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CORDLIFE GROUP LIMITED

Fourth Quarter Unaudited Financial Statement for the Period Ended 30 June 2012

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

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

	Group 3 months ended 30 June		+/(-) Increase/ (Decrease)	Group 12 months ended 30 June		+/(-) Increase/ (Decrease)
	2012	**2011**		**2012**	**2011**	
	$'000	$'000	%	$'000	$'000	%
Revenue from rendering of services	7,481	7,022	6.5	28,775	25,673	12.1
Cost of sales	(2,243)	(1,985)	13.0	(8,743)	(7,410)	18.0
Gross profit	5,238	5,037	4.0	20,032	18,263	9.7
Other operating income	2	100	(98.0)	75	360	(79.2)
Selling and marketing expenses	(1,836)	(1,649)	11.3	(6,909)	(5,876)	17.6
Administration expenses	(2,280)	(1,641)	38.9	(9,164)	(5,535)	65.6
Share of results in associate	652	587	11.1	2,091	1,675	24.8
Finance income	621	290	114.1	1,657	1,090	52.0
Finance costs	(1)	(3)	(66.7)	(2)	(43)	(95.3)
Profit before income tax	2,396	2,721	(11.9)	7,780	9,934	(21.7)
Income tax expense	(84)	(430)	(80.5)	(854)	(1,458)	(41.4)
Profit net of tax for the financial year/ period	2,312	2,291	0.9	6,926	8,476	(18.3)
Other comprehensive income:						
Foreign currency translation	189	(152)	n.m	462	(933)	n.m
Total comprehensive income for the financial year/ period, net of tax	2,501	2,139	16.9	7,388	7,543	(2.1)

n.m denotes not meaningful

1(a)(ii) Notes to the income statement

	Group 3 months ended 30 June			Group 12 months ended 30 June	
	2012	**2011**		**2012**	**2011**
	$'000	$'000		$'000	$'000
Depreciation of property, plant and equipment	216	144	[1]	663	570
Amortisation of software	6	4		18	18
Allowance for doubtful debts and bad debts written off	92	249		210	40
Foreign exchange (gain)/loss	2	31		(18)	(28)
Under/(over) provision of tax in prior years	(140)	(30)		(173)	(30)
Other miscellaneous income	2	100		75	360

Notes

1. The increase in depreciation was due to the additional laboratory equipment purchased for the Singapore and Hong Kong entities to accommodate the increased sales volume.

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

	Group As at		Company As at	
	30 June 2012 $'000	**30 June 2011** $'000	**30 June 2012** $'000	**30 June 2011** $'000
ASSETS				
Non-current assets				
Investment in associate	17,664	15,111	–	–
Investment in subsidiaries	–	–	15,166	15,166
Property, plant and equipment	6,052	4,260	4,998	3,092
Intangible asset	35	11	35	11
Convertible bond	1,500	–	1,500	–
Trade receivables	24,258	22,874	23,857	22,520
Deposits	214	208	–	–
Fixed deposits	11,500	–	11,500	–
	61,223	42,464	57,056	40,789
Current assets				
Cash and cash equivalents	12,945	3,995	10,098	2,229
Fixed deposits	6,000	1,310	6,000	1,310
Trade receivables	8,588	6,788	8,320	6,319
Other receivables	661	288	574	157
Prepayments	529	318	373	160
Inventories	417	228	365	157
Amount owing by subsidiary companies	–	–	1,032	790
	29,140	12,927	26,762	11,122
Current liabilities				
Trade and other payables	2,781	2,261	2,386	1,454
Deferred revenue	4,281	3,675	3,526	2,933
Amount owing to subsidiary companies	–	–	97	113
Tax payable	1,092	2,044	1,076	2,044
Finance lease liabilities	6	15	–	–
Interest-bearing borrowings	111	47	111	47
	8,271	8,042	7,196	6,591
Net current assets	20,869	4,885	19,566	4,531

