of financial year**	**At date of appointment**	**At the end of financial year**
Ordinary shares of the Company				
Chng Weng Wah	–	–	279,798,000	279,798,000

The directors' interests in the shares and options of the Company on 21 August 2015 were the same as at 31 July 2015.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed, in the financial statements.

5. SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Report of the Directors

6. AUDIT COMMITTEE

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Lim Kee Way Irwin	(Chairman)
Toh Hock Ghim	(Appointed on 27 January 2015)
Wong Joo Wan	(Appointed on 7 April 2015)

The Audit Committee has convened four meetings during the year with key management and the internal and external auditors of the Company.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act. In performing those functions, the Audit Committee review:

(i) the audit plans and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;

(ii) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) Group's quarterly and annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) the quarterly, half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) the adequacy of the Group's risk management processes;

(vi) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) interested person transactions in accordance with SGX listing rules;

(viii) Nomination of external auditors and approval of their compensation; and

(ix) Submission of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

7. AUDITORS

The auditor, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the board of directors:

Chng Weng Wah
Director

Lim Kee Way Irwin
Director

Singapore
Date: 30 October 2015

Statement by Directors

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up 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 2015, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Chng Weng Wah Director	**Lim Kee Way Irwin** Director

Singapore
Date: 30 October 2015

Independent Auditors' Report

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 (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 July 2015, and the consolidated statements of comprehensive income, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 31 to 65.

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, Cap 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 sheets and to maintain accountability of assets.

Auditors' 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 auditors' judgement, 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 auditors consider internal control relevant to the entity's preparation of 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 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 2015 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

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, and have been properly kept in accordance with the provisions of the Act.

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

30 October 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 July 2015

	Note	Group 2015 $'000	Group 2014 $'000 (Restated)
Revenue	5	1,260	1,168
Other operating income	6	48	125
		1,308	1,293
Expenses			
Inventories and consumables used	19	(581)	(412)
Amortisation and depreciation		(142)	(142)
Employee benefits	7	(939)	(1,038)
Advertising, media and entertainment		(57)	(72)
Rental on operating leases		(186)	(176)
Transportation		(4)	(8)
Legal and professional fee	8	(299)	(187)
Other operating expenses	9	(256)	(211)
Changes in inventories of finished goods		(3)	4
Loss before income tax from continuing operations		(1,159)	(949)
Income tax expense	10	(4)	(3)
Loss from continuing operations		(1,163)	(952)
Loss from discontinued operations, net of tax	11	(1,800)	(5,820)
Loss for the year		(2,963)	(6,772)
Other comprehensive income:			
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation			
Exchange differences on translating foreign operations		(2)	6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(2,965)	(6,766)
Loss attributable to:			
Continuing operations, net of tax			
Owners of the Company		(1,160)	(773)
Non-controlling interest		(3)	(179)
		(1,163)	(952)
Discontinued operations, net of tax			
Owners of the Company		(6,470)	(4,978)
Non-controlling interest		4,670	(842)
		(1,800)	(5,820)
Loss for the financial year		(2,963)	(6,772)
Total comprehensive income attributable to:			
Owners of the Company		(7,632)	(5,745)
Non-controlling interest		4,667	(1,021)
		(2,965)	(6,766)
Loss per share attributable to owner of the Company (Cents)			
Basic and diluted loss per share:			
– Continuing operations	12	(0.04)	(0.03)
– Discontinued operations	11	(0.23)	(0.22)
Total basic and diluted loss per share		(0.27)	(0.25)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 July 2015

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	9	2,028	1	–
Fixed deposit pledged	14	–	1,980	–	1,980
Other receivables	15	–	91	–	621
Investment in subsidiaries	16	–	–	321	321
Intangible assets	17	–	–	–	–
		9	4,099	322	2,922
Current assets					
Trade and other receivables	18	290	1,040	585	3,469
Inventories	19	13	315	–	–
Cash and cash equivalents	20	1,084	1,132	986	53
		1,387	2,487	1,571	3,522
Total assets		1,396	6,586	1,893	6,444
LIABILITIES AND EQUITY					
Current liability					
Trade and other payables	21	491	3,332	1,263	3,415
Non-current liability					
Provision for reinstatement costs	22	–	1,134	–	–
Total liabilities		491	4,466	1,263	3,415
Equity attributable to owners of the Company					
Share capital	23	55,086	53,336	55,086	53,336
Foreign currency translation Reserve		(29)	(27)	–	–
Accumulated losses		(54,159)	(48,820)	(54,456)	(50,307)
		898	4,489	630	3,029
Non-controlling interest		7	(2,369)	–	–
Total equity		905	2,120	630	3,029
Total liabilities and equity		1,396	6,586	1,893	6,444

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 July 2015

Group	Share capital (Note 23) $'000	Foreign currency translation reserve [a] $'000	Accumulated losses $'000	Non-controlling interest $'000	Total $'000
	Attributable to owners of the Company				
At 1 August 2013	49,951	(33)	(43,069)	(1,348)	5,501
Issuance of shares	3,442	–	–	–	3,442
Share issuance expense	(57)	–	–	–	(57)
Total contributions by owners	3,385	–	–	–	3,385
Loss for the year	–	–	(5,751)	(1,021)	(6,772)
Other comprehensive income:					
Exchange differences on translating foreign operations	–	6	–	–	6
Total comprehensive income for the year	–	6	(5,751)	(1,021)	(6,766)
At 31 July 2014	53,336	(27)	(48,820)	(2,369)	2,120
Issuance of shares	1,800	–	–	–	1,800
Share issuance expense	(50)	–	–	–	(50)
Total contributions by owners	1,750	–	–	–	1,750
Loss for the year	–	–	(7,630)	4,667	(2,963)
Other comprehensive income:					
Exchange differences on translating foreign operations	–	(2)	–	–	(2)
Liquidation of subsidiaries	–	–	2,291	(2,291)	–
Total comprehensive income for the year	–	(2)	(5,339)	2,376	(2,965)
At 31 July 2015	55,086	(29)	(54,159)	7	905

