

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED
31 JULY 2021

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Six months ended		Full year ended				
	31-Jul-21	31-Jul-20	Inc/ (Dec)	31-Jul-21	31-Jul-20	Inc/ (Dec)	Note
	2H FY21	2H FY20		FY21	FY20		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	15	448	(97%)	34	1,947	(98%)	4
Other operating income	-	404	N.M.	2,457	414	>100%	
Expenses							
- Inventories and consumables used	(11)	(178)	(94%)	(16)	(688)	(98%)	
- Amortisation and depreciation	(4)	(255)	(98%)	(10)	(681)	(99%)	
- Employee benefits	(317)	(994)	(68%)	(717)	(1,787)	(60%)	
- Finance cost	(9)	-	N.M.	(11)	(30)	(63%)	
- Advertising, media and entertainment	-	(18)	N.M.	(4)	(48)	(92%)	
- Lease expenses	(57)	-	N.M.	(85)	(111)	(23%)	
- Transportation	-	(1)	N.M.	(1)	(6)	(83%)	
- Legal and professional fees	(31)	(98)	(68%)	(302)	(259)	17%	
- Other operating expenses	(577)	(1,292)	(55%)	(603)	(1,578)	(62%)	
Total expenses	(1,006)	(2,836)	(65%)	(1,749)	(5,188)	(66%)	
Profit/(loss) before income tax	(991)	(1,984)	(50%)	742	(2,827)	N.M.	6
- Income tax expense	(16)	-	N.M.	(16)	-	N.M.	7
Profit/(Loss) from continuing operations for the financial period	(1,007)	(1,984)	(49%)	726	(2,827)	N.M.	
Discontinued operations							
Owners of the Company	(221)	(2,578)	(91%)	1,168	(3,017)	N.M.	
Non-controlling interest	68	(2,557)	N.M.	2,146	(2,803)	N.M.	
Profit/(Loss) from discontinued operations for the financial period	(153)	(5,135)	(97%)	3,314	(5,820)	N.M.	
Total profit/(loss) for the financial period	(1,160)	(7,119)	(84%)	4,040	(8,647)	N.M.	
Attributable to:							
Owners of the Company	(1,228)	(4,562)	(73%)	1,894	(5,844)	N.M.	
Non-controlling interest	68	(2,557)	N.M.	2,146	(2,803)	N.M.	
	(1,160)	(7,119)	(84%)	4,040	(8,647)	N.M.	
Other comprehensive income:							
Exchange differences on translating foreign operations	105	143	(27%)	109	126	(13%)	
Total comprehensive income/(loss) for the financial period	(1,055)	(6,976)	(85%)	4,149	(8,521)	N.M.	
Total comprehensive income/(loss) for the financial period attributable to:							
Owners of the Company	(1,178)	(4,472)	(74%)	1,948	(5,771)	N.M.	
Non-controlling interest	123	(2,504)	N.M.	2,201	(2,750)	N.M.	
	(1,055)	(6,976)	(85%)	4,149	(8,521)	N.M.	

	Six months ended		Full year ended		Note
	31-Jul-21 2H FY21	31-Jul-20 2H FY20	31-Jul-21 FY21	31-Jul-20 FY20	
Earnings/(loss) per share attributable to owners of the Company (cents):					9
Basic and diluted earnings/(loss) per share from continuing operations	(0.09)	(0.32)	0.08	(0.49)	
Basic and diluted earnings/(loss) per share from discontinued operations	(0.01)	(0.43)	0.13	(0.52)	
Total basic and diluted earnings/(loss) per share	(0.10)	(0.75)	0.21	(1.01)	

