

NEWS RELEASE**LIFESTYLE BRAND DEVELOPMENT AND MANAGEMENT GROUP LAUNCHES IPO AT S\$0.20 PER SHARE**

Singapore, June 8, 2004 – LifeBrandz Ltd (“LifeBrandz” or “the Group”), a lifestyle brand development and management Group, announced that it has registered its prospectus relating to its public offering (“IPO”) of 132 million shares at S\$0.20 per share today. The Group will be listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Commenting on the IPO launch, Mr Michael Wong, Chief Executive Officer of LifeBrandz, said: “I am delighted that we have achieved this important milestone within our short history. Not only will this IPO raise our profile and strengthen our industry position, it will also be the catalyst to further accelerate LifeBrandz’s growth.”

The Offer

The offer of 132 million New Shares represents 21.6% of LifeBrandz’s enlarged share capital of 612 million shares. The invitation structure is as follows:

- 2 million Offer Shares; and
- 130 million Placement Shares (comprising 127 million Placement Shares and 3 million Internet Placement Shares)

At S\$0.20 per share, LifeBrandz is priced at a historical price earnings ratio of 20.8 times, based on its net earnings per share of 0.96 cents for FY2003 and Pre-Invitation share capital of 480 million shares.



The public offer opens at 9.00 am on June 10, 2004 and will close at 12.00 noon on June 16, 2004. Trading of the shares is expected to commence on June 18, 2004.

SBI E2-Capital Pte Ltd is the Manager for LifeBrandz's initial public offer ("IPO"), while SBI E2-Capital Securities Pte Ltd is the Placement Agent and Underwriter for the listing. The Principal Sub-Placement Agents are Kim Eng Securities Pte. Ltd. and UOB Kay Hian Private Limited.

Use of Proceeds

Lifebrandz plans to use the estimated net proceeds of S\$24.5 million raised from its IPO as follows:

- approximately S\$12.0 million on generating new revenue streams by expanding into new markets in the Greater China and Asia Pacific regions;
- approximately S\$4.0 million in strengthening our Brand Development and Brand Management process. This entails the use of funds to reinforce and enhance the awareness of our corporate brand (ie LifeBrandz, LifePharm and Neutrigen) equity and value;
- approximately S\$4.0 million to promote and market our existing products and to innovate, develop, launch, promote and market new products. This will be geared specifically towards promotion of individual products and individual product brands;
- approximately S\$0.5 million to enhance our management information system and our customer relations management system; and
- the balance for our working capital requirements.

LifeBrandz's Core Business

LifeBrandz develops and manages health, beauty, personal / family care and lifestyle products. The Group focuses on four niche markets:

- Nutraceuticals (oral nutritional and wellness products for various health purposes in the form of tablets, capsules and soft gel);
- Cosmeceuticals (oral and topical skin and beauty care products such as skin supplement tablets, essence and serum, face masks, body gels, and body mists);
- Functional Food and Beverages (include fortified food and beverages such as herbal floral teas and functional water); and
- Personal/Family Care and Lifestyle Products (include wellness enhancement products such as thermometers, facial masks, oxygen therapy kits and portable dispenser oxygenated water).

LifeBrandz's products are sold to distributors which have an extensive network consisting of chain and independent pharmacies, personal care stores, cosmetic companies and medical clinics, which on aggregate constitute more than 1,000 points of sale in Singapore and Hong Kong.

Success in Brand Development and Management

The Group has developed a unique brand development and management approach – LifeBrandz BDMA – to develop and market new brands and products. The LifeBrandz BDMA is a comprehensive development process which covers all components necessary for product and business success involving market assessment, product formulation, product branding and positioning, product merchandising and marketing, product manufacturing and brand management and extension.

As a developer of IP (intellectual property), LifeBrandz's products are sold under brands that it creates and owns.

LifeBrandz's ability to effectively build and promote its brands has been translated into successful brands including Intenz (skin supplement tablets), Extrim (weight management tablets and other weight management products), Genki Tea (floral tea) and Slimwater (functional water).

Said Mr Michael Wong: "Our LifeBrandz BDMA approach allows us to have a good understanding of consumer needs and demands. As a result, our brands and products have rapidly gained a foothold in the Singapore and Hong Kong markets. We are confident of replicating this strategy to tap the vast potential of the health and lifestyle segments in other high growth markets in the Greater China and Asia Pacific region."

Outsourcing Strategy

As part of its business strategy, LifeBrandz focuses on its core brand development and management expertise and outsources non-core activities to third-party specialists thus minimising high capital expenditure commitments and incurring fixed overheads.

"By outsourcing non-core aspects of our business, we are able to focus on doing what we know best - building brands and developing products to meet our customers' needs," explained Mr Wong.

LifeBrandz outsources the following three main non-core activities :

- outsource manufacturing to reputable and reliable third party Good Manufacturing Practice Compliant Processing Factories;
- sell products to customers who are distributors with extensive established distribution networks; and
- outsource warehousing and logistics to third party specialists.

Dynamic and entrepreneurial team

Since it was established in July 2001, LifeBrandz's growth and development have been spearheaded by its founders and Executive Directors, Mr Wong and Mr Kenneth Goh. Under their leadership, the Group has experienced significant growth from a 2-men team with annual turnover of approximately \$1.1 million to present staff strength of 25 generating a turnover of approximately \$20 million for the financial year ended 31 July 2003 ("FY2003").

Said Mr Kenneth Goh, Chief Operating Officer of LifeBrandz, "We have a young and dynamic team who have a good understanding of consumers' needs and demands, which is critical to successfully develop and market our brands and products. We are confident of steering the Group into new geographical markets."

Tapping the Greater China and Asia Pacific markets

"While our current markets of Hong Kong and Singapore have been our twin engines of growth so far, we intend to pursue new target markets in the Greater China and Asia Pacific region to further reinforce our position as a creator of health and lifestyle solutions," said Mr Wong.

LifeBrandz has identified the PRC and Taiwan in the Greater China region and Indonesia, Malaysia, the Philippines and Thailand in the Asia Pacific region as new target markets. Given the immense market potential of these regions, the Group aims to replicate its success there using its proven LifeBrandz BDMA model.

"The PRC has seen tremendous economic growth in the past few years. Along with rising disposable incomes, consumers there have become more informed and are making more discerning choices for luxury lifestyle products. Our branding upholds the philosophy of a healthy lifestyle and we are well placed to tap the appetite for luxury lifestyle products there, especially for products that enhance personal appearance, beauty and well being," said Mr Wong.

Financial Highlights

For the 6-month period ended 31 January 2004, LifeBrandz reported sales of S\$22.5 million and profit after tax of S\$5.0 million. The current half-year results have already exceeded both the sales and profit after tax for FY 2003 of S\$19.6 million and S\$4.6 million respectively.

ISSUED ON BEHALF OF	:	LifeBrandz Ltd
BY	:	Citigate Dewe Rogerson i.MAGE Pte Ltd 1 Raffles Place #26-02 OUB Centre SINGAPORE 048941
CONTACT	:	Ms Christina Martinsson / Mr Herman Phua at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9170-2384 / 9664-7582 (Handphone)
Email	:	christina.martinsson@citigatedrimage.com / herman.phua@citigatedrimage.com

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