[a] The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 July 2015

Company	Share capital (Note 23) $'000	Accumulated losses $'000	Total $'000
At 1 August 2013	49,951	(43,776)	6,175
Issuance of shares	3,442	–	3,442
Share issuance expense	(57)	–	(57)
Total contributions by owners	3,385	–	3,385
Loss for the year	–	(6,531)	(6,531)
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	(6,531)	(6,531)
At 31 July 2014	53,336	(50,307)	3,029
Issuance of shares	1,800	–	1,800
Share issuance expense	(50)	–	(50)
Total contributions by owners	1,750	–	1,750
Loss for the year	–	(4,149)	(4,149)
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	(4,149)	(4,149)
At 31 July 2015	55,086	(54,456)	630

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2015

	2015 $'000	2014 $'000
Operating activities		
Loss before income tax from continuing operations	(1,159)	(949)
Loss before income tax from discontinued operations (Note 11)	(1,800)	(5,820)
Total loss before income tax	(2,959)	(6,769)
Adjustments for:		
Depreciation of property, plant and equipment	280	1,330
Amortisation of intangible assets	–	1,070
Impairment loss on property, plant and equipment	1,060	1,778
Impairment loss on intangible assets	–	1,160
Impairment loss on trade receivables	–	205
Rental deposit forfeited	1,980	–
Bad debts written off	57	–
Property, plant and equipment written off	–	28
Gain on liquidation of subsidiaries (Note 16)	(3,147)	–
Interest income	(9)	(13)
Finance costs	–	1
Exchange realignment	(2)	6
Operating cash flows before changes in working capital	(2,740)	(1,204)
Changes in working capital		
Decrease in inventories	203	22
Decrease in trade and other receivables	200	353
Increase/(decrease) in trade and other payables	712	(1,674)
Cash flows used in operations	(1,625)	(2,503)
Interest received	9	13
Income tax paid	(4)	(3)
Net cash flows used in operating activities	(1,620)	(2,493)
Investing activities		
Purchase of property, plant and equipment	(46)	(484)
Net cash outflows on liquidation of subsidiaries (Note 16)	(132)	–
Net cash flows used in investing activities	(178)	(484)
Financing activities		
Repayment of obligations under finance lease	–	(3)
Repayment of short-term loan	–	(500)
Proceeds from issuance of shares	1,800	3,442
Share issuance expense	(50)	(57)
Net cash flows from financing activities	1,750	2,882
Net decrease in cash and cash equivalents	(48)	(95)
Cash and cash equivalents at beginning of financial year	1,132	1,227
Cash and cash equivalents at end of financial year (Note 20)	1,084	1,132

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 July 2015

1. CORPORATE INFORMATION

LifeBrandz Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 1001 Jalan Bukit Merah, #06-11, Singapore 159455.

The principal activity of the Company is that of investment holding. The principal activities of the Group are those of the lifestyle and entertainment businesses as disclosed in Note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2015 were authorised for issue by the Board of Directors on 30 October 2015.

2. GOING CONCERN

During the financial year ended 31 July 2015, the Group and the Company incurred net losses of $2,963,000 (2014: $6,772,000) and $4,149,000 (2014: $6,531,000) respectively. The Group had also incurred an operating cash outflow of $1,620,000 (2014: $2,493,000) for the year. This indicates the existence of 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 despite their net losses and operating cash outflow for the year due to the Group's and the Company's ability to generate sufficient cash flows from their remaining operations going forward after the loss making subsidiaries have been put on liquidation. 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 currents assets and liabilities. No such adjustments have been made to these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 August 2014. The adoption of these new/revised FRSs and INT FRSs did not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation (Continued)

FRS and INT FRS issued and effective

		Effective date (annual periods beginning on or after)
FRS 19	Amendments to FRS 19: Defined Employee Plans: Employee Contributions	1 July 2014
FRS 27	Separate financial statements	1 January 2014
FRS 28	Investments in associates and joint ventures	1 January 2014
FRS 36	Amendments to FRS 36: Recoverable amount disclosures for non-financial assets	1 January 2014
FRS 110	Consolidated financial statements	1 January 2014
FRS 110, FRS 111, FRS 112, FRS 27 & FRS 28	Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011): Mandatory effective date	1 January 2014
FRS 110, FRS 111 & FRS 112	Amendments to FRS 110, FRS 111 and FRS 112: Transition guidance	1 January 2014
FRS 110, FRS 112 & FRS 27	Amendments to FRS 110, FRS 112 and FRS 27: Investment entities	1 January 2014
FRS 112	Disclosure of interests in other entities	1 January 2014
Various	Improvements to FRSs (January 2014)	Various
Various	Improvements to FRSs (February 2014)	Various

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Group were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptance Methods of Depreciation and Amortisation	1 January 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 109	Financial Instruments	1 January 2018
Various	Improvements to FRSs (November 2014)	Various

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group has not early adopted any of the above new/revised standards, interpretations and amendments to the existing standards in the financial year ended 31 July 2015. Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; is able to reliably measure the amount of revenue and the costs incurred or to be incurred in respect of the transaction; and assesses that it is probable for the economic benefits associated with the transaction to flow to the entity.

Operating fee revenue

Operating fee revenue is recognised based on the contractual terms as established with respective contractual parties.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.4 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.5 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.6 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

3.7 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

3.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

• Computer equipment	3 years
• Motor vehicle, office and operating equipment	3 years
• Furniture and fixtures	over the remaining lease period of 6 years
• Leasehold improvement and renovations	over the remaining lease period of 6 years
• Pland and equipment	3 years

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

3.9 Intangible assets

Franchises and licenses

Acquired franchises and licences are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the franchise/licence over the term of the franchise/licence ranging from 1 – 6 years.

Customer database and contract

Customer database and contract were acquired in a business combination and recognised based on the fair value of consideration paid. Their carrying amounts are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost over the term of the contract of 28 months.

3.10 Impairment of assets

The Group reviews the carrying amounts of its assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs. The Group's financial assets consists only loans and receivables.

Loans and receivables

The Group's loans and receivables comprise trade and other receivables, and bank balances and fixed deposits.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is measured based on standard cost which approximates actual cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

3.16 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3.18 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) has control or joint control over the Company;

- (ii) has significant influence over the Company; or

- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

Notes to the Financial Statements

For the financial year ended 31 July 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Related parties (Continued)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

4.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entity in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

4.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 July 2015 were $9,000 (2014: $2,028,000) and $1,000 (2014: $Nil), respectively (Note 13).

Notes to the Financial Statements

For the financial year ended 31 July 2015

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Impairment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's and Group's assessments are based on the estimation of the value-in-use of the assets defined in FRS 36 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investment in subsidiaries as at 31 July 2015 was $321,000 (2014: $321,000) (Note 16).