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

	Group As at		Company As at	
	30 June 2012	**30 June 2011**	**30 June 2012**	**30 June 2011**
	$'000	$'000	$'000	$'000
Non-current liabilities				
Deferred revenue	8,181	5,886	4,622	3,073
Finance lease liabilities	–	6	–	–
Deferred tax liabilities	97	132	60	66
Interest-bearing borrowings	2,453	771	2,453	771
Other payables	202	–	–	–
	10,933	6,795	7,135	3,910
Net assets	71,159	40,554	69,487	41,410
Capital and reserves				
Share capital	53,548	25,677	53,548	25,677
Accumulated profits	19,205	16,933	15,517	15,311
Reserves	(1,594)	(2,056)	422	422
Total equity	71,159	40,554	69,487	41,410

1(b)(ii) Aggregate amount of Group's borrowings and debts securities

	As at	
	30 June 2012 $'000	**30 June 2011** $'000
Amount repayable in one year or less, or on demand		
- secured	111	47
- unsecured	–	–
	111	47
Amount repayable after one year		
- secured	2,453	771
- unsecured	–	–
	2,564	818

This loan is secured by:

a) First legal mortgage of the property A'Posh Bizhub, at Yishun Industrial Street 1, and

b) The assignment of the rights, title and interest with respect to the property upon completion.

This loan will be repaid in full in June 2031.

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

	Group 3 months ended 30 June		Group 12 months ended 30 June	
	2012	**2011**	**2012**	**2011**
	$'000	$'000	$'000	$'000
Operating activities				
Profit before income tax	2,396	2,721	7,780	9,934
Adjustments for:				
Depreciation	216	144	663	570
Amortisation	6	4	18	18
Loss on disposal of property, plant and equipment	–	16	–	15
Interest income	(90)	(41)	(157)	(92)
Interest expense	1	3	2	43
Impairment loss on trade receivables	92	126	210	126
Write–back of amount owing by related companies	–	–	–	(203)
Share of results of associate	(652)	(587)	(2,091)	(1,675)
IPO expenses	–	–	1,902	–
Operating cash flows before movements in working capital	1,969	2,386	8,327	8,736
Increase in trade receivables	(1,323)	(580)	(3,394)	(1,145)
(Increase)/decrease in other receivables, deposits and prepayments	(287)	(162)	(583)	148
(Increase)/decrease in inventories	(44)	31	(189)	20
Increase/(decrease) in trade payables	258	(109)	295	(21)
Increase in other payables	163	410	369	8
Increase in deferred revenue	1,017	929	2,901	1,634
Cash generated from operations	1,753	2,905	7,726	9,380
Interest received	15	41	57	92
Interest paid	(1)	(3)	(2)	(43)
Income tax (paid)/ refunded	54	–	(1,748)	(1,394)
Net cash generated from operating activities	1,821	2,943	6,033	8,035

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

	Group 3 months ended 30 June		Group 12 months ended 30 June	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Investing activities				
Purchase of property, plant and equipment	(727)	(1,849)	(2,363)	(3,056)
Purchase of intangible assets	–	–	(42)	–
Investment in convertible bond	–	–	(1,500)	–
Transfer to fixed deposits	(17,500)	–	(16,190)	(1,310)
Net cash used in investing activities	(18,227)	(1,849)	(20,095)	(4,366)
Financing activities				
Repayments of finance lease liabilities	(4)	(4)	(17)	(20)
Interest-bearing borrowings	615	818	1,837	818
Repayment of interest-bearing borrowings	(29)	–	(91)	–
Repayments from holding and related companies	–	309	–	4,544
Repayments to holding and related companies	–	(488)	–	(12,621)
Proceeds from issue of shares	–	–	29,700	–
Share issue cost	(210)	–	(3,731)	–
Dividends	(4,654)	–	(4,654)	–
Net cash generated from/(used in) financing activities	(4,282)	635	23,044	(7,279)
Net (decrease)/increase in cash and cash equivalents	(20,688)	1,729	8,982	(3,610)
Cash and cash equivalents at the beginning of the financial year/period	33,640	2,203	3,995	7,338
Effects of exchange rate changes on the balance of cash	(7)	63	(32)	267
Cash and cash equivalents at end of the financial year/period	12,945	3,995	12,945	3,995

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

Group	Share capital $'000	Accumulated profits $'000	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation account $'000	Total $'000
Balance at 1 July 2010	25,677	8,457	568	534	(2,184)	(41)	33,011
Profit for the year	–	8,476	–	–	–	–	8,476
Other comprehensive income	–	–	–	–	–	(933)	(933)
Total comprehensive income for the financial year, net of tax	–	8,476	–	–	–	(933)	7,543
Balance at 30 June 2011	25,677	16,933	568	534	(2,184)	(974)	40,554

