LIFEBRANDZ LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200311348E)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 JULY 2023

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

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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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-23 2H FY23	**31-Jul-22** 2H FY22	**Inc/ (Dec)**	**31-Jul-23** FY23	**31-Jul-22** FY22	**Inc/ (Dec)**	
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**	**Note**
Revenue	**892**	183	>100%	**1,467**	220	>100%	4
Other operating income	**94**	80	18%	**156**	135	16%	
Expenses							
- Inventories and consumables used	**(389)**	(49)	>100%	**(574)**	(60)	>100%	
- Depreciation	**(178)**	(44)	>100%	**(336)**	(45)	>100%	
- Employee benefits	**(923)**	(432)	>100%	**(1,573)**	(834)	89%	
- Finance cost	**(18)**	(3)	>100%	**(24)**	(3)	>100%	
- Advertising, media and entertainment	**(30)**	(3)	>100%	**(43)**	(5)	>100%	
- Lease expenses	**(91)**	(10)	>100%	**(137)**	(29)	>100%	
- Transportation	**(17)**	(1)	>100%	**(34)**	(2)	>100%	
- Legal and professional fees	**(210)**	(181)	16%	**(362)**	(312)	16%	
- Other operating expenses	**(163)**	(121)	35%	**(395)**	(155)	>100%	
Total expenses	**(2,019)**	(844)	>100%	**(3,478)**	(1,445)	>100%	
Loss before income tax	**(1,033)**	(581)	78%	**(1,855)**	(1,090)	70%	6
- Income tax expense	**-**	7	N.M.	**-**	7	N.M.	8
Net loss for the financial period/year	**(1,033)**	(574)	80%	**(1,855)**	(1,083)	71%	
Attributable to:							
Owners of the Company	**(913)**	(543)	68%	**(1,620)**	(1,052)	54%	
Non-controlling interest	**(120)**	(31)	>100%	**(235)**	(31)	>100%	
	(1,033)	(574)	80%	**(1,855)**	(1,083)	71%	
Other comprehensive income:							
Exchange differences on translating foreign operations	**15**	7	>100%	**30**	(34)	N.M.	
Total comprehensive loss for the financial period/year	**(1,018)**	(567)	80%	**(1,825)**	(1,117)	63%	
Total comprehensive loss for the financial period/year attributable to:							
Owners of the Company	**(898)**	(536)	68%	**(1,590)**	(1,086)	46%	
Non-controlling interest	**(120)**	(31)	>100%	**(235)**	(31)	>100%	
	(1,018)	(567)	80%	**(1,825)**	(1,117)	63%	
Loss per share attributable to owners of the Company (cents) – basic and diluted	**(0.04)**	(0.03)	68%	**(0.08)**	(0.05)	54%	

N.M. – not meaningful

B. Condensed interim statements of financial position

	The Group		The Company		
	31-Jul-23	**31-Jul-22**	**31-Jul-23**	**31-Jul-22**	**Note**
	S$'000	**S$'000**	**S$'000**	**S$'000**	
Current assets					
Inventories	**8**	6	**-**	-	
Trade and other receivables	**448**	270	**553**	138	
Cash and cash equivalents	**645**	2,872	**500**	2,662	
	1,101	3,148	**1,053**	2,800	
Non-current assets					
Plant and equipment	**680**	70	**2**	3	12
Goodwill	**19**	19	**-**	-	13
Convertible loan receivable	**-**	-	**686**	144	14
Investments in subsidiaries	**-**	-	*****	*	
	699	89	**688**	147	
Total assets	**1,800**	3,237	**1,741**	2,947	
Current liabilities					
Trade and other payables	**729**	702	**414**	482	
Lease liabilities	**190**	53	**-**	-	
	919	755	**414**	482	
Non-current liabilities					
Lease liabilities	**224**	-	**-**	-	
	224	-	**-**	-	
Total liabilities	**1,143**	755	**414**	482	
Equity					
Share capital	**69,950**	69,950	**69,950**	69,950	15
Foreign currency translation reserve	**(47)**	(77)	**-**	-	
Accumulated losses	**(69,013)**	(67,393)	**(68,623)**	(67,485)	
Equity attributable to owners of the Company	**890**	2,480	**1,327**	2,465	
Non-controlling interest	**(233)**	2	**-**	-	
Total equity	**657**	2,482	**1,327**	2,465	
Total equity and liabilities	**1,800**	3,237	**1,741**	2,947	