N.M. – not meaningful

B. Condensed interim statements of financial position

	The Group		The Company		Note
	31/7/2021	31/7/2020	31/7/2021	31/7/2020	
	S\$'000	S\$'000	S\$'000	S\$'000	
<u>Current assets</u>					
Inventories	2	6	-	-	
Trade and other receivables	121	540	425	294	
Cash and cash equivalents	4,454	105	4,350	10	
	4,577	651	4,775	304	
<u>Non-current assets</u>					
Plant and equipment	6	27	5	9	11
Guarantee deposit	-	183	-	-	
Investment in subsidiaries	-	-	*	*	
	6	210	5	9	
Total assets	4,583	861	4,780	313	
<u>Current liabilities</u>					
Bank borrowings	-	27	-	-	
Provision for reinstatement	-	242	-	-	
Trade and other payables	1,034	4,890	1,090	3,155	
Lease liabilities	-	557	-	-	
Income tax liabilities	-	3	-	-	
	1,034	5,719	1,090	3,155	
<u>Non-current liabilities</u>					
Lease liabilities	-	2,825	-	-	
	-	2,825	-	-	
Total liabilities	1,034	8,544	1,090	3,155	
Equity					
Share capital	69,950	63,074	69,950	63,074	13
Foreign currency translation reserve	(110)	(164)	-	-	
Accumulated losses	(66,291)	(68,185)	(66,260)	(65,916)	
Equity attributable to owners of the Company	3,549	(5,275)	3,690	(2,842)	
Non-controlling interest	-	(2,408)	-	-	
Total equity/(deficit)	3,549	(7,683)	3,690	(2,842)	
Total equity and liabilities	4,583	861	4,780	313	

* – amount less than S\$1,000

C. Condensed interim statements of changes in equity

(i) Group

	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Non- Controlling Interest S\$'000	Total S\$'000
Balance at 1 August 2020	63,074	(164)	(68,185)	(2,408)	(7,683)
Issuance of shares	7,131	-	-	-	7,131
Share issuance expenses	(255)	-	-	-	(255)
Profit for the financial year	-	-	1,894	2,146	4,040
Other comprehensive income for the financial year	-	54	-	55	109
Elimination of non-controlling interest at disposal of subsidiaries	-	-	-	207	207
Balance at 31 July 2021	69,950	(110)	(66,291)	-	3,549
Balance at 1 August 2019	62,650	(237)	(62,341)	342	414
Issuance of shares	450	-	-	-	450
Share issuance expenses	(26)	-	-	-	(26)
Loss for the financial year	-	-	(5,844)	(2,803)	(8,647)
Other comprehensive income for the financial year	-	73	-	53	126
Balance at 31 July 2020	63,074	(164)	(68,185)	(2,408)	(7,683)

(ii) **Company**

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 August 2020	63,074	(65,916)	(2,842)
Issuance of shares	7,131	-	7,131
Share issuance expenses	(255)	-	(255)
Loss for the financial year	-	(344)	(344)
Balance at 31 July 2021	69,950	(66,260)	3,690
Balance at 1 August 2019	62,650	(59,970)	2,680
Issuance of shares	450	-	450
Share issuance expenses	(26)	-	(26)
Loss for the financial year	-	(5,946)	(5,946)
Balance at 31 July 2020	63,074	(65,916)	(2,842)

D. Condensed interim consolidated statement of cash flows

	Full year ended	
	31-Jul-21	31-Jul-20
	FY21	FY20
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(Loss) before income tax from continuing operations	742	(2,827)
Profit/(Loss) before income tax from discontinued operations	3,314	(5,796)
<u>Adjustments for:</u>		
Depreciation of plant and equipment	10	1,562
Amortisation of intangible assets	-	74
Impairment loss of plant and equipment	-	4,304
Impairment loss of intangible assets	-	15
Impairment loss of goodwill	-	194
Write off of plant and equipment	2	334
Write off of inventories	-	12
Bad debt written off	167	305
Loss allowance on trade receivables	-	150
Gain on termination of lease	(3,167)	-
Gain on disposal of subsidiaries	(19)	-
Loss on disposal of plant and equipment	10	-
Other payables written back	(2,137)	-
Reversal of provision for reinstatement	(242)	-
Interest expense	11	203
Operating cash flows before changes in working capital	(1,309)	(1,470)
<u>Changes in working capital</u>		
Inventories	(1)	7
Trade and other receivables	26	(90)
Trade and other payables	(472)	306
Cash flows used in operations	(1,756)	(1,247)
Income tax paid	(18)	(21)
Net cash flows used in operating activities	(1,774)	(1,268)
Cash flows from investing activities		
Purchase of plant and equipment and right-of-use assets	(5)	(223)
Additions to intangible assets	(28)	-
Disposal of a subsidiary, net of cash disposed of	(6)	-
Proceed from disposal of plant and equipment	3	-
Exchange realignment	-	159
Net cash flows used in investing activities	(36)	(64)