Company	Share capital $'000	Accumulated profits $'000	Capital reserve $'000	Total $'000
Balance at 1 July 2010	25,677	8,386	422	34,485
Profit for the year	–	6,925	–	6,925
Other comprehensive income	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	6,925	–	6,925
Balance at 30 June 2011	25,677	15,311	422	41,410

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 (cont'd)

Group	**Share capital** $'000	**Accumulated profits** $'000	**Capital reserve** $'000	**Merger reserve** $'000	**Acquisition reserve** $'000	**Foreign currency translation account** $'000	**Total** $'000
Balance at 1 July 2011	25,677	16,933	568	534	(2,184)	(974)	40,554
Profit for the year	–	6,926	–	–	–	–	6,926
Other comprehensive income	–	–	–	–	–	462	462
Total comprehensive income for the financial year, net of tax	–	6,926	–	–	–	462	7,388
Issuance of shares pursuant to the IPO	29,700	–	–	–	–	–	29,700
IPO expenses taken to equity	(1,829)	–	–	–	–	–	(1,829)
Dividends	–	(4,654)	–	–	–	–	(4,654)
Balance at 30 June 2012	53,548	19,205	568	534	(2,184)	(512)	71,159

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 (cont'd)

Company	Share capital $'000	Accumulated profits $'000	Capital reserve $'000	Total $'000
Balance at 1 July 2011	25,677	15,311	422	41,410
Profit for the year	–	4,860	–	4,860
Other comprehensive income	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	4,860	–	4,860
Issuance of shares pursuant to the IPO	29,700	–	–	29,700
IPO expenses taken to equity	(1,829)	–	–	(1,829)
Dividends	–	(4,654)	–	(4,654)
Balance at 30 June 2012	53,548	15,517	422	69,487

1(d)(ii) Details of any changes in the company's share capital arising from right 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 well as the number of shares held as treasury shares of the issuer, if any, against total number of issued shares excluding treasury shares of the issuer, 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.

Company	**Number of shares**	**Share capital (S$)**
As at 30 June 2011	150,887,354	25,677,763
New IPO shares issued	60,000,000	27,870,208*
Issue of new shares upon exercise of CBB option	21,800,000	–
As at 30 June 2012	**232,687,354**	**53,547,971**

* The proceeds from issuance of IPO shares are net of IPO expenses of S$1,829,000.

The Company did not have treasury shares and outstanding convertibles as at 30 June 2011 and 30 June 2012 respectively.

With effect from 30 March 2012, the option by Cordlife Limited ("CBB") pursuant to the "A" Preference Share to acquire all the issued Shares of the Company has lapsed and the "A" Preference Share had been redeemed by the Company.

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at	
	30 June 2012 No. of shares	**30 June 2011 No. of shares**
Total number of issued shares excluding treasury shares	232,687,354	150,887,354

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. The Company did not have treasury shares during or as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Except as disclosed in note (5) below, the financial results for the current period reported on has been presented using the same accounting policies and methods of computation as presented in its most recently audited financial statement as set out in the Offer Document.

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

The Group has adopted all new and revised Financial Reporting Standard (FRS) and Interpretations of FRS (INT FRS) which became effective for the financial year beginning 1 July 2011.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior year's reporting period.

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

	Group 3 months ended 30 June		Group 12 months ended 30 June	
	2012	**2011**	**2012**	**2011**
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:				
Profit attributable to shareholders (S$ '000)	2,312	2,291	6,926	8,476
Weighted average number of shares in issue during the period ('000)	232,687	150,887	171,730	150,887
Basic and diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	0.99	1.52	4.03	5.62

Notes:
There were no potentially dilutive shares.

The calculation for the basic EPS for the respective financial periods is based on the actual weighted average number of ordinary shares in issue in the respective financial periods.

The basic and diluted EPS were the same as the Group did not have any potential dilutive instruments for the respective financial periods.

