

**FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2005****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

	<b>The Group</b>		<b>Change %</b>
	<b>Year ended 31 July 2005 S\$'000</b>	<b>2004 S\$'000</b>	
Sales	42,679	53,339	-20%
Other operating income	296	85	248%
Changes in inventories of finished goods	254	238	7%
Finished goods and consumables used, distributor fees and handling costs	(14,852)	(18,383)	-19%
Advertising and promotion expenses	(15,737)	(18,592)	-15%
Staff costs	(2,546)	(1,833)	39%
Depreciation	(422)	(166)	154%
Other operating expenses	(3,187)	(2,442)	31%
	<b>(36,194)</b>	<b>(41,093)</b>	<b>-12%</b>
<b>Profit from operations</b>	<b>6,485</b>	<b>12,246</b>	<b>-47%</b>
Finance costs	(134)	(213)	-37%
<b>Profit before tax</b>	<b>6,351</b>	<b>12,033</b>	<b>-47%</b>
Income tax expenses	(1,422)	(2,410)	-41%
<b>Net profit for the financial year</b>	<b>4,929</b>	<b>9,623</b>	<b>-49%</b>

**Notes to Income Statement**

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

	<b>The Group</b>	
	<b>Year ended 31 July 2005 S\$'000</b>	<b>2004 S\$'000</b>
a) Depreciation of plant and equipment	422	166
b) Inventories written off	29	118
c) Foreign exchange loss/(gain)	141	(54)
d) Operating lease expenses	388	231
e) Other income	(296)	(85)

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	
	31/07/2005 S\$'000	31/07/2004 S\$'000	31/07/2005 S\$'000	31/07/2004 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	20,025	30,040	18,252	28,424
Trade Receivables	16,377	11,390	-	210
Other Receivables	520	100	4,725	-
Other current assets	3,668	2,084	1,118	211
Inventories at cost	607	353	-	-
	<u>41,197</u>	<u>43,967</u>	<u>24,095</u>	<u>28,845</u>
<b>Non-Current Assets</b>				
Plant and equipment	924	625	-	-
Intangible assets	1,114	-	-	-
Investments in subsidiaries	-	-	5,339	5,022
	<u>2,038</u>	<u>625</u>	<u>5,339</u>	<u>5,022</u>
<b>Total Assets</b>	<u>43,235</u>	<u>44,592</u>	<u>29,434</u>	<u>33,867</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade Payables	4,654	5,625	37	164
Other Payables	1,553	2,946	124	-
Borrowings	1,559	-	-	-
Current income tax liabilities	1,473	2,395	49	3
	<u>9,239</u>	<u>10,966</u>	<u>210</u>	<u>167</u>
<b>Total Liabilities</b>	<u>9,239</u>	<u>10,966</u>	<u>210</u>	<u>167</u>
<b>Net Assets</b>	<u>33,996</u>	<u>33,626</u>	<u>29,224</u>	<u>33,700</u>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	6,120	6,120	6,120	6,120
Share premium	22,988	23,068	22,988	23,068
Foreign currency translation reserve	(9)	2	-	-
Retained earnings	4,897	4,436	116	4,512
<b>Total shareholders' equity</b>	<u>33,996</u>	<u>33,626</u>	<u>29,224</u>	<u>33,700</u>

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

	The Group			
	As at 31/07/2005		As at 31/07/2004	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,559	-	-	-
Amount repayable after one year	-	-	-	-
	<u>1,559</u>	<u>-</u>	<u>-</u>	<u>-</u>

Details of any collateral  
N.A.