Impairment of trade and other receivables

The Group assesses its trade and other receivables on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 July 2015 were $290,000 (2014: $1,040,000) and $585,000 (2014: $3,469,000), respectively (Note 18).

Provision for reinstatement costs

The Group has recognised a provision for reinstatement cost associated with the leased premises. In determining the amount of the provision, assumptions and estimates are made in relation to the expected costs of dismantling, removal and restoration of its leased premises to their original conditions. The Group has used the mid-point of the expected range based on historical experience and quotation provided by an external contractor. The carrying amount of the provision for reinstatement costs as at 31 July 2015 was $Nil (2014: $1,134,000).

5. REVENUE

	Group	
	2015	**2014**
	$'000	**$'000**
		(Restated)
Continuing activities		
Food and beverage revenue	1,044	1,153
Tobacco product revenue	3	5
Franchise and royalty fees	12	10
Trading revenue	201	–
Revenue from continuing activities	1,260	1,168
Discontinued activities		
Food and beverage revenue	9,334	18,908
Tobacco product revenue	40	70
Operating fee revenue	259	1,397
Revenue from discontinued activities (Note 11)	9,633	20,375

Notes to the Financial Statements

For the financial year ended 31 July 2015

6. OTHER OPERATING INCOME

	Group	
	2015	**2014**
	$'000	**$'000**
		(Restated)
Interest income from fixed deposit	9	13
Others	39	112
	48	125

7. EMPLOYEE BENEFITS

	Group	
	2015	**2014**
	$'000	**$'000**
		(Restated)
Wages and salaries and related benefits	765	821
Employer's contribution to Central Provident Fund	30	37
Directors' fees	70	121
Other benefits and related expenses	74	59
	939	1,038

8. LEGAL AND PROFESSIONAL FEES

Legal and professional fees included the following for the years ended 31 July:

	Group	
	2015	**2014**
	$'000	**$'000**
		(Restated)
Continuing activities		
Legal fees	15	7
Audit fees paid to auditor:		
– Auditor of the Group	93	111
Non-audit fees paid to auditor:		
– Auditor of the Group	9	14
– Others	10	30
Discontinued activities		
Audit fees paid to auditor:		
– Auditor of the Group	37	89
Non-audit fees paid to auditor:		
– Auditor of the Group	–	36

Notes to the Financial Statements

For the financial year ended 31 July 2015

9. OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating expenses:

	Group	
	2015	**2014**
	$'000	**$'000**
		(Restated)
Bad debts written off	57	–
IT services expense	2	2
Utilities	40	50
Repairs and maintenance	10	6
Net foreign exchange (gain)/loss	(6)	27

10. INCOME TAX EXPENSE

	Group	
	2015	**2014**
	$'000	**$'000**
Current income tax:		
– Current	4	3
Income tax expense attributable to the following:		
Continuing operations	4	3
Discontinued operations (Note 11)	–	–
	4	3

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2014: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Loss before income tax from continuing operation	(1,159)	(949)
Loss before income tax from discontinued operation (Note 11)	(1,800)	(5,820)
Total loss before income tax	(2,959)	(6,769)
Tax at the applicable tax rate of 17% (2014: 17%)	(503)	(1,151)
Adjustments:		
Income not subject to taxation	(535)	(19)
Non-deductible expenses	574	282
Effect of partial exemption and tax relief	–	(5)
Deferred tax assets not recognised	464	946
Benefits from previously unrecognised tax losses	–	(50)
Others	4	–
Total income tax expense for the financial year	4	3

As at 31 July 2015, the Group has unabsorbed tax losses and capital allowances of approximately $22,571,000 and $880,000 (2014: $19,842,000 and $880,000) respectively that are available for offset against future taxable profits of the companies in which these arose for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to agreement of the tax authorities.

Notes to the Financial Statements

For the financial year ended 31 July 2015

11. DISCONTINUED OPERATIONS

During the financial year, the Group completed a strategic review of the business operations and ceased the food and beverage club operations in the Clarke Quay area in Singapore. The decisions to cease the operations have been arrived at after reviewing the financial position of the affected entities, as well as their business prospect and environment. Having considered the intense competition that the entities have been facing, the trend of diminishing crowd spending and the impact on restricted liquor licencing hours, the Board has determined that the operations was not sustainable or commercially viable and directed the closure of the above mentioned clubs and the entities namely Cannery Leisure Pte Ltd, Tribeca Leisure Pte Ltd, Lux Leisure Pte Ltd, Brandz+ Pte Ltd and Luminox Pte Ltd.

The results of the discontinued operations have been presented separately in the consolidated statement of profit or loss and other comprehensive income as this segment represents a major line of geographical area of operations that has been disposed. Comparative figures have been restated to accordingly reflect the discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

The results of the discontinued operations were as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Discontinued operations		
Revenue	9,633	20,375
Depreciation on property, plant and equipment	(138)	(1,188)
Amortisation of intangible assets	–	(1,070)
Impairment loss on property, plant and equipment	(1,060)	(1,778)
Impairment loss on intangible assets	–	(1,160)
Impairment loss on trade receivables	–	(205)
Rental deposit forfeited	(1,980)	–
Other expenses	(11,402)	(20,794)
Gain on liquidation of subsidiaries (Note 16) [a]	3,147	–
Loss from discontinued operations, before income tax	(1,800)	(5,820)
Income tax expense	–	–
Loss from discontinued operations, net of tax	(1,800)	(5,820)

[a] Included in the gain on liquidation of subsidiaries is a reversal of provision of reinstatement cost amounting to $1,134,000 (Note 22).

The loss from the discontinued operations is analysed as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Loss from discontinued operations	(4,947)	(5,820)
Gain on liquidation of subsidiaries (Note 16)	3,147	–
	(1,800)	(5,820)

<u>Cash flow statement disclosures</u>

	Group	
	2015	**2014**
	$'000	**$'000**
Operating	(627)	1,013
Investing	(44)	(482)
Financing	–	(503)
Net cash (outflow)/inflow	(671)	28

Notes to the Financial Statements

For the financial year ended 31 July 2015

11. DISCONTINUED OPERATIONS (Continued)

Loss per share disclosures

	Group	
	2015	**2014**
	$'000	**$'000**
Loss per share from discontinued operation attributable to owners of the Company (cents):		
Basic and diluted	0.23	0.22

The basic and diluted loss per share from discontinued operations are calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. The weighted average number of ordinary shares data is presented in note 12 to the financial statements.