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

	Group		Company	
	30 June 2012 (cents)	**30 June 2011 (cents)**	**30 June 2012 (cents)**	**30 June 2011 (cents)**
Net asset value per ordinary share based on issued share capital at the end of the period reported on	30.58	26.88	29.86	27.44

The number of shares in issue and used in calculating the net asset value per share as at 30 June 2012 is 232,687,354. The number of shares used in calculating the net asset value per share as at 30 June 2011 is 150,887,354.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

COMPARING 12 MONTHS 2012 AGAINST 12 MONTHS 2011

Income Statement

Revenue from rendering of services

Revenue from rendering of services increased by 12.1% or S$3.1 million from S$25.7 million in FY2011 to S$28.8 million in FY2012. The increase in revenue was mainly due to an increase in the provision of cord blood banking services of approximately S$2.4 million driven by an increase in the number of client deliveries, from approximately 6,600 in FY2011 to 7,200 in FY2012 and an increase in revenue of approximately S$0.7 million from the provision of cord tissue banking services in Hong Kong which commenced in March 2011. The increase in client deliveries was due to increased awareness as a result of an increase in marketing and promotional activities undertaken by the Group.

Cost of sales

Cost of sales increased by 18.0% or S$1.3 million, in line with our increase in revenue from rendering of services. It is also due to an increase in the cost of maternal blood testing of approximately S$120 or 160% per cord blood unit, which was required due to a change in the AABB standards.

Gross profit and gross profit margin

Gross profit increased by 9.7% or S$1.8 million due to the increase in new client deliveries and the provision of cord tissue banking services for clients in Hong Kong.

Gross profit margin decreased from 71.1% in FY2011 to 69.6% in FY2012, due mainly to the increase in the cost of testing required due to a change in the AABB standards.

Other operating income

Other operating income decreased by 79.2% or S$0.3 million due to government grants received in relation to the Executive Training Program and Capability Development Scheme by SPRING Singapore in FY2011 that did not recur in FY2012.

Selling and marketing expenses

Selling and marketing expenses increased by 17.6% or S$1.0 million. The increase was mainly due to an increase in client acquisition which resulted in an increase in commission expense, an increase in advertising and marketing activities to promote customers' awareness and an increase in the staff costs of sales and marketing personnel.

Administrative expenses

Administrative expenses increased by 65.6% or S$3.6 million. This increase was mainly attributable to IPO expenses of S$1.9 million being incurred in FY2012. There was also an increase in headcount and staff costs of S$0.5 million and an increase in director fees of S$0.4 million, in line with additional directors being appointed. Other compliance related costs increased by $0.2m, including corporate secretarial fees, audit fees and insurance expenses.

Share of results in associate

Share of results in associate increased by 24.8% or S$0.4 million. Based on our Group's understanding, the increase in share of profits from our Group's shareholdings in China Stem Cells (South) Company Limited was due to the growth of Guangzhou Tianhe Nuoya's business as new customers signed up each year in addition to existing customers.

The tax laws in the PRC imposes a withholding tax at 10% for dividends receivable by non-PRC-resident enterprises from PRC-resident enterprises in respect of earnings accumulated beginning on 1 January 2008. The Group has not provided for income taxes on such undistributed accumulated earnings of Guangzhou Tianhe Nuoya, a PRC subsidiary of China Stem Cells (South) Company Limited as of 30 June 2012, since these earnings are intended to be reinvested indefinitely in the PRC pursuant to the announcement by China Cord Blood Corporation, which is listed on the New York Stock Exchange and the ultimate holding company of China Stem Cells (South) Company Limited. As of 30 June 2012, such unremitted earnings that may be subject to the withholding tax amounted to S$4.3 million and the related unrecognised deferred tax liability was S$0.43 million.

Finance income

Finance income increased by 52% or S$0.6 million due to an increase in interest income from non-current trade receivables and interest income accrued from the convertible bond which the Group invested in FY2012.

Tax

The effective tax rate for the current period is higher than the corporate tax rate of 17% mainly because of expenses relating to the IPO which were not tax deductible. Included in the tax expense for FY2012 is a write back of overprovision for prior year taxes amounting to S$173,000.