* – amount less than S$1,000

C. Condensed interim statements of changes in equity

(i) Group

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Non-Controlling Interest	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 August 2022	**69,950**	**(77)**	**(67,393)**	**2**	**2,482**
Loss for the financial year	**-**	**-**	**(1,620)**	**(235)**	**(1,855)**
Exchange differences on translating foreign operations	**-**	**30**	**-**	**-**	**30**
Balance at 31 July 2023	**69,950**	**(47)**	**(69,013)**	**(233)**	**657**
Balance at 1 August 2021	69,950	(43)	(66,325)	-	3,582
Change in interest in a subsidiary without loss of control	-	-	(16)	33	17
Loss for the financial year	-	-	(1,052)	(31)	(1,083)
Exchange differences on translating foreign operations	-	(34)	-	-	(34)
Balance at 31 July 2022	69,950	(77)	(67,393)	2	2,482

(ii) Company

	Share Capital	Accumulated Losses	Total
	S$'000	S$'000	S$'000
Balance at 1 August 2022	**69,950**	**(67,485)**	**2,465**
Loss for the financial year	**-**	**(1,138)**	**(1,138)**
Balance at 31 July 2023	**69,950**	**(68,623)**	**1,327**
Balance at 1 August 2021	69,950	(66,260)	3,690
Loss for the financial year	-	(1,225)	(1,225)
Balance at 31 July 2022	69,950	(67,485)	2,465

D. Condensed interim consolidated statement of cash flows

	Full year ended	
	31-Jul-23	**31-Jul-22**
	FY23	**FY22**
	S$'000	**S$'000**
Cash flows from operating activities		
Loss before income tax	**(1,855)**	(1,090)
Adjustments for:		
Depreciation of plant and equipment	**336**	45
Interest expense	**24**	3
Operating cash flows before changes in working capital	**(1,495)**	(1,042)
Changes in working capital		
Inventories	**(2)**	(4)
Trade and other receivables	**(178)**	(129)
Trade and other payables	**27**	(83)
Cash flows used in operations	**(1,648)**	(1,258)
Income tax refunded	**-**	7
Net cash flows used in operating activities	**(1,648)**	(1,251)
Cash flows from investing activities		
Acquisition of a subsidiary	**-**	46
Purchase of plant and equipment	**(344)**	(32)
Exchange realignment	**-**	5
Net cash flows (used in)/generated from investing activities	**(344)**	19
Cash flows from financing activities		
Amount due to related parties	**-**	(274)
Interest paid	**(24)**	-
Repayment of lease liabilities	**(241)**	(43)
Exchange realignment	**30**	(33)
Net cash flows used in financing activities	**(235)**	(350)
Net change in cash and cash equivalents	**(2,227)**	(1,582)
Cash and cash equivalents at beginning of the financial year	**2,872**	4,454
Cash and cash equivalents at end of the financial year	**645**	2,872

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 2023 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 food and beverage businesses.

The Group, through LB Lab Pte. Ltd., acquired a 70% stake in The Green Bar Pte. Ltd. ("**TGB**" or "**The Green Bar**"), a company incorporated in Singapore and is principally engaged in the food and beverage business, particularly the sale of gourmet salads, in April 2022. Leveraging on TGB's brand, Superfood Kitchen Pte. Ltd. (formerly known as LB Lab Pte. Ltd.) ("**SFK**" or "**Superfood Kitchen**"), a 75% owned subsidiary of the Company, is also now focusing on making nutrition accessible to all.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 July 2023 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 2023. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial 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 2022.

