

LIFEBRANDZ LTD.

(Company Registration No. 200311348E)

PROPOSED PLACEMENT (THE "PLACEMENT") OF UP TO 192,000,000 ORDINARY SHARES OF S\$0.115 EACH IN THE CAPITAL OF LIFEBRANDZ LTD. (THE "SHARES") COMPRISING 122,000,000 NEW ORDINARY SHARES (AS DEFINED BELOW) AND 70,000,000 VENDOR SHARES (AS DEFINED BELOW).

The Placement

The Board of Directors of LifeBrandz Ltd. (the "**Company**") is pleased to announce that the Company has on 19 January 2007 entered into a placement agreement (the "**Placement Agreement**") with Kenneth Goh Tzu Seoh, Lee Shieh-Peen Clement and Michael Wong C. K. (collectively the "**Vendors**"), and UOB Kay Hian Private Limited (the "**Placement Agent**").

Subject to and upon the terms and conditions of the Placement Agreement, the Placement Agent has agreed, on a best endeavours basis, to procure subscribers and/or purchasers for up to 192,000,000 Shares (the "**Placement Shares**") comprising up to 122,000,000 new Shares (the "**New Shares**") and up to 70,000,000 Vendor Shares (the "**Vendor Shares**"), at the price of S\$0.115 for each Placement Share (the "**Placement Price**"), in reliance on Section 277 of the Securities and Futures Act (Chapter 289). Further details of the Placement Agreement are set out in the Offer Information Statement ("**OIS**") lodged by the Company with the Monetary Authority of Singapore ("**MAS**") on 19 January 2007, a copy of which is available on www.mas.gov.sg.

The New Shares and Vendor Shares represent approximately 19.93 % and 11.44% of the issued share capital of the Company respectively as at the date of this announcement.

The New Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing issued ordinary shares of the Company.

The Placement Price represents a discount of S\$0.0117 per Share or approximately 9.23 % to the weighted average price of S\$0.1267 per Share based on the trades done on the Company's shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 17 January 2007 and on 18 January 2007 until the trading of the Company's shares on the SGX-ST was halted on 18 January 2007 at 4pm.

Condition Precedent

The completion of the Placement Agreement is conditional, *inter alia*, upon the approval in-principle from the SGX-ST for the listing and quotation of the New Shares on the Official List of the SGX-ST and the OIS which complies as to form and content with the Sixteenth Schedule to the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005, being lodged with and accepted by the MAS and the SGX-ST.

Shareholders' Mandate

The New Shares are to be allotted and issued pursuant to the general share issue mandate granted to the Directors of the Company to issue shares, passed by the shareholders by way of an ordinary resolution at the annual general meeting of the Company held on 29 November 2006.

Use of Proceeds

The net proceeds from the Placement, after deducting estimated expenses pertaining to the Placement, is estimated to be approximately S\$12.9 million (assuming all 122,000,000 New Shares are subscribed for).

The Company intends to use the net proceeds from the Placement for the Group's general working capital purposes.

Pending the deployment of the net proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit.

Financial Effect

As at the date of this announcement, the issued and paid-up capital of the Company is S\$29,108,034 comprising 612,000,000 Shares. Upon completion of the Placement and assuming that all 122,000,000 New Shares are fully subscribed for, the existing issued share capital of the Company will increase to approximately S\$41.99 million comprising 734,000,000 Shares.

Upon completion of the Placement and assuming that all 122,000,000 New Shares are fully subscribed for, based on the unaudited financial statements of the Group as at 31 October 2006 as announced by the Company on 15 December 2006, the NTA per Share of the Group, after adjusting for the issue of the New Shares will increase from 1.72 cents to 3.18 cents*.

** Assuming the Placement of the New Shares had been completed on 31 July 2006, based on net proceeds of approximately S\$12.9 million and 734,000,000 Shares in issue as at 31 July 2006.*

General

None of the Placement Shares will be placed by the Placement Agent to any person who is a director or substantial shareholder of the Company, or to any other person in the categories set out in Rule 812(1) of the SGX-ST Listing Manual.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement of the Placement Shares.

An OIS pursuant to the Sixteenth Schedule to the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005, has on 19 January 2007 been lodged with and accepted by the MAS. The Company will be making an application to the SGX-ST for the listing and quotation of the New Shares on the SGX-ST shortly.

BY ORDER OF THE BOARD

Koh Boon Liang
Company Secretary
19 January 2007