	Full year ended	
	31-Jul-21	31-Jul-20
	FY21	FY20
	S\$'000	S\$'000
Cash flows from financing activities		
Amount due to related party	(773)	1,457
Interest paid	(4)	-
Repayment of lease liabilities	(150)	(801)
Proceeds from issuance of shares	7,131	450
Share issuance expenses	(255)	(26)
Proceeds from borrowings	206	26
Repayment of borrowings	-	(9)
Exchange realignment	4	20
Net cash flows generated from financing activities	6,159	1,117
Net change in cash and cash equivalents	4,349	(215)
Cash and cash equivalents at beginning of the financial year	105	320
Cash and cash equivalents at end of the financial year	4,454	105

E. Notes to the condensed interim consolidated financial statements

1. Corporate Information

LifeBrandz Ltd. (the “**Company**”) (Registration Number 200311348E) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The registered office of the Company is located at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 July 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of investment holding and management consultancy to its subsidiaries. The principal activities of the respective subsidiaries are those of the lifestyle and entertainment businesses. During the previous financial year, the restaurants under Cloud Eight Pte. Ltd. and LifeBrandz USA, Inc. (f.k.a. Cloud Eight Inc) had ceased operations.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 July 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last unaudited announcement for the six months ended 31 January 2021. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

- Assessment of impairment of trade and other receivables

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group's continuing operations is substantially in lifestyle and entertainment, while its discontinued operations also include travel agency services. All of its continuing operations are in Singapore, except for two subsidiaries – Mulligan's Co., Ltd and LB F&B Sdn. Bhd. are located in Thailand and Malaysia, respectively. The Group's discontinued operations under SYNC Co., Ltd, LB KOH Co., Ltd and e-Holidays Co., Ltd. are located in Japan, and under LifeBrandz USA, Inc is located in United States of America. For management purposes, the Group is organised into business units based on their geographical locations.

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.

Continuing Operations

	Singapore		Thailand		Malaysia		Total	
	<u>2H FY21</u>	<u>2H FY20</u>	<u>2H FY21</u>	<u>2H FY20</u>	<u>2H FY21</u>	<u>2H FY20</u>	<u>2H FY21</u>	<u>2H FY20</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:								
Sales to external customers	-	374	15	74	-	-	15	448
Results:								
Amortisation and depreciation	3	253	1	2	-	-	4	255
Impairment loss on plant and equipment	-	285	-	-	-	-	-	285
Segment profit/(loss) for the year	(654)	(1,839)	(201)	(145)	(152)	-	(1,007)	(1,984)
Assets/(Liabilities):								
Plant and equipment	5	21	1	2	-	-	6	23
Segment assets	4,465	272	32	162	86	-	4,583	434
Segment liabilities	(913)	(4,417)	(115)	(125)	(6)	-	(1,034)	(4,542)

	Singapore		Thailand		Malaysia		Total	
	<u>FY21</u>	<u>FY20</u>	<u>FY21</u>	<u>FY20</u>	<u>FY21</u>	<u>FY20</u>	<u>FY21</u>	<u>FY20</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:								
Sales to external customers	3	1,630	31	317	-	-	34	1,947
Results:								
Amortisation and depreciation	8	680	2	1	-	-	10	681
Impairment loss on plant and equipment	-	285	-	-	-	-	-	285
Segment profit/(loss) for the year	1,046	(2,694)	(243)	(133)	(77)	-	726	(2,827)
Assets/(Liabilities):								
Plant and equipment	5	21	1	2	-	-	6	23
Segment assets	4,465	272	32	162	86	-	4,583	434
Segment liabilities	(913)	(4,417)	(115)	(125)	(6)	-	(1,034)	(4,542)

Discontinued Operations

	Japan		United States		Total	
	<u>2H FY21</u>	<u>2H FY20</u>	<u>2H FY21</u>	<u>2H FY20</u>	<u>2H FY21</u>	<u>2H FY20</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue:						
Sales to external customers	240	73	-	179	240	252
Results:						
Amortisation and depreciation	-	8	-	515	-	523
Impairment loss on intangible assets	-	15	-	-	-	15
Impairment of goodwill	-	194	-	-	-	194
Impairment loss on plant and equipment	-	-	-	4,019	-	4,019
Segment profit/(loss) for the year	(32)	(216)	(121)	(4,919)	(153)	(5,135)
Assets/(Liabilities):						
Plant and equipment	-	4	-	-	-	4
Segment assets	-	426	-	1	-	427
Segment liabilities	-	(382)	-	(3,620)	-	(4,002)