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:

- Impairment assessment of investment in subsidiaries and amount due from subsidiaries (including convertible loan receivables)
- Depreciation of property, plant and equipment
- Fair value of convertible loan receivables
- Impairment assessment of trade and other receivables
- Impairment assessment of goodwill

3. Seasonal operations

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

4. Segment and revenue information

The Group's operations are substantially in food and beverage. All of its 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. 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.

	Singapore		Thailand		Malaysia		Total	
	2H FY23	2H FY22	**2H FY23**	2H FY22	**2H FY23**	2H FY22	**2H FY23**	2H FY22
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Revenue:								
Sales to external customers	**822**	132	**70**	51	**-**	-	**892**	183
Results:								
Depreciation	**177**	44	**1**	-	**-**	-	**178**	44
Segment loss for the period	**(815)**	(466)	**(145)**	(62)	**(73)**	(46)	**(1,033)**	(574)
Assets/(Liabilities):								
Plant and equipment	**677**	70	**2**	-	1	-	**680**	70
Segment assets	**1,723**	3,148	**41**	44	**36**	45	**1,800**	3,237
Segment liabilities	**(1,092)**	(675)	**(39)**	(71)	**(12)**	(9)	**(1,143)**	(755)

	Singapore		Thailand		Malaysia		Total	
	FY23	FY22	**FY23**	FY22	**FY23**	FY22	**FY23**	FY22
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Revenue:								
Sales to external customers	**1,288**	132	**179**	88	**-**	-	**1,467**	220
Results:								
Depreciation	**335**	45	**1**	-	**-**	-	**336**	45
Segment loss for the year	**(1,501)**	(883)	**(198)**	(146)	**(156)**	(54)	**(1,855)**	(1,083)
Assets/(Liabilities):								
Plant and equipment	**677**	70	**2**	-	**1**	-	**680**	70
Segment assets	**1,723**	3,148	**41**	44	**36**	45	**1,800**	3,237
Segment liabilities	**(1,092)**	(675)	**(39)**	(71)	**(12)**	(9)	**(1,143)**	(755)

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 2023 and 31 July 2022:

	Group		Company	
	FY23 S$'000	FY22 S$'000	FY23 S$'000	FY22 S$'000
Financial assets at amortised cost				
Trade and other receivables	**448**	270	**553**	138
Less: Prepayments	**(67)**	(95)	**(49)**	(48)
	381	175	**504**	90
Cash and cash equivalents	**645**	2,872	**500**	2,662
Total	**1,026**	3,047	**1,004**	2,752
Financial liabilities at amortised cost				
Trade and other payables	**729**	702	**414**	482
Lease liabilities	**414**	53	**-**	-
Total	**1,143**	755	**414**	482

6. Loss before income tax

Significant items

	2H FY23 S$'000	2H FY22 S$'000	FY23 S$'000	FY22 S$'000
Depreciation of plant and equipment	**178**	44	**336**	45
Interest expense	**18**	3	**24**	3
Government grant	**(58)**	(17)	**(107)**	(30)
Net foreign exchange (gain)/loss	**-**	2	**(10)**	(46)

7. Related party transactions

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

8. 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 FY23 S$'000	2H FY22 S$'000	FY23 S$'000	FY22 S$'000
Current tax expense				
Under-provision for prior financial period/year	**-**	(7)	**-**	**(7)**
	-	(7)	**-**	**(7)**

9. Dividends

No dividend has been declared for FY2023 and FY2022.

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

10. Loss per share

	2H FY23 S$'000	2H FY22 S$'000	FY23 S$'000	FY22 S$'000
Loss per share ("**LPS**") for the financial period/year attributable to the owners of the Company	**(913)**	(543)	**(1,620)**	(1,052)
Weighted average number of ordinary shares ('000)	**2,060,340**	2,060,340	**2,060,340**	2,060,340
Based on the weighted average number of ordinary shares - Basic & Diluted (cents)	**(0.04)**	(0.03)	**(0.08)**	(0.05)

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.