COMPARING 4Q 2012 AGAINST 4Q 2011

Income Statement

Revenue from rendering of services

Revenue from rendering of services increased by 6.5% or S$0.5 million from S$7.0 million in FY2011 to S$7.5 million in FY2012. The increase in revenue was due to an increase in the provision of cord blood banking services driven by an increase in the number of client deliveries, from approximately 1,700 in 4Q2011 to 1,900 in 4Q2012. Revenue derived from the provision of cord tissue banking services in Hong Kong which commenced in March 2011 remained the same at S$0.2 million for 4Q2011 and 4Q2012. The increase in client deliveries was due to increased awareness as a result of an increase in marketing and promotional activities undertaken by the Group.

Cost of sales

Cost of sales increased by 13.0% or S$0.3 million, in line with our increase in revenue from rendering of services. It is also due to an increase in the cost of maternal blood testing of approximately S$120 or 160% per cord blood unit, which was required due to a change in the AABB standards.

Gross profit and gross profit margin

Gross profit increased by 4.0% or S$0.2 million mainly due to the increase in new client deliveries.

Gross profit margin decreased from 71.7% in 4Q2011 to 70.0% in 4Q2012, due mainly to the increase in the cost of testing required due to a change in the AABB standards.

Other operating income

Other operating income decreased by 98.0% or S$98,000 mainly due to government grants received in relation to the Executive Training Program and Capability Development Scheme by SPRING Singapore in 4Q2011 that did not recur in 4Q2012.

Selling and marketing expenses

Selling and marketing expenses increased by 11.3% or S$0.2 million. The increase was mainly due to an increase in client acquisition which resulted in an increase in commission expense, an increase in advertising and marketing activities to promote customers' awareness and an increase in the staff costs of sales and marketing personnel.

Administrative expenses

Administrative expenses increased by 38.9% or S$0.6 million. This increase was mainly due to an increase in headcount and staff costs of S$0.4 million and an increase in director fees of S$0.1 million, in line with additional directors being appointed. Share of results in associate

Share of results in associate increased by 11.1% or S$65,000. Based on our Group's understanding, the increase in share of profits from our Group's shareholdings in China Stem Cells (South) Company Limited was due to the growth of Guangzhou Tianhe Nuoya's business as new customers signed up each year in addition to existing customers.

The tax laws in the PRC imposes a withholding tax at 10% for dividends receivable by non-PRC-resident enterprises from PRC-resident enterprises in respect of earnings accumulated beginning on 1 January 2008. The Group has not provided for income taxes on such undistributed accumulated earnings of Guangzhou Tianhe Nuoya, a PRC subsidiary of China Stem Cells (South) Company Limited as of 30 June 2012, since these earnings are intended to be reinvested indefinitely in the PRC pursuant to the announcement by China Cord Blood Corporation, which is listed on the New York Stock Exchange and the ultimate holding company of China Stem Cells (South) Company Limited. As of 30 June 2012, such unremitted earnings that may be subject to the withholding tax amounted to S$4.3 million and the related unrecognised deferred tax liability was S$0.43 million.

Finance income

Finance income increased by 114.1% or S$0.3m due to an increase in interest income from non-current trade receivables and interest income accrued from the convertible bond which the Group invested in FY2012.

Tax

The effective tax rate for the current period is higher than the corporate tax rate of 17% mainly because of expenses relating to the IPO which were not tax deductible. Included in the tax expense for 4Q2012 is a write back of overprovision for prior year taxes amounting to S$140,000.

Balance sheet

The net increase in the carrying value of property, plant and equipment of S$1.79 million was attributable mainly to the capital expenditure incurred in FY2012 for the purchase of the new office, A'Posh Bizhub, at Yishun Industrial Street 1.

The increase in convertible bond of S$1.5 million was due to an investment in a convertible bond issued by CS Cell Technologies Pte Ltd. CS Cell Technologies Pte Ltd is the majority shareholder of CBB's Indian operations. The convertible bond has a redemption value of S$2,160,000, a tenor of 2 years and a coupon rate of 20%. If converted, the Group will acquire an equity stake in CS Cell Technologies Pte Ltd not exceeding 30%.

The increase in cash and cash equivalents was attributable to positive cash flows generated from operating activities as well as inflow from IPO proceeds. During FY2012, the Group placed S$17.5 million of cash in fixed deposits ranging from 1 year to 3 year tenors.

Non-current trade receivables represent cord blood banking services revenue receivable under annual, five year and ten year plans that have yet to be billed to the customer. Upon billing, the billed amount will be receivable under the same terms as the current trade receivables. The increase in non-current and current trade receivables is in line with the increase in client deliveries.