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

	<b>The Group</b>	
	Year ended 31 July	
	2005	2004
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	6,351	12,033
Adjustments for:		
Depreciation	422	166
Impairment losses of goodwill	6	-
Interest income from short-term bank deposits	(281)	(8)
Factoring charges and interest on bank overdraft	134	213
Plant and equipment written off	20	-
Operating cashflow before working capital changes	<u>6,652</u>	<u>12,404</u>
Change in operating assets and liabilities, net of effects from purchase of subsidiary:		
Trade receivables	(3,166)	(3,797)
Other receivables	(420)	(100)
Other current assets	(1,584)	(1,137)
Inventories	(254)	(238)
Trade payables	(2,854)	4,101
Other payables	(1,396)	1,084
Cash (used in)/generated from operations	<u>(3,022)</u>	<u>12,317</u>
Income tax paid	<u>(2,344)</u>	<u>(1,285)</u>
<b>Net Cash (used in)/from operating activities</b>	<u>(5,366)</u>	<u>11,032</u>
<b>Cash flows from investing activities</b>		
Purchases of plant and equipment	(753)	(730)
Acquisition of a subsidiary, net of cash acquired	(113)	-
Purchases of franchises and licenses	(942)	-
Interest received from short-term bank deposits	281	8
<b>Net cash used in investing activities</b>	<u>(1,527)</u>	<u>(722)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	-	44
Proceeds from issuance of ordinary shares pursuant to the Initial Public Offering, net	-	24,388
Share issue expenses paid	(80)	-
Proceeds from/(repayments) of borrowings	1,559	(352)
Factoring charges and interest on bank overdraft paid	(134)	(213)
Dividends paid to group shareholders	(4,468)	(5,346)
<b>Net cash (used in)/from financing activities</b>	<u>(3,123)</u>	<u>18,521</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,016)</b>	<b>28,831</b>
Cash and cash equivalents at the beginning of the financial year	30,040	1,207
Effects of exchange rate changes on cash and cash equivalents	1	2
<b>Cash and cash equivalents at end of the financial year</b>	<u><u>20,025</u></u>	<u><u>30,040</u></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 period ended 31 July 2005 - Group

	Share Capital S\$'000	Share Premium S\$'000	Foreign Currency Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Balance at 1 August 2004</b>	6,120	23,068	2	4,436	<b>33,626</b>
Share issue expenses adjustment	-	(80)	-	-	<b>(80)</b>
Net profit for the period	-	-	-	4,929	<b>4,929</b>
Net loss not recognised in income statement - currency translation differences	-	-	(11)	-	<b>(11)</b>
<b>Total recognised gains and losses for the financial period</b>	-	-	<b>(11)</b>	<b>4,929</b>	<b>4,918</b>
Dividends	-	-	-	<b>(4,468)</b>	<b>(4,468)</b>
<b>Balance at 31 July 2005</b>	<b>6,120</b>	<b>22,988</b>	<b>(9)</b>	<b>4,897</b>	<b>33,996</b>
<b>Balance at 1 August 2003*</b>	456	-	-	4,459	<b>4,915</b>
Issue of share capital*	44	-	-	-	<b>44</b>
Issue of shares pursuant to restructuring exercise^	4,800	-	-	-	<b>4,800</b>
Adjustment arising from restructuring exercise^	(500)	-	-	(4,300)	<b>(4,800)</b>
Issue of shares pursuant to the initial public offering of the Company	1,320	25,080	-	-	<b>26,400</b>
Share issue expenses	-	(2,012)	-	-	<b>(2,012)</b>
Net profit for the financial year	-	-	-	9,623	<b>9,623</b>
Net gain not recognised in income statement - currency translation differences	-	-	2	-	<b>2</b>
<b>Total recognised gain for the financial period - Net Profit</b>	-	-	<b>2</b>	<b>9,623</b>	<b>9,625</b>
Dividends	-	-	-	(5,346)	<b>(5,346)</b>
<b>Balance at 31 July 2004</b>	<b>6,120</b>	<b>23,068</b>	<b>2</b>	<b>4,436</b>	<b>33,626</b>

\* The share capital and retained earnings as at 1 August 2003 represents the share capital and retained earnings of the principal subsidiary, LifePharm Pte. Ltd., prior to the Restructuring Exercise. The share capital amounting to \$44,000 was issued prior to the Restructuring Exercise by LifePharm Pte. Ltd. (Refer to note 1 to the financial statements for the financial year ended 31 July 2004).