11. Net asset value

	Group		Company	
	FY23	**FY22**	**FY23**	**FY22**
Number of ordinary shares ('000)	**2,060,340**	2,060,340	**2,060,340**	2,060,340
Net assets 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)	**0.04**	0.12	**0.06**	0.12

12. Plant and equipment

During the financial year ended 31 July 2023, the Group acquired plant and equipment for an amount of S$344,000 (31 July 2022: S$32,000).

13. Acquisition of subsidiary and business

On 29 April 2022, SFK acquired 70% equity interest in TGB to capitalise on its growth opportunities and prospects. The consideration of S$17,744 has been paid in form of 250,000 ordinary shares of SFK. Following the completion of acquisition, the shareholding in SFK has diluted from 100% to 75%.

Fair values of the identifiable assets and liabilities of TGB as at the date of acquisition:

	Fair value recognised on date of acquisition
	S$'000
Assets	
Trade and other receivables	21
Right-of-use assets	82
Cash and cash equivalents	46
	149
Liabilities	
Trade and other payables	58
Lease liabilities	93
	151
Net identifiable liabilities at fair value	(2)
Less: Total purchase consideration	17
Goodwill arising from acquisition	19

Effects of the acquisition of the subsidiary on cash flows

	S$'000
Total consideration for 100% equity interest acquired	17
Consideration payable in shares (As above)	(17)
Consideration paid in cash	-
Less: Cash and cash equivalents of subsidiary acquired	(46)
Net cash inflow on acquisition during the financial year ended 31 July 2022	(46)

TGB contributed a net loss of S$34,000 to the Group in FY2022 from the date of acquisition. The transaction costs related to the acquisition of S$70,000 have been included in “legal and professional expenses” in the Group's profit or loss for the current financial year and next financial year.

14. Convertible loan receivable

	Company	
	FY23	FY22
	S$'000	S$'000
At fair value through profit or loss		
Convertible loan receivable	686	144

On 18 April 2022, the Company entered into a convertible loan agreement ("**1st Loan**") with its subsidiary, Superfood Kitchen ("SFK") by way of a grant of a convertible loan of amount up to S$650,000 and with maturity date on five (5) years from the drawdown date. The subsidiary bears a fixed interest rate for the convertible loan at 5% per annum on the amount outstanding at each anniversary of the completion date until the loan principal is fully repaid. The Company is entitled to convert the convertible loan into shares in SFK at a conversion price of S$0.065 in the event of any payment that is due but not made on or before the interest payment date(s) or the repayment date; or upon the occurrence of an event of default.

SFK has fully drawn down the 1st Loan of S$650,000 on 20 May 2022, 7 July 2022 and 27 February 2023 respectively.

On 10 March 2023, the Company entered into a shareholder loan ("**2nd Loan**") with SFK to extend a further loan of up to S$160,000, at a fixed interest rate of 7.5% per annum on each amount outstanding, calculated on the basis of the actual number of days elapsed in a 365-day year. On 30 June 2023, SFK has also fully drawn down the 2nd Loan of S$160,000.

The fair value of the convertible loan receivable was determined based on discounted cashflows for an equivalent financial instrument. Consequently, in the financial year ended 31 July 2023, the fair value loss on the convertible loan receivables amounted to S$69,000 (2022: S$56,000) was recognised in the Company's statement of profit or loss and other comprehensive income.

The Company has classified the convertible loan receivable as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Company has determined the fair value of the convertible loan receivable based on the valuation performed by an external professional valuer using the discounted cash flow method during the financial year ended 31 July 2023 and 31 July 2022. The key inputs to the discounted cash flow method mainly include the discount rate, time to maturity, required rate of return and probability of conversion. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value of the convertible loan receivable is categorised at Level 3 of the fair value hierarchy.

15. Share capital

	Group and Company	
	No. of shares	Amount
	'000	S$'000
Issued and paid-up share capital as at 1 August 2022 and 31 July 2023	2,060,340	69,950

There was no change in the Company's share capital since the end of the previous period reported on, being the period between 1 February 2023 and 31 July 2023.

