

FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS (Q1,Q2,Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		%
	Year ended 31 July 2007 S\$'000	Year ended 31 July 2006 S\$'000	
CONTINUING OPERATIONS			
Revenue	37,434	17,951	109%
Other gains (net)			
- Miscellaneous	3,064	1,426	115%
- Exceptional gain	-	1,800	NM
	3,064	3,226	-5%
Expenses			
- Inventories and consumables used	(8,725)	(4,171)	109%
- Advertising, media and entertainment	(4,899)	(1,596)	207%
- Employee benefits	(12,231)	(4,565)	168%
- Amortisation, depreciation and impairment	(3,787)	(1,295)	192%
- Finance	(398)	(415)	-4%
- Rental on operating leases	(4,403)	(1,024)	330%
- Transportation	(68)	(53)	28%
- Legal and professional fees	(888)	(834)	6%
- Contract services	(1,205)	(713)	69%
- Licence and permits	(501)	(69)	626%
- Other operating expenses	(3,709)	(1,565)	137%
Changes in inventories of finished goods	502	288	74%
Total expenses	(40,312)	(16,012)	152%
Profit before income tax	186	5,165	-96%
Income tax expense	-	(219)	NM
Profit from continuing operations	186	4,946	-96%
Loss/(profit) attributable to minority interest	248	(428)	-158%
Profit from continuing operations attributable to equity holders of the Company	434	4,518	-90%
DISCONTINUED OPERATIONS			
Loss from discontinued operations before gain/(loss) on disposal	(2,143)	(24,775)	-91%
Gain/(Loss) on disposal of subsidiaries	17	(1,667)	-101%
Total loss from discontinued operations to equity holders of the Company	(2,126)	(26,442)	-92%
Total loss for the year attributable to equity holders of the Company	(1,692)	(21,924)	-92%

NM : Not meaningful

Notes to Income Statement

CONTINUING OPERATIONS

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

	The Group			
	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS	
	Year ended 31 July 2007 S\$'000	Year ended 31 July 2006 S\$'000	Year ended 31 July 2007 S\$'000	Year ended 31 July 2006 S\$'000
a) Depreciation on property, plant and equipment	3,279	988	251	594
b) Amortisation and impairment of intangible assets	508	307	-	313
c) Provision for doubtful debts	24	-	-	-
d) Foreign exchange (gain)/loss	1	(6)	2	(11)
e) Allowance for doubtful debts and bad debts written off	-	1,449	-	7,350
f) Allowance for stock obsolescence and finished goods spoilage written off	-	-	338	5,770
g) Interest income	(226)	(233)	-	(72)
h) Interest expenses	349	415	-	201
i) Service charge surplus	(2,801)	(1,147)	-	-
j) Other income	(38)	(40)	-	(60)
k) Over provision adjustment of tax for prior years	-	-	-	(6)

* **DISCONTINUED OPERATIONS**

During the financial year, the Company had entered into the Sale Agreement for the sale by the Company of its entire shareholding interest in the Dashing Diva Pte Ltd and N-Inc Pte Ltd ("divested subsidiaries").

The performance of the divested subsidiaries for FY 2006 and up to 30 June 2007 for FY 2007 are separately disclosed as discontinued operations in the income statement.

A summary of the results of discontinued operations is as follows:-

	Year ended 31 July	
	2007 S\$'000	2006 S\$'000
Sales	1,287	4,784
Net costs/expenses	(3,430)	(29,565)
Loss before tax of discontinued operations	(2,143)	(24,781)
Taxation	-	6
Loss after tax of discontinued operations	(2,143)	(24,775)
Gain/(Loss) on disposal of subsidiaries	17	(1,667)

The impact of the discontinued operations on the cash flow of the Group is as follows:-

	Year ended 31 July	
	2007 S\$'000	2006 S\$'000
Net Cash generated (used in) / from :-		
Operating activities	1,918	(15,850)
Investing activities	(1,953)	15,636
Financing activities	-	2,274
Total cashflows	(35)	2,060