^ The adjustments arising from the Restructuring Exercise represents the excess of the nominal value of shares issued by the Company over the nominal value of shares acquired in exchange for those shares, accounted for using the pooling-of-interest method. (Refer to note 2 to the financial statements for the financial year ended 31 July 2004)

Share issue expenses include other fees of \$80,000 (2004: \$135,000) paid to auditors of the Company for other services.

(ii) Statement of changes in equity for period ended 31 July 2005 - Company

	Share Capital S\$'000	Share Premium S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Balance at 1 August 2004</b>	<b>6,120</b>	<b>23,068</b>	<b>4,512</b>	<b>33,700</b>
Share issue expenses adjustment	-	(80)	-	<b>(80)</b>
Net profit for the period	-	-	72	<b>72</b>
Dividends	-	-	(4,468)	<b>(4,468)</b>
<b>Balance at 31 July 2005</b>	<b>6,120</b>	<b>22,988</b>	<b>116</b>	<b>29,224</b>
<b>Balance at 07 November 2003*</b>	-	-	-	-
Issue of shares pursuant to restructuring exercise	4,800	-	-	<b>4,800</b>
Issue of shares pursuant to the Initial Public Offering of the Company	1,320	25,080	-	<b>26,400</b>
Share issue expenses	-	(2,012)	-	<b>(2,012)</b>
Net profit for the period	-	-	4,512	<b>4,512</b>
<b>Balance at 31 July 2004</b>	<b>6,120</b>	<b>23,068</b>	<b>4,512</b>	<b>33,700</b>

\* Share Capital at the date of incorporation is less than S\$1,000.

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.

**(a) Changes in authorised share capital**

There were no changes in the authorised share capital.

**(b) Changes in paid-up share capital**

There were no changes in the issued share capital.

**(c) Options**

There were no option granted as at 31 July 2005

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

The figures have neither 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 period as compared with the most recently audited financial statements of LifeBrandz Ltd for the year ended 31st July 2004.

**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 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") as required by the Companies Act.

**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**

<b>The Group</b>	
Year ended 31 July	
2005	2004

Earnings per ordinary share ("EPS") for the period after deducting any provision for preference dividends :

Basic Earnings per share *	0.81	1.57
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Diluted earnings per share is the same as basic earnings per share as there are no issuance of dilutive instrument.

**Notes:-**

\* Basic earnings per share for the period ended 31 July 2005 is calculated by dividing the net profit attributable to member of LifeBrandz Ltd by the issued share capital of 612,000,000.

**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**

	<b>The Group</b>		<b>The Company</b>	
	Year ended 31 July		Year ended 31 July	
	2005	2004	2005	2004

Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	5.55	5.49	4.78	5.51
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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.**

**REVIEW OF FULL YEAR FINANCIAL RESULTS AND FINANCIAL POSITION**

The Group's financial performance for the 12 months ended 31 July 2005 ("FY2005") is to be reviewed against a backdrop of unfavourable developments in the Group's operating environment for its existing Beauty and Health business.

In addition, FY2005 results also reflect the advances in the Group's fourth product / brand category LifeStyle, which contributed to higher operating expenses and upfront cash payments.

Consequently, the Group recorded sales of \$42.7 million for FY2005, a decrease of \$10.6 million versus FY2004's sales of \$53.3 million and a net profit after tax of \$4.9 million, a decrease of \$4.7 million compared to previous year's \$9.6 million net profit.

**Sales**

The Group witnessed a slowdown in demand across the Beauty and Health supplement industry in all its operating markets where our products are present, which affected sales for its Nutraceuticals and Cosmeceuticals product categories.

This slowdown also coincided with several other developments such as:

- a) Increased advertising and promotion ("A&P") rates, particularly in key market Singapore (following the merger of two major media companies);
- b) Increased competition;
- c) Continuous changes in regulations for new overseas markets, notably Taiwan.

Against this backdrop, the management made conscious decisions such as reducing certain sales driving A&P activities and retimed product launches, which although impacted sales negatively was cost effective for earnings.