	Japan		United States		Total	
	<u>FY21</u>	<u>FY20</u>	<u>FY21</u>	<u>FY20</u>	<u>FY21</u>	<u>FY20</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue:						
Sales to external customers	240	827	-	568	240	1,395
Results:						
Amortisation and depreciation	-	82	-	873	-	955
Impairment loss on intangible assets	-	15	-	-	-	15
Impairment of goodwill	-	194	-	-	-	194
Impairment loss on plant and equipment	-	-	-	4,019	-	4,019
Segment profit/(loss) for the year	177	(213)	3,137	(5,607)	3,314	(5,820)
Assets/(Liabilities):						
Plant and equipment	-	4	-	-	-	4
Segment assets	-	426	-	1	-	427
Segment liabilities	-	(382)	-	(3,620)	-	(4,002)

5. Financial assets and financial liabilities

Set out of below is an overview of the financial assets and financial liabilities of the Group as at 31 July 2021 and 31 July 2020:

	<u>Group</u>		<u>Company</u>	
	<u>31 July 21</u>	<u>31 July 20</u>	<u>31 July 21</u>	<u>31 July 20</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financial assets at amortised cost				
Trade and other receivables	121	540	425	294
Less: Prepayments	(46)	(270)	(44)	(29)
	75	270	381	265
Guarantee deposit	-	183	-	-
Cash and cash equivalents	4,454	105	4,350	10
Total	4,529	558	4,731	275
Financial liabilities at amortised cost				
Trade and other payables	1,034	4,890	1,090	3,155
Provision for reinstatement	-	242	-	-
Lease liabilities	-	3,382	-	-
Bank borrowings	-	27	-	-
Total	1,034	8,541	1,090	3,155

6. Profit before income tax

6.1 Significant items – Continuing Operations

	2H FY21 S\$'000	2H FY20 S\$'000	FY21 S\$'000	FY20 S\$'000
Depreciation of plant and equipment	4	255	10	681
Impairment loss of plant and equipment	-	285	-	285
Write off of plant and equipment	2	334	2	334
Write off of inventories	-	12	-	12
Bad debt written off	167	89	167	89
Loss allowance on trade receivables	-	150	-	150
Gain on disposal of subsidiaries	(19)	-	(19)	-
Loss on disposal of plant and equipment	10	-	10	-
Other payables written back	(2,137)	-	(2,137)	-
Reversal of provision for reinstatement	-	-	(242)	-
Interest expense	9	-	11	30

6.2 Significant items – Discontinued Operations

	2H FY21 S\$'000	2H FY20 S\$'000	FY21 S\$'000	FY20 S\$'000
Depreciation of plant and equipment	-	486	-	881
Amortisation of intangible assets	-	37	-	74
Impairment loss of intangible assets	-	15	-	15
Impairment loss of goodwill	-	194	-	194
Impairment loss of plant and equipment	-	4,019	-	4,019
Bad debt written off	-	216	-	216
Gain on termination of lease	(3,167)	-	(3,167)	-
Interest expense	-	92	-	173

6.3 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	2H FY21 S\$'000	2H FY20 S\$'000	FY21 S\$'000	FY20 S\$'000
Current tax	16	24	16	24
Current financial year				
Income tax expense attributable to the following:				
- Continuing operations	16	-	16	-
- Discontinued operations	-	24	-	24
	16	24	16	24

8. Dividends

No dividend has been declared for FY2021 and FY2020.

Please refer to Notes 5, 6 and 7 in section F- Other information required by Catalist Rules Appendix 7C for further details.