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

Balance Sheets

	The Group		The Company	
	31/07/2007 S\$'000	31/07/2006 S\$'000	31/07/2007 S\$'000	31/07/2006 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	15,571	13,902	13,238	7,208
Trade and other receivables	2,104	1,385	6,441	3,148
Other current assets	943	1,106	137	138
Inventories at cost	791	537	-	-
	19,409	16,930	19,816	10,494
Non-Current Assets				
Property, plant and equipment	16,849	8,233	116	371
Intangible assets	880	991	-	-
Investments in subsidiaries	-	-	3,200	3,300
Intercompany long term loan	-	-	1,000	1,000
	17,729	9,224	4,316	4,671
Total Assets	37,138	26,154	24,132	15,165
LIABILITIES				
Current Liabilities				
Trade and other payables	8,400	5,781	721	2,131
Borrowings	4,992	5,973	3,522	2,917
Current income tax liabilities	4	4	4	4
	13,396	11,758	4,247	5,052
Non-current Liabilities				
Deferred tax liabilities	219	219	-	-
Borrowings	457	2,083	212	2,083
	676	2,302	212	2,083
Total Liabilities	14,072	14,060	4,459	7,135
Net Assets	23,066	12,094	19,673	8,030
SHAREHOLDERS' EQUITY				
Share capital and share premium	42,021	29,108	42,021	29,108
Foreign currency translation reserve	-	1	-	-
Accumulated losses	(19,335)	(17,643)	(22,348)	(21,078)
	22,686	11,466	19,673	8,030
Minority interest	380	628	-	-
Total equity	23,066	12,094	19,673	8,030

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

	The Group			
	As at 31/07/2007		As at 31/07/2006	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	308	4,684	-	5,973
Amount repayable after one year	212	245	500	1,583
	<u>520</u>	<u>4,929</u>	<u>500</u>	<u>7,556</u>

Details of any collateral

A charge on Fixed Deposit of the Company for S\$520,000 placed with a financial institution for a credit facility granted to the Company.

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

	The Group	
	Year ended 31 July	
	2007 S\$'000	2006 S\$'000
Cash flows from operating activities		
Loss after tax	(1,940)	(21,496)
Adjustments for:		
Tax	-	213
Depreciation on property, plant and equipment	3,530	1,582
Impairment losses of intangibles	-	267
Amortisation on intangible assets	508	318
Provision for doubtful debts	24	-
Interest income	(226)	(305)
Factoring charges and interest expense	349	616
Plant and equipment written off	375	50
Franchise fee written off	-	87
Provision for stock obsolescence and finished goods/spoilage written off	338	-
(Gain)/Loss on disposal of subsidiaries	(17)	1,667
Exceptional income	-	(1,800)
Gain on disposal of plant and equipment	-	(20)
Operating profit/(loss) before working capital changes	<u>2,941</u>	<u>(18,821)</u>
Change in operating assets and liabilities, net of effects from disposal of subsidiaries:		
Trade and other receivables	(801)	13,503
Other current assets	89	2,180
Inventories	(707)	43
Trade and other payables	2,847	1,681
Provision for other liability	-	1,600
Cash generated from operations	<u>4,369</u>	<u>186</u>
Income tax paid	-	(1,463)
Net cash generated from/(used in) operating activities	<u>4,369</u>	<u>(1,277)</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(12,543)	(9,080)
Proceeds from sale of plant and equipment	3	106
Purchases of franchises and licenses	(398)	(686)
Interest received	216	305
Proceeds from sale of investment	-	2,000
Net cash flow from disposal of subsidiaries	64	(2,751)
Net cash used in investing activities	<u>(12,658)</u>	<u>(10,106)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	9,114
Proceeds from placement of new ordinary shares	12,913	-
Repayments of borrowings	(2,606)	(1,658)
Placement in bank deposits pledged as security	(520)	(505)
Factoring charges and interest expense paid	(349)	(616)
Dividends paid to group shareholders	-	(616)
Net cash generated from financing activities	<u>9,438</u>	<u>5,719</u>
Net increase/(decrease) in cash and cash equivalents	1,149	(5,664)
Cash and cash equivalents at the beginning of the financial year	13,902	19,066
Effects of exchange rate changes on cash and cash equivalents	-	(5)
Cash and cash equivalents at end of the financial year	<u>15,051</u>	<u>13,397</u>
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	15,051	13,397
Short-term deposits pledged as security	520	505
	<u>15,571</u>	<u>13,902</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