Nevertheless, several milestones on the strategic front were accomplished during FY2005. The Group successfully penetrated new overseas markets, Thailand and Taiwan, with its EXTRIM Carbohydrate Neutralizer tablets. Also, following its successful penetration of the Indonesia market with EXTRIM Carbohydrate Neutralizer tablets, the Group launched its second product, INTENZ Skin Activator oral supplements. TUMMI Trim also achieved good progress in Singapore with sales doubling in FY2005 compared to FY2004 when it was first sold.

In line with the Group's strategy to continually refresh its portfolio of products and brands, the Group did capitalise on the favourable timing during Q3 FY2005 to launch its new EXTRIM-X Carbohydrate Neutralizer tablets in Singapore and Hong Kong, which was well received by both markets. Various new products under its Personal / Family Care product line, such as ProCyan hair treatment product for men, were also launched.

A breakdown of total sales by major product category for the respective periods under review is as follows:-

Major Product Category	FY 2005		FY 2004	
	\$'million	%	\$'million	%
Nutraceuticals	30.6	71.7	37.5	70.3
Cosmeceuticals	6.5	15.2	14.6	27.4
Functional Food and Beverage	1.3	3.0	1.2	2.3
Personal/Family Care and LifeStyle	4.3	10.1	-	-
Total	42.7	100.0	53.3	100.0

No sales were recorded in the Lifestyle category for FY2005 as these projects entail a longer gestation period compared to the Group's existing businesses. Most of these projects are expected to commence operations and thus revenue-generate, progressively from 2Q FY2006, i.e., last quarter of calendar year 2005.

#### Profitability & Cash flow

As a result of the Group's conscious strategy realignment, total operating expenses decreased by \$1.1 million to \$21.9 million in FY2005 from \$23.0 million in FY2004. This was principally attributed to the planned decrease in A&P expenses from \$18.6 million in FY2004 to \$15.7 million in FY2005.

The Group contained A&P expenses as a percentage of sales to 35% - 36% in FY2005 with focused spending despite higher T.V. and newspaper advertisement rates. A&P is a key element to build brand awareness and maintain and enhance the Group's market share. The Group will continue to strategically and prudently allocate its resources for effective A&P activities.

The remaining operating expenses (including staff costs, depreciation and others), increased by \$1.7 million due mainly to activities related to the development of the Group's Lifestyle category (increased staff strength, more frequent business travel, increased operating and administrative expenditures).

Overall the Group has rationalized its expenses, implementing measures to contain costs and overhead to improve cost efficiency. All regional operating functions have now been centralized at its Singapore headquarters, resulting in the significant downsizing of the Hong Kong office. Where appropriate, resources in areas which are not contributing to the bottom line have been re-channelled to develop our promising LifeStyle category.

The increase in other operating income was mainly attributed to interest income earned from short-term deposits placed with financial institutions.

Plant and equipment increased in FY2005 mainly attributed to renovation and upgrading works for offices and purchase of computer equipment. Franchise and licence fees were incurred in FY2005 for the various concepts to be undertaken under the LifeStyle category. The Group experienced higher trade receivables in FY2005 due principally to longer credit terms extended to customers.

The net gearing ratio of the Group remained low for FY2005. The Group however experienced a reduction of cash from operating activities due principally to lower profitability and increased receivables during the year under review. Cash outflow from investing activities were mainly due to payments for the franchise and license fees for the various projects embarked under the LifeStyle category.

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

There was no forecast made previously.

**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 unfavourable developments in the Group's operating environment as outlined in section 8 are likely to impact on the sales and profitability of its existing Beauty and Health businesses over the next two to three quarters in FY2006.

In light of the above unfavourable developments, the Group will re-strategise its business plans for each country and each brand. Nevertheless, the Group remains committed to becoming the regional leader in brand development and management for the health, beauty and lifestyle sectors and will continue to pursue medium and long term goals aimed at significantly broadening its customer and earnings base.

The Group will continue to monitor the operating climate and manage related expenses in existing as well as new geographical markets. Strategic branding activities will continue through various means including reasonable A&P campaigns to build brand equity. Also, measures to contain costs/overheads in areas that are no longer yielding reasonable returns will continue to be implemented and where appropriate these resources will be re-channelled into developing the Group's promising LifeStyle category.