The increase in interest-bearing borrowings was a result of further drawdown made against the term loan from DBS bank to pay for the purchase of the new building.

Cash flow

Cash flows from operating activities were lower by S$2 million mainly due to lower operating profit, higher income tax payment and higher inventory and receivables. The decrease was however, partially offset by higher payables and deferred revenue.

Cash outflows from investing activities mainly relate to capital expenditure of S$2.4 million for the purchase of the new office, A'Posh Bizhub, at Yishun Industrial Street 1, investment in the convertible bond of S$1.5 million and a placement of S$17.5 million of cash in fixed deposits ranging from 1 year to 3 year tenors.

Cash flows from financing activities relates to proceeds from the IPO of amount S$29.7 million, offset by IPO expenses of S$3.7 million. The Group also paid dividends of S$4.7 million in the financial year ended 30 June 2012.

The Group ended the year with a strong cash and cash equivalent position of S$12.9 million.

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

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the 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

Despite headwinds in the economy with the continuing uncertainty in Europe and slowing growth in China, the Group remains optimistic that its key markets, Singapore and Hong Kong, are promising. Moreover, with its recent proposed transactions with China Cord Blood Corporation ("CCBC"), the largest cord blood banking operator in China, the Group is poised to expand its geographical reach and capitalise on the growing affluence of the world's most populous nation.

In Singapore, the success of IHH Healthcare Berhad's recent US$2.0 billion listing has generated renewed interest in healthcare companies. The Group believes it is in a unique space to ride on this robust industry momentum.

In addition, the Singapore government is reviewing policies to promote marriage and parenthood. In early August, the new Ministry of Social and Family Development was formed, with an immediate priority to help young people get married and have children earlier. A range of recommendations, including extending maternity leave from the current four months to six, are being considered as the government collates feedback from different interest groups. The government's initiatives have generated a healthy debate on our nation's attempts to boost the birth and fertility rates. While falling fertility rate is a concern, Singapore has been experiencing constant birth rates of around 38,000 new births a year, and the penetration level of Singapore's private cord blood banking is expected to rise to 38% by 2015 from 24% in 2010, according to industry data found in the Company's prospectus dated March 21, 2012.

As the larger of only two private cord blood banking services providers, the Group is positioned to benefit from this growth. The Group's larger space at its new headquarters and facility at Yishun, A'Posh Bizhub, will be ready by first quarter of 2013. This will enable the Group to increase its current capacity to exploit economies of scale, reduce the uncertainty of future costs and further entrench our leadership position in Singapore.

In Hong Kong, similar demand drivers are in place. According to industry figures in the prospectus, the penetration rate is expected to deepen from 11.5% in 2010 to 20.6% in 2015. Leading players – and the Group is one of the top three in terms of market share – are driving this growth by raising the visibility of cord blood banking.

In China, home to the world's fastest-growing population of middle-class consumers, the healthcare sector is also bucking the trend of a slowdown. More Chinese are seeking better-quality medical care, which can include seeking a life-time protection for their children through storage of their cord blood units. The nationwide penetration rate for private cord blood banks in China is expected to increase from 0.5% in 2010 to 1.4% in 2015, leaving more headroom for expanding business.

To capture this growth, the Company entered into transactions with CCBC in mid-August that will, upon completion and approval by shareholders, allow the Company to own 10% of CCBC, which provides cord blood collection, laboratory testing, hematopoietic stem cell processing and stem cell storage services in the Beijing municipality and the provinces of Guangdong and Zhejiang. The strategic alliance will allow the Group to leverage on CCBC's extensive cord blood banking network and its management's ability to expand service coverage within China.

Going forward, the Group is cautiously optimistic that its strong market position and brand equity, coupled with favourable industry factors, will benefit the Group in the next 12 months. Barring any unforeseen circumstances, the Group expects to remain profitable for FY2013.

11. Dividends

(a) ***Current financial period reported on***

Any dividend recommended for the current financial period reported on?

The Board has proposed the following dividend subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Name of Dividend	Special final
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S$0.018 per ordinary share
Tax Rate	Exempt (1-tier)

(b) ***Corresponding period of the immediately preceding financial year***

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) ***The date the dividend is payable.***

The special final dividend will be paid on 14 November 2012, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

(d) ***Book closure date.***

Notice is hereby given that, subject to the approval of the shareholders at the forthcoming Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 30 October 2012 (“Book Closure Date”) for the purpose of determining members’ entitlement to the special final dividend (“Dividend”).