(i) Consolidated statement of changes in equity for the year ended 31 July 2007 - Group

	Share Capital and Share Premium S\$'000	Foreign Currency Translation Reserve S\$'000	(Accumulated Losses)/ Retained Earnings S\$'000	Minority Interest S\$'000	Total S\$'000
Balance at 1 August 2006	29,108	1	(17,643)	628	12,094
Issuance of 122,000,000 ordinary shares @ S\$0.115	14,030	-	-	-	14,030
Share issue expenses	(1,117)	-	-	-	(1,117)
Net loss for the year	-	-	(1,692)	(248)	(1,940)
Release on disposal of subsidiaries	-	(1)	-	-	(1)
Balance at 31 July 2007	42,021	-	(19,335)	380	23,066
Balance at 1 August 2005	29,108	(9)	4,897	-	33,996
Net loss for the year	-	-	(21,924)	428	(21,496)
Net gain not recognised in income statement - currency translation differences	-	(5)	-	-	(5)
Total recognised (losses)/profit for the financial year	-	(5)	(21,924)	428	(21,501)
Release on disposal of subsidiaries	-	15	-	-	15
Dividends	-	-	(616)	-	(616)
Minority interest	-	-	-	200	200
Balance at 31 July 2006	29,108	1	(17,643)	628	12,094

(ii) Statement of changes in equity for year ended 31 July 2007 - Company

	Share Capital & Share Premium S\$'000	(Accumulated Losses)/ Retained Earnings S\$'000	Total S\$'000
Balance at 1 August 2006	29,108	(21,078)	8,030
Issuance of 122,000,000 ordinary new shares @ S\$0.115	14,030	-	14,030
Share issue expenses	(1,117)	-	(1,117)
Net loss for the year	-	(1,270)	(1,270)
Balance at 31 July 2007	42,021	(22,348)	19,673
Balance at 1 August 2005	29,108	116	29,224
Net loss for the year	-	(20,578)	(20,578)
Dividends	-	(616)	(616)
Balance at 31 July 2006	29,108	(21,078)	8,030

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company has placed 122,000,000 new ordinary shares at a placement price of \$0.115 for each placement share on 6 Feb 2007. There were no option granted as at 31 July 2007.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not Applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recently audited financial statements of LifeBrandz Ltd for the year ended 31 July 2006.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has applied the same accounting policies and methods of computation in the presentation of the financial statements for the current reporting year compared with the audited financial statements as at 31 July 2006, except for the adoption of the following new and revised Singapore Financial Reporting Standards (FRS) that are effective for our financial year beginning on 1 August 2006:

FRS 1 (revised 2006) Presentation of Financial Statements
 FRS 19 (revised 2006) Employee Benefits
 FRS 39 (revised 2006) Financial Instruments: Recognition and Measurement

The adoption of the above FRS did not result in substantial changes to the Group's accounting policies.

The financial statements, comprising the consolidated income statement, balance sheets, statements of changes in equity and consolidated cashflow statements, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

The Group	
Year ended 31 July	
2007	2006

Earnings / (Loss) per share ("EPS") for the year attributable to the equity holders of the Company :

Based on the weighted average number of ordinary shares

- from continuing operations - Basic (cents)	0.06	0.74
- from discontinued operations - Basic (cents)	(0.32)	(4.32)
	<u>(0.26)</u>	<u>(3.58)</u>

Diluted earnings per share is the same as basic earnings per share as there are no issuance of dilutive instrument.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	The Group		The Company	
	Year ended 31 July		Year ended 31 July	
	2007	2006	2007	2006

Net assets backing per ordinary share based on existing issued share capital as at the end of the year reported on (cents)

3.09	1.87	2.68	1.31
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8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

In FY2007, the Group focused its efforts on growing its F&B and entertainment business. Towards the end of FY 2006, it disposed of the LifePharm group of companies, effectively exiting from the nutritional products business; and in the subsequent quarter, it announced the launch of branded entertainment district The Cannery at Clarke Quay with a host of branded dining and entertainment concepts, as well as Singapore's first designer beach club at Sentosa island, Café del Mar.