There were no other outstanding convertibles, treasury shares and subsidiary holdings held or issued as at 31 July 2023, 31 January 2023, 31 July 2022 and 31 January 2022.

16. Subsequent events

On 23 May 2023, the Company announced that it had, on 22 May 2023, together with its subsidiary, LifeBrandz Investment Management Pte. Ltd. (the "**Buyer**"), entered into two (2) sales and purchase agreements ("**SPAs**") with Auspac Financial Services Pty. Ltd. (the "**Vendor**") in relation to the proposed acquisitions of the entire issued and paid-up share capital of Auspac Investment Management Pte. Ltd. ("**AIM**") and Auspac Financial Advisory Pty. Ltd ("**AFA**") by the Buyer for an aggregate consideration of S$1,500,000 ("**Proposed Acquisitions**").

On 14 July 2023, the Company announced that it had, together with the Buyer, entered into a Framework Agreement with the Vendor and Auspac Vision Holdings Pte. Ltd. (the "**New Investor**") to, *inter alia*, agree that the Company and Buyer shall enter into two (2) Deeds of Amendment with the Vendor to amend the terms of the SPAs.

Pursuant to the terms of the Framework Agreement, the Company and the Buyer had on 30 August 2023, entered into two (2) Deeds of Amendment with the Vendor to amend the terms of the SPAs to, *inter alia*, agree that the Buyer shall acquire 51% of the total issued and paid-up share capital of AIM and 100% of the total issued and paid-up share capital of AFA for S$1,377,500 (the "**Purchase Consideration**"). Pursuant to and in connection with the SPAs and Deeds of Amendment, part of the Purchase Consideration amounting to S$950,000 shall be satisfied by way of issue and allotment of 380,000,000 consideration shares at the issue price of S$0.0025 per share to the Vendor at Completion ("**Proposed Consideration Shares Issue**").

Pursuant to the terms of the Framework Agreement, the Company, AIM and the New Investor have entered into Share Subscription Agreement ("**SSA**") on 30 August 2023 for the New Investor to subscribe for an aggregate of 1,627,915 new ordinary shares in the capital of AIM ("**Subscription Shares**") for an aggregate subscription consideration of S$73,500 ("**Proposed New Investor Subscription**"). The Subscription Shares will represent approximately 21% of, and result in the New Investor holding 70% of, the enlarged issued and paid-up share capital of AIM after the completion of the New Investor Subscription.

The Company has on 27 September 2023 obtained shareholders' approval for, *inter alia*, the Proposed Acquisitions, the Proposed Consideration Shares Issue and the Proposed New Investor Subscription. Please refer to the Company's circular dated 12 September 2023 and announcement dated 27 September 2023 for further information.

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 2023 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. There is no auditors' report issued (including any modifications or emphasis of matter).

The Company has a qualified opinion for its most recently audited financial statements for the financial year ended 31 July 2022 ("**FY2022**"). In the auditors' report dated 2 November 2021 on the financial statements for the financial year ended 31 July 2021 ("**FY2021**"), the Independent Auditors were unable to obtain sufficient appropriate audit evidence about the profit from discontinued operations and the gain on disposal recorded in other operating income arising from the disposal of two of the disposed subsidiaries, namely Sync Co., Ltd. and e-Holidays Co., Ltd., as management was unable to provide Independent Auditors pertinent and relevant supporting records and documents requested to perform audits on the aforementioned disposed subsidiaries. Consequently, the Independent Auditors were unable to determine whether any adjustments to these amounts in the Group financial statements were necessary nor ascertain the appropriateness and completeness of the corresponding disclosure notes for FY2021. Accordingly, the audit opinion for the FY2022 financial statement is qualified because of the possible effect of the disposed subsidiaries on the comparability of the FY2022's figures and the corresponding FY2021's figures.