For FY2006 the Group will progress the development of its LifeStyle category, capitalising on its core competencies in developing and managing brand concepts coupled with its strong relevant market knowledge. Having earlier strategised to seize the impending lifestyle opportunities across the region, the Group had invested in expanding its portfolio with well known international brands and secured ideal strategic locations to house these brands at favourable rates and terms. Especially in Singapore where the Government continues initiatives to develop the island state into an international tourism and entertainment hub – commissioning two Integrated Resorts, the Group has obtained the rights to brands such as the New York popular Dashing Diva Nail Spa and Boutique, London based The Ministry of Sound, Ibiza famous Café del Mar, Paris based Fashion TV and Milan originated Bice Restaurant. Furthermore, the Group has sites with which to locate all these brands. Ideally situated to best benefit from the influx of tourist and lifestyle spending, namely The Cannery at Clark Quay and The Balcony at The Heeren.

Projects under the LifeStyle category will commence operations progressively from the second quarter of FY2006. Prior to the commencement of operations, the Group expects to incur expenditures in setting up the premises and A&P cost to position the brand and prepare for launch. In view of the above, the Group is cautiously optimistic about its prospects in the current FY2006.

In tandem with LifeBrandz' major focus on the LifeStyle sector, the Group will be changing its segmentation based on four major product categories into two broad-based categories namely Beauty / Fashion / Wellness and LifeStyle. This will be effective from FY2006 and will better reflect LifeBrandz' base business activities going forward.

## 11 Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? Yes

Name of Dividend : First and Final  
 Dividend Type : Cash  
 Dividend Payable : S\$616,125  
 Dividend Amount per Share : 0.1006 cent per ordinary share (exempt one-tier)

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? Yes

Name of Dividend : First and Final  
 Dividend Type : Cash  
 Dividend Payable : S\$4,468,000  
 Dividend Amount per Share : 0.73 cents per ordinary share (exempt one-tier)

### (c) Date payable

Notice will be given later regarding the dividend payment date.

### (d) Books Closure date

Notice will be given later regarding the date of closure of transfer book and register of members.

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

Not Applicable

## PART II 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 business under a single business segment of brand development and management of health, beauty, personal/family and lifestyle products. 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

The following tables present revenue and operating results for the Group's geographical segments for financial year ended 31 July 2005 and 31 July 2004:-

	Singapore S\$'000	Hong Kong S\$'000	Indonesia S\$'000	Taiwan S\$'000	Thailand S\$'000	Elimination S\$'000	Total S\$'000
<b>Financial Year Ended 31/07/2005</b>							
Sales	26,600	7,913	2,898	3,100	2,168	-	42,679
Profit before tax & interest	5,243	(821)	585	735	769	(26)	6,485
<b>Financial Year Ended 31/07/2004</b>							
Sales	29,705	21,637	1,997	-	-	-	53,339
Profit before tax & interest	8,926	2,780	584	-	-	(44)	12,246

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

Please refer to paragraph 8 for analysis.

15 A breakdown of sales

	<b>The Group</b>		
	31/07/2005	31/7/2004	%
			Increase/ (Decrease)
Sales reported for the first half year	25,220	22,500	12%
Operating profit after tax reported for the first half year	3,042	5,036	-40%
Sales reported for the second half year	17,459	30,839	-43%
Operating profit after tax reported for the second year	1,887	4,587	-59%

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**

(\$)	Latest Full Year 31/07/2005	Previous Full Year 31/07/2004
Ordinary	616,125 *	4,468,000
Preference	-	-
<b>Total</b>	<b>616,125</b>	<b>4,468,000</b>

\* Note :

This is the proposed final dividend for ordinary shares for the financial year ended 31 July 2005. Please refer to paragraphs 11(a) for details.

**BY ORDER OF THE BOARD**

**Koh Boon Liang / Tan Ping Ping**  
**Joint Company Secretaries**  
**29 September 2005**