Duly completed registrable transfers received by the Company’s Share Registrar Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00 Singapore 068898 up to 5.00pm on 29 October 2012 (“Entitlement Date”) will be registered to determine members’ entitlements to the Dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00pm on the Entitlement Date will be entitled to the Dividend.

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

Not applicable

13. Interested person transactions

INTERESTED PERSON TRANSACTIONS

Name of Interested Person(s)	Description of Interested Person Transactions	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
For the period 1 July 2011 to 31 March 2012			
Cordlife Stem Cell Technology ("Cordlife Stem Cell) – a subsidiary of CBB	Commission payable by Cordlife Stem Cell to the Group for services performed	S$ 703,000	-
	Receipts collected by the Group on behalf of Cordlife Stem Cell	S$ 929,000	-
CBB Group	Commission payable by the Group to CBB group for customer referral	S$ 603,000	-
	Receipts collected by CBB Group on behalf of the Group	S$ 1,756,000	-
China Cord Blood	Commission payable by the Group to China Cord Blood for customer referral	S$ 3,000	-

Please refer to the prospectus of Cordlife Group Limited registered by the Monetary Authority of Singapore on 21 March 2012 for further elaboration of the above transactions.

With effect from 30 March 2012, the option by CBB pursuant to the "A" Preference Share to acquire all the issued Shares of the Company has lapsed. Accordingly, CBB has ceased being our "controlling shareholder" and transactions between the CBB Group and our Group will no longer constitute Interested Person Transactions.

As disclosed in the prospectus of the Company registered by the Monetary Authority of Singapore on 21 March 2012, China Cord Blood is no longer the "controlling shareholder" of the Company immediately after listing on 29 March 2012.

The above transactions are ongoing. However, since these transactions have ceased to be deemed as Interested Person Transactions with effect from 30 March 2012, there is no requirement to disclose the above transactions after 30 March 2012.

14. Update on implementation of New Automated Reconciliation System ("NARS")

Pursuant to the prospectus of the Company registered by the Monetary Authority of Singapore on 21 March 2012, the Company is required to disclose the status of implementation of the NARS in its announcements via SGXNET.

As at the date of announcement, we are in the final stages of developmental phase.

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

Segment revenue

	North Asia S$'000	**South Asia** S$'000	**Others** S$'000	**Total** S$'000
Year ended 30 June 2012				
Revenue from external customers	7,083	21,692	–	28,775
Total consolidated revenue				28,775
Year ended 30 June 2011				
Revenue from external customers	6,459	19,214	–	25,673
Total consolidated revenue				25,673

Segment results

	2012	2011
	S$'000	S$'000
Group		
Segment profit:		
- North Asia	2,052	1,586
- South Asia	5,589	8,250
	7,641	9,836
Unallocated income/expenses:		
Interest income	157	92
Other unallocated *	(18)	6
Profit before income tax expense	7,780	9,934
Income tax expense	(854)	(1,458)
Total net profit for the year	6,926	8,476

* Other unallocated refers to results of subsidiaries not in the principal activity of the provision of cord blood banking services.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8.

17. A breakdown of sales as follows:

		Group		
		2012	**2011**	**+/(-)**
		S$'000	S$'000	
(a)	Revenue reported for first half year	14,378	12,544	14.6
(b)	Profit after tax before deducting minority interests reported for the first half year	3,782	4,247	(10.9)
(c)	Revenue reported for second half year	14,397	13,129	9.7
(d)	Profit after tax before deducting minority interests reported for the second half year	3,144	4,229	(25.7)

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

	Full year 2012 S$	Full year 2011 S$
Interim dividend	4,188,372	–
Special dividend	465,375	–
Total	4,653,747	–

19. Persons occupying managerial positions who are related to the directors, chief executive officer or substantial shareholder

The company confirms that none of the persons occupying managerial positions in the company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the company.

By Order of the Board

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
24 August 2012

The initial public offering of Cordlife Group Limited's shares was sponsored by PrimePartners Corporate Finance Pte. Ltd..