With the launch of The Cannery, anchored by the iconic Ministry of Sound, LifeBrandz has firmly established a leadership position in the F&B and entertainment industry in Singapore. Since divesting its nutritional products business, it has grown its revenue by 109% from S\$17.95 million to S\$37.43 million year-on-year, due to a full year's contribution from Balcony (launched November 2005) and the Ministry of Sound (launched December 2005) as well as a half-year of operations at The Cannery (launched December 2006) and Café del Mar at Sentosa island (launched January 2007).

Moreover, as brand names such as Café del Mar, Fashion Bar and Ministry of Sound became established as part of Singapore's buoyant nightlife & entertainment scene, the levels of advertising and promotional expenses typically seen at start-up have also settled.

This has been offset in part by pre-operating costs incurred for the rejuvenation of concepts at Barfly and the introduction of Lunar Bar at The Cannery (slated for completion in August and September 2007 respectively). Preliminary operating costs associated with the launch of these two new concepts will also impact advertising, media and entertainment expenses, staff costs and other operating expenses in the next quarter.

On a year-on-year basis, major increases in expenses such as rental on operating leases, employees' expenses and licences and permits are also attributable to the commencement of operations of The Cannery and Café Del Mar.

In line with its objective of focusing on its better performing core F&B and entertainment business, in July this year, LifeBrandz disposed of its interests in Dashing Diva Singapore and N-Inc. Dashing Diva and N-Inc are primarily engaged in offering nail care products and services and the marketing, sale and distribution of ladies' shoes and bags, respectively.

Ongoing efforts to consolidate borrowings have also yielded results, and the Group has successfully reduced its borrowings by S\$2.61 million to S\$5.45 million.

The Group maintains a strong cashflow position, with cash and cash equivalents rising to S\$15.57 million from S\$13.90 million. Trade and other receivables have also grown to S\$2.10 million from S\$1.39 million, in line with the new businesses. In addition, the Group has substantially grown its property, plant and equipment, also attributable to its new focus on F&B and entertainment businesses.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group is pleased to report a doubling of revenues in FY2007, following its renewed focus on its F&B and entertainment businesses. In FY2008, the Group looks forward to a full year's contributions from The Cannery venues and Café del Mar.

In the upcoming months, management intends to continue building and fortifying its brands whilst also focusing on improving operating efficiencies throughout its various branded entertainment venues. In 2008, the Group will launch Asia's first Buddha-bar in The Venetian Resort by Las Vegas Sands in Macao. At the same time, it is exploring further opportunities in the PRC, in major cities such as Beijing and Shanghai. At home, LifeBrandz is already gearing up for the inaugural F1 race in 2008 and is ready to capitalise on the influx of tourists and capture a share of the tourist revenue brought about by this milestone event in Singapore's sporting entertainment calendar.

Management also intends to continue its programme of prudent and efficient financial administration, by improving efficiencies throughout its operations.

11 Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date payable

Not applicable

(d) Books Closure date

Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared/recommended for the year under review.

PART ADDITIONAL INFORMATION REQUIRE FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group operates its businesses under a single business segment of lifestyle. The products that are sold under this strategic business unit are subjected to similar risks and returns. As the Group has a single business segment, no business segment analysis is presented. In FY2007, Singapore is the only country which its lifestyle businesses were operated in and, therefore, there is no geographical segment analysis needed.

14 In the review of performance, the factors leading to any changes in contribution to turnover and earnings by the business or geographical segments

For discussion on material changes, please refer to paragraph 8.

15 A breakdown of sales

	The Group		
	31/07/2007	31/7/2006	% Increase/ (Decrease)
Continuing Operations			
Revenue reported for the first half year	15,509	5,195	199%
Operating profit after tax reported for the first half year	829	2,321	-64%
Revenue reported for the second half year	21,925	12,756	72%
Operating (loss)/profit after tax reported for the second half year	(643)	2,625	-124%

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Total Annual Dividend

(S\$)	Latest Full Year	Previous Full Year
	31/07/2007	31/07/2006
Ordinary	-	-
Preference	-	-
Total	-	-

17 Statement pursuant to Rule 705(4) of the listing manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the FY2007 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Lee Shieh-Peen Clement
Director

Kenneth Goh Tzu Seoh
Director

28 September 2007