12. LOSS PER SHARE

Basic loss per share are calculated by dividing the losses, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share are the same as basic loss per share as there are no dilutive potential ordinary shares.

	Group	
	2015	**2014**
	$'000	**$'000**
Net loss attributable to owners of the Company	(1,160)	(773)
Basic loss per share (cents per share)	(0.04)	(0.03)
	No. of shares '000	**No. of shares '000**
Weighted average number of ordinary shares	2,828,493	2,281,712

Notes to the Financial Statements

For the financial year ended 31 July 2015

13. PROPERTY, PLANT AND EQUIPMENT

Group	Computer equipment $'000	Motor vehicle, office and operating equipment $'000	Furniture and fixtures $'000	Leasehold improvement and renovation $'000	Plant and equipment $'000	Construction-in-progress $'000	Total $'000
Cost:							
At 1 August 2013	540	376	790	6,685	2,046	111	10,548
Additions	12	–	97	115	135	125	484
Write off	(3)	(2)	(64)	(43)	(34)	–	(146)
Reclassification	–	–	8	172	25	(205)	–
At 31 July 2014	549	374	831	6,929	2,172	31	10,886
Additions	4	–	–	–	42	–	46
Write off	(64)	(70)	(24)	–	–	–	(158)
Effect on deconsolidation of subsidiaries	(395)	(273)	(712)	(6,451)	(2,080)	(31)	(9,942)
At 31 July 2015	94	31	95	478	134	–	832
Accumulated depreciation and impairment loss:							
At 1 August 2013	540	365	445	2,988	1,530	–	5,868
Depreciation	4	11	88	927	300	–	1,330
Write off	(3)	(2)	(46)	(36)	(31)	–	(118)
Impairment loss	–	–	107	1,487	184	–	1,778
At 31 July 2014	541	374	594	5,366	1,983	–	8,858
Depreciation	6	–	22	212	40	–	280
Write off	(64)	(70)	(24)	–	–	–	(158)
Impairment loss	–	–	135	784	130	11	1,060
Effect on deconsolidation of subsidiaries	(391)	(273)	(634)	(5,888)	(2,020)	(11)	(9,217)
At 31 July 2015	92	31	93	474	133	–	823
Net carrying value:							
At 31 July 2015	2	–	2	4	1	–	9
At 31 July 2014	8	–	237	1,563	189	31	2,028

Notes to the Financial Statements

For the financial year ended 31 July 2015

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Computer equipment $'000	Office and operating equipment $'000	Furniture and fixtures $'000	Total $'000
Cost:				
At 1 August 2013 and 31 July 2014	88	99	24	211
Additions	1	–	–	1
Write off	(64)	(70)	(24)	(158)
At 31 July 2015	25	29	–	54
Accumulated depreciation:				
At 1 August 2013 and 31 July 2014	88	99	24	211
Write off	(64)	(70)	(24)	(158)
At 31 July 2015	24	29	–	53
Net carrying value:				
At 31 July 2015	1	–	–	1
At 31 July 2014	–	–	–	–

Impairment of property, plant and equipment

Impairment loss pertains to the full impairment of property, plant and equipment of those outlets placed under liquidation (Note 11).

14. FIXED DEPOSIT PLEDGED

The Group's and the Company's fixed deposit is pledged to secure a bankers' guarantee for a security deposit pertaining to a tenancy agreement, granted to a subsidiary company. The fixed deposit pledged was utilised to settle the security deposit as a result of the early termination of the tenancy agreement.

Fixed deposits are placed with banks at interest rates ranging from 0.67% to 0.90% (2014: 0.62% to 0.67%) per annum.

15. OTHER RECEIVABLES

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Other receivables (non-current):				
Amounts due from subsidiaries	–	–	–	621
Deposits	–	91	–	–
	–	91	–	621

In 2014, amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing and has no fixed terms of repayment, and are not expected to be repaid within the next 12 months.

Notes to the Financial Statements

For the financial year ended 31 July 2015

16. INVESTMENT IN SUBSIDIARIES

	Company 2015 $'000	Company 2014 $'000
Shares, at cost	2,021	4,021
Less: Impairment losses	(1,700)	(3,700)
	321	321

Movement in impairment losses of investment in subsidiaries is as follows:

	2015 $'000	2014 $'000
At beginning of financial year	(3,700)	(3,700)
Deemed disposal of subsidiaries	2,000	–
At end of financial year	(1,700)	(3,700)

No further impairment losses on investment in subsidiaries are identified in the financial year ended 31 July 2015.

Name	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest 2015 %	Proportion (%) of ownership interest 2014 %	Cost of investment by the Company 2015 $'000	Cost of investment by the Company 2014 $'000
Held by the Company						
Brandz+ Pte Ltd [(a)(d)]	Provision of corporate services to related companies	Singapore	–	100	–	*
Orientstar Group Limited [(b)]	Dormant	British Virgin Islands	100	100	*	*
LB Investments Limited [(b)(e)]	Dormant	Mauritius	–	100	–	*
Luminox Pte Ltd [(a)(d)]	Provision of leasing, licensing and consultancy services to related companies	Singapore	–	100	–	2,000
Balcony Pte Ltd [(a)]	Lifestyle and entertainment businesses	Singapore	100	100	200	200
Palms Development Pte Ltd [(a)]	Dormant	Singapore	100	100	200	200
Cannery Holding Pte Ltd [(a)]	Investment holding	Singapore	80	80	800	800
Lux Leisure Pte Ltd [(a)(d)]	Lifestyle and entertainment businesses	Singapore	–	100	–	*
Mulligan's Pte Ltd [(a)]	Intellectual property licensing and management	Singapore	100	100	500	500
LifeBrandz (Thailand) Co Ltd [(c)]	Investment holding	Thailand	100	100	321	321

Notes to the Financial Statements

For the financial year ended 31 July 2015

16. INVESTMENT IN SUBSIDIARIES (Continued)

Name	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest 2015 %	2014 %	Cost of investment by the Company 2015 $'000	2014 $'000
Held through Cannery Holding Pte Ltd						
Cannery Leisure Pte Ltd [a][d]	Lifestyle and entertainment businesses	Singapore	–	80	–	–
The Cannery Pte Ltd (formerly known as Ministry of Sound Pte Ltd) [a]	Dormant	Singapore	80	80	–	–
Mercier Group Pte Ltd [a]	Dormant	Singapore	80	80	–	–
Tribeca Leisure Pte Ltd [a][d]	Lifestyle and entertainment businesses	Singapore	–	80	–	–
Held through LifeBrandz (Thailand) Co Ltd						
Mulligan's Co Ltd [c]	Lifestyle and entertainment businesses	Thailand	100	100	–	–
					2,021	4,021

[a] Audited by Mazars LLP, Singapore.
[b] Not required to be audited under the laws of the country of incorporation.
[c] Audited by Mazars Limited, Thailand.
[d] Entities placed under liquidation (Note 11).
[e] Deregistered on 30 April 2015.
* denotes less than $1,000.