Following the completion of the disposals of the disposed subsidiaries in March 2021, the audit issue highlighted above has been resolved.

2. Review of performance of the Group

<u>Review of Income Statement</u>

Revenue

	Group				
	FY2023	**Contribution**	**FY2022**	**Contribution**	**Increase / (Decrease)**
	S$'000	**%**	**S$'000**	**%**	**%**
Food and beverage revenue					
- Singapore	1,288	88%	132	60%	>100%
- Thailand	179	12%	88	40%	>100%
	1,467	100%	220	100%	>100%

The Group recorded approximately S$1.47 million from food and beverage ("**F&B**") revenue for the financial year ended 31 July 2023 ("**FY2023**"), an increase of S$1.25 million compared to the financial year ended 31 July 2022 ("**FY2022**").

The increase in F&B revenue from Singapore of S$1.16 million in FY2023 was mainly due to the revenue generated from The Green Bar Pte. Ltd. ("**TGB**") that was acquired by the Group on 29 April 2022 and the launch of Superfood Kitchen since late September 2022, a nutrition-focused takeout concept featuring delicious recipes at wallet-friendly prices via Superfood Kitchen Pte. Ltd. ("**SFK**"), a 75% owned subsidiary of the Company. The increase in F&B revenue from Thailand of S$0.09 million was due to recovery from COVID-19 pandemic in view of relaxation of COVID-19 measures and border restrictions by the Thailand Government.

Other operating income

Increase in other operating income by S$0.02 million was mainly due to an increase in (i) government grants of S$0.07 million; and (ii) interest income of S$0.02 million. This was offset by a decrease in (i) net foreign exchange gain of S$0.05 million; and (ii) other miscellaneous income of S$0.02 million.

Costs & expenses

Inventories and consumables used increased by S$0.51 million to S$0.57 million in FY2023 which is in tandem with the increase in the Group's revenue.

Depreciation expenses increased by S$0.29 million to S$0.34 million in FY2023 mainly due to increase in depreciation of plant and equipment arising from addition of new equipment as a result of the opening of three new outlets and a central kitchen under SFK.

Employee benefits increased by S$0.74 million from S$0.83 million in FY2022 to S$1.57 million in FY2023 mainly due to additional employee salaries and benefits following the opening of three new outlets and a central kitchen under SFK.

Advertising, media and entertainment increased by S$0.04 million from S$5 thousand in FY2022 to S$0.04 million in FY2023 mainly due to the increase in marketing activities for SFK outlets.

Lease expenses increased by S$0.11 million to S$0.14 million in FY2023 mainly due to the additional leases of space for the three new SFK outlets and central kitchen.

Transportation expenses increased by S$0.03 million from S$2 thousand in FY2022 to S$0.03 million in FY2023 as the Group engaged external logistics firms to transport certain goods among TGB, the three new outlets and a central kitchen under SFK.

Legal and professional fees increased by S$0.05 million from $0.31 million in FY2022 to S$0.36 million in FY2023 mainly due to professional fees incurred for the purpose of the proposed acquisitions of AIM and AFA.

Other operating expenses increased by S$0.24 million to S$0.40 million in FY2023 due to, amongst others, additional expenditures on logistics, kitchen consumables and supplies, and utilities following the opening of three new outlets and a central kitchen under SFK.

As a result of the factors mentioned above, the Group recorded an increase in total expenses of S$2.03 million to S$3.48 million in FY2023.

Loss before income tax

Overall, the Group recorded a loss of S$1.86 million in FY23 as compared to a loss of S$1.09 million in FY22 for the reasons stated above.

Review of Statement of Financial Position

Current assets

The Group's current assets decreased by S$2.05 million to S$1.10 million as at 31 July 2023, from S$3.15 million as at 31 July 2022. This was mainly due to decrease in cash and cash equivalent of S$2.23 million utilised for working capital purposes including, *inter alia*, payment of professional fees and payroll related expenses and for the opening of three new outlets and central Kitchen under SFK. The decrease was partially offset by the increase in trade and other receivable of $0.18 million which was mainly due to the deposit paid to the Vendor for the proposed acquisitions of AIM and AFA.