9. Earnings per share

	2H FY21 S\$'000	2H FY20 S\$'000	FY21 S\$'000	FY20 S\$'000
Continuing Operations				
Profit/(loss) per share ("EPS/LPS") for the financial year attributable to the owners of the Company:	(1,007)	(1,984)	726	(2,827)
Discontinued Operations				
Profit/(loss) per share ("EPS/LPS") for the financial year attributable to the owners of the Company:	(221)	(2,578)	1,168	(3,017)
	(1,228)	(4,562)	1,894	(5,844)
Weighted average number of ordinary shares	1,179,810	611,670	914,282	577,039
Based on the weighted average number of ordinary shares				
- Basic & Diluted (cents)	(0.10)	(0.75)	0.21	(1.01)
Continuing Operations				
Based on the weighted average number of ordinary shares				
- Basic & Diluted (cents)	(0.09)	(0.32)	0.08	(0.49)
Discontinued Operations				
Based on the weighted average number of ordinary shares				
- Basic & Diluted (cents)	(0.01)	(0.43)	0.13	(0.52)

Diluted LPS is the same as basic LPS as the outstanding warrants have not been included in the calculation given that they are anti-dilutive.

10. Net asset value

	Group		Company	
	31-Jul-21	31-Jul-20	31-Jul-21	31-Jul-20
Number of ordinary shares ('000)	2,060,340	611,670	2,060,340	611,670
Net assets/(liabilities) value (attributable to the owners of the Company) per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the year reported on (cents)	0.17	(0.86)	0.18	(0.46)

11. Plant and equipment

During the financial year ended 31 July 2021, the Group acquired plant and equipment for an amount of S\$5,000 (31 July 2020: S\$223,000) and disposal and written off assets amounting to S\$15,000 (31 July 2020: S\$334,000).

12. Borrowings

	31-Jul-21		31-Jul-20	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	-	139 ⁽¹⁾	-	3,151
Amount repayable after one year	-	-	-	-
Total borrowings	-	139	-	3,151

Note:

- (1) Interest-free advances of approximately S\$139,000 (as at 31 July 2020: Nil) from a controlling shareholder of the Company, Mr Michael Marcus Liew.

13. Share capital

	Group and Company	
	<u>No. of shares</u>	<u>Amount</u>
	'000	S\$'000
<u>Issued and fully paid ordinary shares</u>		
Issued and paid-up share capital as at 1 August 2020	611,670	63,074
Issuance of shares pursuant to a placement agreement on 10 December 2020	112,500	450
Issuance of shares pursuant to a placement agreement on 9 March 2021	306,000	1,530
Issuance of shares pursuant to a rights cum warrants issue on 22 June 2021	1,030,170	5,151
Share issuance expenses	-	(255)
Issued and paid-up share capital as at 31 July 2021	2,060,340	69,950

Pursuant to the completion of a rights cum warrants issue, the Company has on 22 June 2021 allotted and issued 515,085,123 warrants. As at 31 July 2021, all 515,085,123 warrants are outstanding.

Save as disclosed, there were no other outstanding convertibles, treasury shares and subsidiary holdings held or issued as at 31 July 2021, 31 January 2021 and 31 July 2020.

14. Disposal of subsidiaries

On 9 February 2021, the Company announced that its wholly-owned subsidiaries, LB F&B Pte. Ltd. ("**LB F&B**") and Takumi Holidays Pte. Ltd. ("**Takumi**") had on 8 February 2021 each entered into two separate conditional share sale and purchase agreements with Capital Square Co., Ltd. ("**Capital Square**"). LB F&B has agreed to sell to Capital Square, and Capital Square has agreed to purchase from LB F&B, the entire issued and paid-up share capital of SYNC Co., Ltd. ("**SYNC**") and LB KOH Co., Ltd. ("**LB KOH**"), as well as 50% of the issued and paid-up share capital of LifeBrandz USA, Inc. ("**LB USA**") for an aggregate consideration of S\$3.00. Takumi has agreed to sell to Capital Square, and Capital Square has agreed to purchase from Takumi, the entire issued and paid-up share capital of Takumi's wholly-owned subsidiary, e-Holidays Co., Ltd. ("**e-Holidays**", and together with SYNC, LB KOH and LB USA, the "**Target Group**" and each a "**Target**") for a consideration of S\$1.00 (the "**Proposed Disposals**").