Notes to the Financial Statements

For the financial year ended 31 July 2015

16. INVESTMENT IN SUBSIDIARIES (Continued)

Liquidation of the subsidiaries

Pursuant to the discontinued operations as disclosed in Note 11 to the financial statements, on 7 May 2015, the Group announced the closure of its subsidiaries, Cannery Leisure Pte Ltd, Tribeca Leisure Pte Ltd, Lux Leisure Pte Ltd, Brandz+ Pte Ltd and Luminox Pte Ltd. On the same day, the control over these subsidiaries were lost upon the took over of control by the liquidator and is a deemed disposal.

The carrying amounts of the assets and liabilities of these subsidiaries as at the date of deemed disposal is as follows:

	Group 2015 $'000
Property, plant and equipment	725
Cash and cash equivalents	132
Trade and other receivables	473
Other current assets	111
Inventories	99
Total assets	1,540
Trade and other payables	3,553
Other non-current liabilities	1,134
Total liabilities	4,687
Net liabilities derecognised	3,147
Gain on liquidation of subsidiaries (Note 11)	(3,147)
Cash inflow from liquidation	–
Less: Cash and cash equivalents in liquidated subsidiaries	132
Net cash outflow on liquidation of subsidiaries	132

17. INTANGIBLE ASSETS

Group	Franchises and licenses $'000	Customer database and contract $'000	Total $'000
Cost:			
At 1 August 2013 and 31 July 2014	2,182	2,498	4,680
Effect on deconsolidation of subsidiaries	–	(2,498)	(2,498)
Write off	(2,182)	–	(2,182)
At 31 July 2015	–	–	–
Accumulated amortisation and impairment:			
At 1 August 2013	(2,182)	(268)	(2,450)
Amortisation	–	(1,070)	(1,070)
Impairment loss	–	(1,160)	(1,160)
At 31 July 2014	(2,182)	(2,498)	(4,680)
Effect on deconsolidation of subsidiaries	–	2,498	2,498
Write off	2,182	–	2,182
At 31 July 2015	–	–	–
Net carrying amount:			
At 31 July 2014 and 31 July 2015	–	–	–

Notes to the Financial Statements

For the financial year ended 31 July 2015

17. INTANGIBLE ASSETS (Continued)

The Group's customer database and contract pertain to the acquisition of business and assets of a related party in relation to its collaboration rights to a lounge and club named Mink and Royal Room. An independent valuer was engaged to assess the fair value of the intangible assets as at the acquisition date.

In 2014, an impairment loss of $1,160,000 was recognised to write down the carrying amount of customer database and contract as a result of the closure of Mink and Royal Room in May 2014 and the contract for the collaboration rights were terminated with effect from 31 July 2014.

The customer database and contract together with its accumulated amortisation and impairment was derecognised as a result of the liquidation of certain subsidiaries as disclosed in Note 11 to the financial statements.

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables:				
Third parties	75	676	46	–
Amounts due from related parties	–	111	–	–
Amounts due from subsidiaries	–	–	–	49
	75	787	46	49
Other receivables:				
Third parties	53	34	53	4
Prepayments	162	123	41	30
Deposits	–	96	–	–
Amounts due from subsidiaries	–	–	445	3,386
	215	253	539	3,420
	290	1,040	585	3,469

Trade and other receivables are non-interest bearing and are generally on 30 to 60 days' terms, except for the amounts due from subsidiaries which are repayable on demand.

Trade and other receivables denominated in foreign currency as at 31 July are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Thai Baht	90	90	–	–

Notes to the Financial Statements

For the financial year ended 31 July 2015

18. TRADE AND OTHER RECEIVABLES (Continued)

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to $2,000 (2014: $139,000) and $Nil (2014: $Nil) respectively that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables past due but not impaired:				
31 to 60 days	2	25	–	–
61 to 90 days	–	6	–	–
91 to 120 days	–	46	–	–
More than 120 days	–	62	–	–
	2	139	–	–

Receivables that are impaired

The trade and other receivables that are individually impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables – nominal amounts	–	205	21	15,210
Less: Allowance for impairment	–	(205)	(21)	(15,161)
	–	–	–	49
Movement in allowance accounts:				
At 1 August	205	–	15,161	11,587
Charge for the year	–	205	–	3,574
Effect on deconsolidation of subsidiaries	(205)	–	(15,140)	–
At 31 July	–	205	21	15,161
Other receivables – nominal amounts	–	–	2,232	12,306
Less: Allowance for impairment	–	–	(2,221)	(8,920)
	–	–	11	3,386
Movement in allowance accounts:				
At 1 August	–	–	8,920	8,446
Charge for the year	–	–	–	474
Effect on deconsolidation of subsidiaries	–	–	(6,699)	–
At 31 July	–	–	2,221	8,920
Loan to a subsidiary – nominal amount	–	–	–	1,000
Less: Allowance for impairment	–	–	–	(1,000)
	–	–	–	–
Movement in allowance accounts:				
At 1 August	–	–	1,000	–
Charge for the year	–	–	–	1,000
Effect on deconsolidation of subsidiaries	–	–	(1,000)	–
At 31 July	–	–	–	1,000

Notes to the Financial Statements

For the financial year ended 31 July 2015

18. TRADE AND OTHER RECEIVABLES (Continued)

Receivables that are impaired (Continued)

Trade and other receivables and loan to a subsidiary that are individually determined to be impaired at the end of the reporting period relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

At the end of the reporting period, the Company has provided an allowance of $2,242,000 (2014: $25,081,000) for impairment of the amounts due from subsidiaries with a nominal amount of $2,253,000 (2014: $28,516,000). These subsidiaries have been making losses for the prior and current financial years.