Non-current assets

Non-current assets increased by S$0.61 million to S$0.70 million as at 31 July 2023 from S$0.09 million as at 31 July 2022. This was mainly due to addition in plant and equipment related to the three new SFK outlets and central kitchen.

Current liabilities

The Group's current liabilities increased by S$0.16 million, to S$0.92 million as at 31 July 2023 from S$0.76 million as at 31 July 2022 mainly due to the addition of lease liabilities arising from the three new SFK outlets and central kitchen.

Non-current liabilities

This relates to the non-current portion of the lease liabilities on the three new SFK outlets.

Total Equity

Equity attributable to owners of the Company amounted to S$0.89 million as at 31 July 2023, decreased by S$1.59 million from S$2.48 million as at 31 July 2022. The decrease was mainly due to (i) net loss of S$1.62 million recorded in FY2023; and (ii) increase in foreign currency translation reserve of S$0.03 million.

Review of Statement of Cash Flows

The Group's net cash flows used in operating activities in FY2023 was S$1.65 million, mainly due to net operating cash outflow before changes in working capital of S$1.50 million and net working capital outflow of S$0.15 million.

The net cash flows used in investing activities in FY2023 was S$0.34 million due to purchase of plant and equipment.

The net cash flows used in from financing activities in FY2023 was S$0.24 million mainly due to repayment of lease liabilities of S$0.24 million.

As a result, cash and cash equivalents stood at S$0.65 million as at 31 July 2023.

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

F&B Business in Thailand

On 28 April 2023, the Company announced an update on the Thailand business operation, where the Company's subsidiary, Mulligan's Co. Ltd., ("**Mulligan**") has been informed by the landlord of Mulligan's Irish Pub in Pattaya, Thailand, will be increasing the rent by approximately 10 times from May 2023 onwards. The Company, upon deliberation on the options, decided to cease its Mulligan's operations on 30 April 2023, and to focus its efforts and resources on operating the Group's Superfood Kitchen in Singapore.

F&B Business in Singapore

The increase in revenue of FY23 reflects optimistic signs of recovery in the F&B sector with the lifting of COVID-19 related restrictions on dining-in and social gatherings since April 2022. However, the operating environment continues to be challenging due to intense competition, increasing labour and higher operational costs in Singapore. The higher operating cost pressure is expected to plague the F&B scene at least in the near and mid-term horizon. The Group is mindful of the rising costs for operating our outlets and will intensify our efforts to manage outlets expenses while constantly conceiving new and compelling menu that will appeal to customers.

Even though Singapore and the rest of the world are recovering from the COVID-19 pandemic, global economics uncertainties remain due to ongoing geopolitical tensions, and potential recession following tightening by central banks around the world to combat inflationary pressure, may dampened consumer confidence and business sentiments. The Group will continue to exercise due care and diligence in cost management and utilisation of resources, and its effort to optimize its business operations amidst this challenging time.

Proposed Acquisitions of AIM and AFA

The Company has been on a search for new business opportunities to enhance shareholders' value in the long-term and has decided to pursue the Proposed Acquisitions as part of its ongoing strategy to diversify into other businesses – AIM that is engaged in fund management business in Singapore and AFA that is engaged in corporate finance advisory business in Australia.

Singapore's asset management industry has become a global hub for investors and managers and is central to the local financial services industry. The country's assets under management ("**AUM**") grew to a record S$4.7 trillion at the end of 2020, an 81.4% growth from S$2.6 trillion in 2015, and a 17% rise year-on-year. In 2020, 78% of the total AUM was sourced outside of Singapore. More than half of these outside assets are from Asia-Pacific. Singapore introduced the variable capital company fund structure in 2020, enabling fund managers to establish corporate fund structure as opposed to unit trust structures[1].