Pursuant to the approval of the shareholders of the Company having been obtained for the Proposed Disposals at the extraordinary general meeting of the Company held on 26 February 2021 (“**EGM**”), the Company has completed disposals of the entire issued and paid-up share capital of LB KOH on 8 March 2021; 50% of the issued and paid-up share capital of LB USA on 5 March 2021; entire issued and paid-up share capital SYNC on 10 March 2021 and e-Holidays on 8 March 2021.

Carrying amounts of the assets and liabilities of the Target Group as at the date of disposal are as follows:

	S\$'000
Property, plant and equipment	1
Intangible asset	28
Guarantee deposits	188
Inventories	5
Trade and other receivables	226
Cash and cash equivalent	6
	<u>454</u>
Bank borrowings	233
Trade and other payables	476
Income tax payable	1
	<u>710</u>
Disposal of NCI	207
Net assets	<u>(49)</u>
Cash consideration	*
Net assets derecognised	(49)
Currency translation difference	30
Gain on disposal	<u>19</u>

* – amounts less than S\$1,000

15. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

F. Other information required by Catalist Rules Appendix 7C

1. Review

The condensed consolidated statement of financial position of LifeBrandz Ltd. and its subsidiaries as at 31 July 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period and the full financial year then ended and certain explanatory notes have not been audited or reviewed. The Group's latest audited financial statements for the financial year ended 31 July 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Review of Income Statement

Continuing operations

Revenue

	<u>Group</u>				
	FY2021	Contribution	FY2020	Contribution	Increase / (Decrease)
	S\$'000	%	S\$'000	%	%
Food and beverage revenue					
- Singapore	3	9%	1,630	83%	(100%)
- Thailand	31	91%	317	17%	(90%)
	34	100%	1,947	100%	(98%)

The Group recorded approximately S\$34,000 from food and beverage ("**F&B**") revenue for the financial year ended 31 July 2021 ("**FY2021**"), a decrease of S\$1.9 million compared to the financial year ended 31 July 2020 ("**FY2020**").

The decrease in F&B revenue was mainly due to ceased operations of Hashida Sushi in Singapore ("**Hashida Sushi**") in April 2020.

Other income

Increase in other operating income of S\$2.0 million is mainly due to waiver of loans from shareholders, namely Bounty Blue and Capital Square in FY2021.

Costs & expenses

Inventories and consumables used decreased by S\$0.7 million which is consistent with the decrease in the Group's revenue, mainly contributed by the loss of business of Hashida Sushi.

No travel booking services cost recorded in FY2021 as such cost is reclassified to discontinued operations in line with the disposal of e-Holidays.

Employee benefits decreased by S\$1.1 million mainly due to the discontinued operation of Hashida Sushi.

Amortisation and depreciation expenses decreased by S\$0.7 million mainly due to discontinued operation of Hashida Sushi.

Other operating expenses in FY2021 saw a decrease of S\$1.0 million mainly due to discontinued operations of Hashida Sushi.

As a result of the factors mentioned above, the Group recorded total expenses of S\$1.7 million in FY2021 as compared to S\$5.2 million in FY2020.

Profit/(loss)

Overall, continuing operations recorded a profit of S\$0.7 million in FY2021 as compared to a loss of S\$2.8 million in FY2020 for the reasons stated above.

Discontinued operations

On 8 February 2021, the Company's wholly-owned subsidiaries, LB F&B Pte. Ltd. and Takumi Holidays Pte. Ltd., each entered into two separate conditional share sale and purchase agreements with Capital Square to dispose their entire interests in SYNC, LB KOH, LB USA. and e-Holidays for a consideration of S\$1 each. The loss before tax operations as of 31 July 2020 is S\$5,587,000. SYNC recorded S\$0.2 million revenue in FY2021.

The Proposed Disposals were approved by the Company's shareholders at the extraordinary general meeting of the Company held on 26 February 2021 and completed on 10 March 2021. Please refer to note 14 to the interim financial statements above for more details.

Revenue	FY2021	Contribution	Group FY2020	Contribution	Increase / (Decrease)
	S\$'000	%	S\$'000	%	%
Food and beverage revenue					
- Japan	240	100%	-	-	N.M.
- USA	-	-	568	41%	N.M.
Travel booking service revenue	-	-	827	59%	N.M.
	240	100%	1,395	100%	(83%)

The decrease in F&B revenue was mainly due to ceased operations of Sushi Nagai in the United States ("**Sushi Nagai**") in May 2020. This is partially offset by revenue of S\$0.2 million recorded by SYNC which operates BBQ Daruma Japanese Restaurant in Japan since October 2020.