19. INVENTORIES

	Group	
	2015	**2014**
	$'000	**$'000**
Statement of financial position:		
Food and beverage inventories, at cost	13	315
Statement of profit or loss and other comprehensive income:		
Inventories recognised as an expense	581	412

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and on hand	1,084	1,106	986	27
Fixed deposits	–	26	–	26
Cash and cash equivalents	1,084	1,132	986	53

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Fixed deposits are made for varying periods depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective fixed deposit rates. Fixed deposits are placed with banks at interest rates ranging from 0.67% to 0.90% (2014: 0.62% to 0.67%) per annum.

Cash and cash equivalents denominated in foreign currency as at 31 July are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Thai Baht	85	199	–	–

Notes to the Financial Statements

For the financial year ended 31 July 2015

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables:				
Third parties	196	1,693	121	21
Subsidiaries	–	–	–	60
Related parties	–	46	–	–
Other payables:				
Third parties	5	574	–	81
Subsidiaries	–	–	899	3,026
Accrued operating expenses	290	1,019	243	227
	491	3,332	1,263	3,415

Trade and other payables are unsecured, non-interest bearing and are normally settled on 30 to 60 days' terms, except for amount due to subsidiaries and related parties which are repayable on demand.

Trade payables denominated in foreign currency as at 31 July are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Thai Baht	73	65	–	–

22. PROVISION FOR REINSTATEMENT COSTS

	Group	
	2015	**2014**
	$'000	**$'000**
At 1 August 2013 and 31 July 2014	1,134	1,134
Effect on deconsolidation of subsidiaries	(1,134)	–
At 31 July 2015	–	1,134

Provision for reinstatement costs is the estimated costs of restoring retail outlets to their original conditions, which are capitalised and included in the cost of fixed assets. The provision was reversed upon the deconsolidation of the subsidiaries as disclosed in Note 11 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 July 2015

23. SHARE CAPITAL

	Group and Company			
	2015		2014	
	No. of shares '000	Amount $'000	No. of shares '000	Amount $'000
Issued and fully paid ordinary shares				
At 1 August	2,560,000	53,336	2,135,000	49,951
Issuance of shares	500,000	1,800	425,000	3,442
Share issuance expense	–	(50)	–	(57)
At 31 July	3,060,000	55,086	2,560,000	53,336

During the financial year, the Company issued 500,000,000 (2014: 425,000,000) ordinary shares, totaling $1,800,000 (2014: $3,442,000) to finance the working capital of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

24. COMMITMENTS

Operating lease commitments – as lessee

The Group has entered into non-cancellable commercial leases on various offices, shops, other premises and certain office equipment. These leases have an average tenure of five to six years with varying terms and escalation clauses but no renewal option.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 July 2015 amounted to $3,386,000 (2014: $5,097,000).

Future minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, computed based on the agreed rental rates are as follows:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Not later than one year	115	4,783	–	–
Later than one year but not later than five years	–	12,780	–	–
	115	17,563	–	–

Under the lease terms for the leased premises, the Group shall pay a monthly variable rent, computed based on a certain percentage of monthly gross revenue generated by the Group's operations at the leased premises. The base rent for the lease arrangement increases over the lease term. The Group has incurred $117,000 (2014: $275,000) of variable rental expenses in the current financial year.

Notes to the Financial Statements

For the financial year ended 31 July 2015

25. RELATED PARTY TRANSACTIONS

(a) *Compensation of key management personnel*

	Group and Company	
	2015	**2014**
	$'000	**$'000**
Salaries and other short-term employee benefits	547	527
Post-employment benefits – contribution to Central Provident Fund	22	27
	569	554

Included in the above is total compensation for directors of the Company amounting to $263,000 (2014: $302,000).

(b) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group or the Company and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Related companies [(a)]				
Operating fee revenue	–	1,650	–	–
Usage of office facilities	(15)	–	(15)	–
Subsidiaries				
Rental on operating lease	–	–	–	(528)
Purchase of shared services	–	–	–	(36)

[(a)] These are entities with common directors or key management personnel of the Company.

26. SEGMENT INFORMATION

The Group is substantially in one business segment, namely lifestyle and entertainment. All of its operations are in Singapore, except for a subsidiary – Mulligan's Co Ltd, which is located in Pattaya, Thailand.

For management purposes, the Group is organised into business units based on their geographical location.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Notes to the Financial Statements

For the financial year ended 31 July 2015

26. SEGMENT INFORMATION (Continued)

(a) *Geographical segment*

	Singapore		Thailand		Consolidated	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue:						
Sales to external customers	9,846	20,375	1,047	1,168	10,893	21,543
Results:						
Interest income	9	13	–	–	9	13
Depreciation of property, plant and equipment	138	1,188	142	142	280	1,330
Amortisation of intangible assets	–	1,070	–	–	–	1,070
Impairment loss on property, plant and equipment	1,060	1,778	–	–	1,060	1,778
Impairment loss on intangible assets	–	1,160	–	–	–	1,160
Impairment loss on trade receivables	–	205	–	–	–	205
Rental deposit forfeited	1,980	–	–	–	1,980	–
Segment loss for the year	(2,913)	(6,772)	(50)	–	(2,963)	(6,772)
Assets/(liabilities):						
Property, plant and equipment	1	1,880	8	148	9	2,028
Additions to non-current assets	44	482	2	2	46	484
Segment assets [1]	1,528	6,709	268	498	1,396	6,586
Segment liabilities [2]	(432)	(3,818)	(73)	(662)	(491)	(4,466)

[1] Segment assets relate to total assets of the respective segment. Inter-segment assets of $400,000 (2014: $621,000) are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

[2] Segment liabilities relate to total liabilities of the respective segment. Inter-segment liabilities of $14,000 (2014: $14,000) are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

Reconciliations of reportable segment revenue and profit or loss

	2015	**2014**
	$'000	**$'000**
Revenue		
Total revenue for reportable segments	10,893	21,543
Discontinued operations	(9,633)	(20,375)
Continuing operations	1,260	1,168
Profit or loss		
Total loss for the year for reportable segments	(2,963)	(6,772)
Discontinued operations	1,800	5,820
Loss for the year from continuing operations	(1,163)	(952)

(b) *Information on major customers*

The Group generates its revenue from transactions with numerous customers and no customer contributes more than 10% of the Group's revenue.