With the expected easing of interest-rate rises in 2023 (based on economist forecasts)[2], followed by a period interest-rate consolidation, the Group believes that these factors could aid equity market activity within Australia. As stated by the Australia Securities Exchange, the equity market listings pipeline has continued to build over the past year and various companies are prepared to take this opportunity to come to market once the IPO window reopens more broadly. Furthermore, given activity in private markets, an increasing number of unlisted companies are likely to consider an IPO to access capital and gain liquidity for early investors. IPO activity can change quickly when market conditions turn, therefore the Company believe that this is an opportune moment to foray into the advisory business.

The Company has on 27 September 2023 obtained shareholder's approval for, *inter alia*, the Proposed Acquisitions and the proposed diversification to include the advisory business. Please refer to the Company's circular dated 12 September 2023 and announcement dated 27 September 2023 for further information.

The Group will update shareholders on material developments relating to the business diversification as and when they arise.

[1] https://www.pwc.com/sg/en/asset-management/assets/awm-market-entry.pdf
[2] https://www.asx.com.au/blog/investor-update/2023/asx-capital-markets-2022-a-year-in-review

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 FY2023 and FY2022.

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 FY2023.

9. A breakdown of sale

	Group		
	Year ended 31 July		**Increase/**
	2023	**2022**	**(Decrease)**
	S$'000	**S$'000**	**%**
Revenue reported for the first half year	**575**	37	>100%
Operating loss after tax reported for the first half year	**(822)**	(509)	61%
Revenue reported for the second half year	**892**	183	>100%
Operating loss after tax reported for the second half year	**(1,033)**	(574)	80%

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 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. Use of Proceeds

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.

Following a review of the Group's current operating environment, cash flow as well as investment and expansion plans, the Board has decided to re-allocate S$0.13 million of the Net Proceeds from repayment of the Group's existing and outstanding liabilities to external creditors category and S$0.09 million of the Net Proceeds from the general working capital purposes category to the business expansion category (the "**Re-allocation**") for the purpose of payment for the balance of cash consideration required for the Proposed Acquisitions of AIM and AFA (as mentioned in Note E.15 above).

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

Intended use of RI Net Proceeds	Allocation of the RI Net Proceeds after 16 March 2023 re-allocation (S$' million)	Amount utilised as at 16 March 2023 (S$' million)	Further amount utilised as at date of this announcement (S$' million)	Re-allocated as at the date of this announcement (S$' 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	(0.73)	(0.03)	(0.13)	0.04
General working capital purposes	3.01	(2.23)(1)	(0.52)(1)	(0.09)	0.17
Business expansion	1.03	(0.77)(2)	(0.25)(2)	0.22	0.23
Total	**4.97**	**(3.73)**	**(0.80)**	**-**	**0.44**

Notes:

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

	Amount utilised as at 16 March 2023	Further amount utilised as at date of this announcement
	S$'000	**S$'000**
Professional fees	631	85
Payroll related expenses	1,076	358
Working capital support for overseas subsidiary (Thailand)	86	-
Other operating expenses	435	77
Total	**2,228**	**520**

(2) A breakdown of the use of Net Proceeds for business expansion purposes of the Group is as follows:

	Amount utilised as at 16 March 2023	Further amount utilised as at date of this announcement
	S$'000	**S$'000**
Professional fees in relation to the acquisition of TGB	68	-
Working capital and operating expenses for SFK and TGB	700	-
Professional fees in relation to the acquisitions of AIM and AFA	-	50
Deposit paid in relation to the proposed acquisitions of AIM and AFA	-	200
Total	**768**	**250**

Saved as disclosed above on the Re-allocation, the use of proceeds is in accordance with the stated use disclosed in the Company's announcement dated 18 June 2021 in relation to the Rights cum Warrants Issue.

13. 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 as at the date of this announcement.

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

Save as disclosed, there were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during financial period under review. Neither was there any incorporation of new subsidiary or associated company by the Group during the financial period under review.

By Order of the Board
LifeBrandz Ltd.

Mark Leong Kei Wei
Executive Chairman
27 September 2023