There were no travel booking services revenue recognised during FY2021 mainly due to the precautionary measures in place to control the spread of the COVID-19 pandemic, resulting in no new booking from the customers in Tokyo, Japan.

Other income

The Company record a S\$3.1 million gain on termination of lease for Sushi Nagai.

Profit/(loss)

Overall, discontinued operations recorded a profit of S\$3.3 million in FY2021 as compared to a loss of S\$5.8 million in FY2020 due mainly to termination of lease for Sushi Nagai.

Review of Statement of Financial Position

Current assets

The Group's current assets increased by S\$3.9 million, from S\$0.7 million as at 31 July 2020 to S\$4.6 million as at 31 July 2021. This was mainly due to an increase in cash and cash equivalent of S\$4.4 million contributed mainly by the proceeds from rights cum warrant exercise which was completed on 22 June 2021, partially offset by a decrease in trade and other receivables of S\$0.4 million.

Non-current assets

The Group's non-current assets decreased by S\$0.2 million mainly due to the disposal of e-Holidays which resulted in derecognition of guarantee deposit for travel agent license.

Current liabilities

The Group's current liabilities decreased by S\$4.7 million, from S\$5.7 million as at 31 July 2020 to S\$1.0 million as at 31 July 2021 mainly due to (i) waiver of loans from shareholders, Bounty Blue and Capital Square in total of S\$2.0 million; (ii) disposal of four subsidiaries resulting in derecognition of current liabilities of S\$0.7 million; and (iii) reversal of provision for reinstatement of S\$0.2 million; (iv) derecognition of lease liabilities of S\$0.6 million due to termination of leases; (v) repayment to Bounty Blue of S\$0.8 million; and (vi) payment to the vendors of S\$0.4 million.

Non-current liabilities

There are no non-current liabilities for the Group as at 31 July 2021 due to termination of leases.

Equity

The Group's total equity stood at of S\$3.5 million as at 31 July 2021 as compared to total deficit of S\$7.7 million as at 31 July 2020. The improvement was mainly due to a net profit of S\$4.0 million recorded by the Group in FY2021 and the net fund raised from the corporate exercises amounting to S\$6.9 million.

Review of Statement of Cash Flows

The Group's net cash flows used in operating activities in FY2021 was S\$1.8 million, mainly due to net operating cash outflow before changes in working capital of S\$1.3 million and net working capital outflow of S\$0.5 million.

The net cash flows generated from financing activities in FY2021 was S\$6.2 million, mainly due to the net proceeds from the corporate exercises of S\$6.9 million and proceeds from bank borrowings of S\$0.2 million, partially offset by the repayment of amount due to Bounty Blue of S\$0.8 million and repayment of lease liabilities of S\$0.2 million.

As a result, cash and cash equivalents stood at S\$4.5 million as at 31 July 2021.

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

No forecast or prospect statement has been previously disclosed to shareholders.

4. 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 operating period and the next 12 months

The Group will continue to monitor the impact of new government support, measures, and policies dealing with the evolving COVID-19 pandemic which had disrupted the Group's business in Pattaya, Thailand, as announced in the Company's announcements dated 3 August 2021, 5 August 2021 and 19 August 2021. Despite the COVID-19 pandemic lockdown and restrictions, the Group remains cautiously optimistic on the outlook for the current business for the next 12 months and will continue to perform strategic review to explore all possible opportunities that will strengthen the financial position of the Group.

5. Dividend

(a) Current Financial Period Reported On Any dividend declared for the current financial period reported on?

None.

- (b) **Corresponding Period of the Immediately Preceding Financial Year**
Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

- (c) **Date payable**

Not applicable.

- (d) **Record date**

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared/recommended for the financial period under review in view of the negative earnings.

7. Breakdown of total annual dividend

No dividend has been declared for FY2021 and FY2020.

8. Interested person transactions ("IPT")

The Group has not obtained any IPT mandate from the shareholders. There is no IPT which amounted to more than S\$100,000 entered into FY2021.