Notes to the Financial Statements

For the financial year ended 31 July 2015

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group's principal financial instruments comprise cash and fixed deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the current and previous financial years, the Group's policy that no trade in derivative financial instruments shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Credit risk*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

The Group's and Company's major classes of financial assets are bank deposits and trade and other receivables.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group.

The age analysis of trade receivables are disclosed in Note 18 to the financial statements.

(b) *Market risks*

The Group's do not have significant foreign currency transaction and interest bearing financial assets and liabilities. Thus, do not expose to market risks.

(c) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient level of cash and short-term deposits to meet its working capital requirements. The Group maintains a balance between continuity of funding and flexibility through the use of stand-by financial and credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group and to mitigate the effects of fluctuations in cash flows.

Notes to the Financial Statements

For the financial year ended 31 July 2015

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) *Liquidity risk (Continued)*

Short-term funding may be obtained from short-term loans where necessary without incurring unacceptable losses or risking damage to the Group's reputation.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2015			2014		
	1 year or less $'000	1 to 5 years $'000	Total $'000	1 year or less $'000	1 to 5 years $'000	Total $'000
Group						
Financial assets						
Trade and other receivables (excluding prepayments)	128	–	128	917	91	1,008
Cash and cash equivalents	1,084	–	1,084	1,132	–	1,132
Fixed deposit pledged	–	–	–	–	2,027	2,027
Total undiscounted financial assets	1,212	–	1,212	2,049	2,118	4,167
Financial liabilities						
Trade and other payables	491	–	491	3,332	–	3,332
Total undiscounted financial liabilities	491	–	491	3,332	–	3,332
Total net undiscounted financial assets/(liabilities)	721	–	721	(1,283)	2,118	835
Company						
Financial assets						
Trade and other receivables (excluding prepayments)	544	–	544	3,439	621	4,060
Cash and cash equivalents	986	–	986	53	–	53
Fixed deposit pledged	–	–	–	–	2,027	2,027
Total undiscounted financial assets	1,530	–	1,530	3,492	2,648	6,140
Financial liabilities						
Trade and other payables	1,263	–	1,263	3,415	–	3,415
Total undiscounted financial liabilities	1,263	–	1,263	3,415	–	3,415
Total net undiscounted financial assets	267	–	267	77	2,648	2,725

Notes to the Financial Statements

For the financial year ended 31 July 2015

28. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amount of trade and other receivables, cash and cash equivalents and payables, approximate their respective fair values due to the relative short term maturity of these financial instruments. While, the non-current amounts due from subsidiaries have no repayment terms and is repayable only when the cash flows of the borrower permits. Accordingly, the fair value of the loan is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

29. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial year ended 31 July 2015.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as equity plus net debts.

	Group	
	2015	**2014**
	$'000	**$'000**
Trade and other payables (Note 21)	491	3,332
Less: Cash and cash equivalents (Note 20)	(1,084)	(1,132)
Net debt	(593)	2,200
Equity attributable to equity holders of the Company	898	4,489
Capital and net debt	305	6,689
Gearing ratio	NM*	33%

* Not meaningful

30. COMPARATIVE FIGURES

Comparative figures have been restated to accordingly reflect the discontinued operations (Note 11) in the consolidated statement of profit or loss and other comprehensive income.

Statistics of Shareholdings

As at 16 October 2015

SHAREHOLDERS' INFORMATION

Issued and fully paid-up capital	:	S$55,086,003
Number of shares	:	3,060,000,000
Class of shares	:	Ordinary shares of equal voting right

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 16 OCTOBER 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	1	0.03	20	0.00
100 – 1,000	142	4.23	133,865	0.00
1,001 – 10,000	690	20.55	3,654,820	0.12
10,001 – 1,000,000	2,290	68.19	426,782,817	13.95
1,000,001 and above	235	7.00	2,629,428,478	85.93
Total	3,358	100.00	3,060,000,000	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 16 OCTOBER 2015

No.	Shareholder's Name	No. of Shares Held	%
1	Citibank Nominees Singapore Pte Ltd	294,341,300	9.62
2	Qumulus Pte Ltd	225,269,700	7.36
3	UOB Kay Hian Pte Ltd	164,448,498	5.37
4	DBS Nominees Pte Ltd	144,529,800	4.72
5	Ang Nam Wah Albert	131,531,900	4.30
6	Maybank Kim Eng Securities Pte Ltd	97,528,500	3.19
7	Lim Fook Hing	92,728,000	3.03
8	C.H.Y Regalia Limited	90,777,000	2.97
9	HL Bank Nominees (S) Pte Ltd	57,000,000	1.86
10	United Overseas Bank Nominees Pte Ltd	50,572,500	1.65
11	Chia Soon Loi	50,000,000	1.63
12	Leong Woon Poh Terry	47,499,900	1.55
13	Tan Hui Song	40,000,000	1.31
14	OCBC Securities Private Ltd	38,500,980	1.26
15	Ang Sin Liu	35,000,000	1.14
16	Ong Pang Aik	35,000,000	1.14
17	Phillip Securities Pte Ltd	30,099,000	0.98
18	Chua Buan Ling Alicia	30,000,000	0.98
19	Kong Hwai Ming	30,000,000	0.98
20	Yeong Chun Song	30,000,000	0.98
	Total	1,714,827,078	56.02

Statistics of Shareholdings

As at 16 October 2015

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 16 OCTOBER 2015

Name of Substantial Shareholder	No. of shares in which shareholder has a direct interest No. of shares	%	No. of shares in which shareholder is deemed to have an interest No. of shares	%
Qumulus Pte Ltd	225,269,700	7.36	–	–
Chong Sien Chern Cedric	–	–	225,269,700	7.36
Chng Weng Wah	–	–	279,798,000	9.14
Chan Hui Lan Catherine	–	–	250,000,000	8.17

Notes:

(a) Mr Chong Sien Chern Cedric's deemed interest arising from his 30% direct interest in Qumulus Pte Ltd by virtue of Section 4 of the Securities and Futures Act.

(b) Mr Chng Weng Wah is deemed to be interested in the 29,798,000 shares held through Citibank Nominees Singapore Pte Ltd. He is also deemed to be interested in the 250,000,000 shares held by his wife, Mdm Chan Hui Lan Catherine through Citibank Nominees Singapore Pte Ltd by virtue of Section 133 of the Securities and Futures Act.

(c) Mdm Chan Hui Lan Catherine is deemed to be interested in the 250,000,000 shares held through Citibank Nominees Singapore Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

83.5% of the Company's issued paid up capital is held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

LIFEBRANDZ LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200311348E)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of LIFEBRANDZ LTD will be held at 2 Bukit Merah Central (formerly known as "Spring Singapore"), Podium Block, Level 3, Room P303, Singapore 159835 on Monday, 30 November 2015 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and, if approved, to adopt the Audited Financial Statements of the Company for the financial year ended 31 July 2015 together with the Directors' Report and Auditors' Report thereon. **(Resolution 1)**

2. To approve Directors' fees of S$70,000 for the financial year ended 31 July 2015 (2014: S$121,150). **(Resolution 2)**

3. To re-elect the following Directors, who are retiring pursuant to the Company's Articles of Association:

   (i) Mr Chng Weng Wah (Article 117) **(Resolution 3)**

   [See Explanatory Note 1]

   (ii) Mr Wong Joo Wan (Article 117) **(Resolution 4)**

   [See Explanatory Note 2]

   (iii) Mr Lim Kee Way Irwin (Article 107) **(Resolution 5)**

   [See Explanatory Note 3]

4. To consider and if thought fit, to pass the following Resolution: **(Resolution 6)**

   "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Toh Hock Ghim be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting"

   [See Explanatory Note 4]

5. To re-appoint Messrs Mazars LLP, as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution (with or without amendments) as an Ordinary Resolution:

7. **Authority to allot and issue shares** **(Resolution 8)**

   (a) "That pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

Notice of Annual General Meeting

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company. Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

For the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note 5]

BY ORDER OF THE BOARD

Toon Choi Fan
Company Secretary
Singapore

Date: 6 November 2015

Notice of Annual General Meeting

Explanatory Notes on business to be transacted:

1. Mr Chng Weng Wah will upon re-election as a Director of the Company, continue to serve as a Chief Executive Officer & Executive Director and a member of the Nominating Committee of the Company. There are no relationships (including immediate family relationships) between Mr Chng Weng Wah and the other Directors of the Company or its shareholders, except for his spouse, Mdm. Chan Hui Lan Catherine, who is a substantial shareholder of the Company. Detailed information on Mr Chng Weng Wah can be found on the Board of Directors section of the Annual Report 2015.

2. Mr Wong Joo Wan who is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited will upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. There are no relationships (including immediate family relationships) between Mr Wong Joo Wan and the other Directors of the Company or its shareholders. Detailed information on Mr Wong Joo Wan can be found on the Board of Directors section of the Annual Report 2015.

3. Mr Lim Kee Way Irwin who is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited will upon re-election as Director of the Company, remain as the Chairman of the Audit Committee and a member of the Remuneration Committee. There are no relationships (including immediate family relationships) between Mr Lim Kee Way Irwin and the other Directors of the Company or its shareholders. Detailed information on Mr Lim Kee Way Irwin can be found on the Board of Directors section of the Annual Report 2015.

4. Mr Toh Hock Ghim who is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited will upon re-appointed as Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. There are no relationships (including immediate family relationships) between Mr Toh Hock Ghim and the other Directors of the Company or its shareholders. Detailed information on Mr Toh Hock Ghim can be found on the Board of Directors section of the Annual Report 2015.

5. Resolution 8, if passed, will authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

Notes:

(i) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.

(ii) A proxy need not be a member of the Company.

(iii) A member of the Company, which is corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

(iv) The instrument appointing a proxy must be deposited at the Company's registered office at 1001 Jalan Bukit Merah, #06-11, Singapore 159455 at least 48 hours before the time of the Meeting.

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

LIFEBRANDZ LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200311348E)

IMPORTANT
1. For investors who have used their CPF monies to buy in the Company's ordinary shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intends and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent banks so that their Agent Banks may register with the Company Secretary of Lifebrandz Ltd.

Proxy Form

*I/We ______________________________ (Name) *NRIC/Passport No. ________________ of

____ (Address)

being a *member/members of Lifebrandz Ltd (the "Company"), hereby appoint

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2 Bukit Merah Central (formerly known as "Spring Singapore"), Podium Block, Level 3, Room P303, Singapore 159835 on Monday, 30 November 2015 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as hereunder indicated.

No.	Ordinary Resolutions	No. of votes for (1)	No. of votes against (1)
1.	To adopt the Audited Financial Statements, Directors' Report and Auditors' Report of the Company for the financial year ended 31 July 2015.		
2.	To approve Directors' fees of S$70,000 for the financial year ended 31 July 2015 (2014: S$121,150).		
3.	To re-elect Mr Chng Weng Wah who is retiring under Article 117 of the Articles of Association.		
4.	To re-elect Mr Wong Joo Wan who is retiring under Article 117 of the Articles of Association.		
5.	To re-elect Mr Lim Kee Way Irwin who is retiring under Article 107 of the Articles of Association.		
6.	To re-appoint Mr Toh Hock Ghim pursuant to Section 153(6) of the Companies Act, Cap. 50.		
7.	To re-appoint Messrs Mazars LLP, as auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
8.	To authorise Directors to allot shares pursuant to Section 161 of the Companies Act, Cap 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.		

Note:
(1) If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______ day of ______________________ 2015.

No. of Shares Held

____
Signature(s) of Member(s)/Common Seal

*Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold this flap to seal

AFFIX
STAMP
HERE

The Company Secretary

LIFEBRANDZ LTD
1001 Jalan Bukit Merah, #06-11,
Singapore 159455

Fold here

Notes to the Proxy Form

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have share registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a Meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his stead.
3. Where a member of the Company appoints two proxies, he shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy and is no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies together with the letter of power of attorney, if any, under which it is signed or a duly certified copy thereof, must be deposited at the registered office of the Company at 1001 Jalan Bukit Merah, #06-11, Singapore 159455 at least 48 hours before the time appointed for the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
8. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any matter arising at the Annual General Meeting.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
10. In the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the name appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 November 2015.

LifeBrandz

LIFEBRANDZ LTD

1001 Jalan Bukit Merah, #06-11, Singapore 159455
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