9. A breakdown of sale

	Group Year ended 31 July		Increase/ (Decrease)
	2021	2020	
	S\$'000	S\$'000	%
Revenue reported for the first half year			
- Continuing operations	19	1,499	(99%)
- Discontinued operations	-	1,143	N.M.
Operating profit/(loss) after tax reported for the first half year			
- Continuing operations	1,733	(843)	N.M.
- Discontinued operations	3,467	(685)	N.M.
Revenue reported for the second half year			
- Continuing operations	15	448	(97%)
- Discontinued operations	240	252	(5%)
Operating profit/(loss) after tax reported for the second half year			
- Continuing operations	(1,007)	(1,984)	(49%)
- Discontinued operations	(153)	(5,135)	(97%)

10. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to note 2 of Section F of this announcement for the review of the performance of the Group.

11. Confirmation pursuant to Rule 720(1) of the Catalist Listing Rules

The Company has received undertaking from all its Directors and Executive Officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules. If there are no such persons, the issuer must make an appropriate negative statement.

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

13. Use of Proceeds

The 2nd Proposed Subscriptions

The Company had, on 8 February 2021, entered into separate subscription agreements with nine individuals who are not related to the Group to raise S\$1,530,000 by way of issuing 306,000,000 new ordinary shares in the capital of the Company (the “**2nd Proposed Subscriptions**”) for the repayment of debts and liabilities and general working capital purposes. The 2nd Proposed Subscriptions was completed on 9 March 2021 and 306,000,000 ordinary shares were allotted. Please refer to the Company’s circular dated 9 February 2021 and announcements dated 9 February 2021, 23 February 2021 and 9 March 2021 for further information on the 2nd Proposed Subscriptions.

Please refer to the Company’s announcements dated 10 March 2021, 15 March 2021 and 13 July 2021 for the disclosure on the use of proceeds from the 2nd Proposed Subscription. There has been no further utilisation since 13 July 2021 up to the date of this announcement.

The Rights cum Warrants Issue

The Company has on 22 June 2021 completed the renounceable non-underwritten rights cum warrants issue of 1,030,170,246 new ordinary shares (“**Rights Shares**”) at the issue price of S\$0.005 for each Rights Share, with 515,085,123 free detachable and transferable warrants (“**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share (“**New Share**”) at the exercise price of S\$0.010 for each New Share, on the basis of one (1) Rights Share for every one (1) existing Share held by entitled shareholders as at the record date, with one (1) free detachable Warrant for every two (2) Rights Shares subscribed, fractional entitlements to be disregarded (“**Rights cum Warrants Issue**”). The Company has raised net proceeds of approximately S\$4.97 million (after deducting estimated expenses of approximately S\$0.19 million) from the Rights cum Warrants Issue (the “**Net Proceeds**”). Please refer to the Company’s Offer Information Statement dated 28 May 2021 and announcements dated 15 March 2021, 7 May 2021, 18 May 2021, 19 May 2021, 28 May 2021, 18 June 2021 and 23 June 2021 for further information on the Rights cum Warrants Issue.

The following table summarises the utilisation of Net Proceeds raised from the Rights cum Warrants Issue as at the date of this announcement:

Intended use of Net Proceeds	Allocation of the Net Proceeds (S\$' million)	Amount utilised as at the date of this announcement (S\$' million)	Balance as at the date of this announcement (S\$' million)
Repayment of the Group’s existing and outstanding liabilities to external creditors	0.93	(0.56)	0.37
General working capital purposes	2.11	(0.19) ⁽¹⁾	1.92
Business expansion	1.93	-	1.93
Total	4.97	(0.75)	4.22

Note:

- (1) A breakdown of the use of Net Proceeds for general working capital purposes of the Group is as follows:

	Amount S\$
Professional fees	58,000
Payroll related expenses	89,000
Working capital support for overseas subsidiary (Thailand)	17,000
Other operating expenses	26,000
Total	190,000

The use of proceeds is in accordance with the stated use disclosed in the Company's announcement dated 15 March 2021 in relation to the rights cum warrants issue.

14. Disclosure pursuant to Rule 706A of the Catalist Rules

Please refer to note 14 to the interim financial statements in Section E for the details on the Proposed Disposals.

By Order of the Board

Lam Siew Kee
Executive Chairman and Chief Executive Officer
28 September 2021