

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 31 March			Group 9 months ended 31 March		
	2014	2013 (restated)*	+ /(-) Increase/ (Decrease)	2014	2013 (restated)*	+ /(-) Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	11,809	7,202	64.0	35,277	25,080	40.7
Cost of sales	<u>(3,071)</u>	<u>(2,177)</u>	41.1	<u>(10,351)</u>	<u>(7,298)</u>	41.8
Gross profit	8,738	5,025	73.9	24,926	17,782	40.2
Other operating income	106	4	>100.0	328	16	>100.0
Gain on disposal of associate	–	–	–	–	2,663	n.m
Selling and marketing expenses	(3,201)	(1,756)	82.3	(9,455)	(5,536)	70.8
Administrative expenses	(3,276)	(2,310)	41.8	(9,606)	(6,327)	51.8
Share of results of associate	22	277	(>100.0)	(2,031)	1,590	n.m
Fair value changes on long-term investment	(402)	–	n.m	5,016	–	n.m
Gain on transfer of investment in associate to long-term investment	–	–	–	6,177	–	n.m
Finance income	48	123	(61.0)	148	369	(59.9)
Finance costs	<u>(65)</u>	<u>(18)</u>	>100.0	<u>(149)</u>	<u>(18)</u>	>100.0
Profit before income tax	1,970	1,345	46.5	15,354	10,539	45.7
Income tax expense	<u>(397)</u>	<u>(117)</u>	>100.0	<u>(878)</u>	<u>(870)</u>	0.9
Profit for the financial period	<u>1,573</u>	<u>1,228</u>	28.1	<u>14,476</u>	<u>9,669</u>	49.7

n.m denotes not meaningful

* Interest income relating to non-current trade receivables has been reclassified from finance income to revenue for the prior reporting period (3QFY2013) to be consistent with current reporting period (3QFY2014).

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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 (cont'd)

	Group 3 months ended 31 March			Group 9 months ended 31 March		
	2014	2013 (restated)*	+ / (-) Increase/ (Decrease)	2014	2014	+ / (-) Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Other comprehensive income for the financial period, net of tax:						
<i>Items that may be reclassified subsequently to profit and loss</i>						
Foreign currency translation	248	224	10.7	(193)	(346)	(44.2)
Total comprehensive income for the financial period	<u>1,821</u>	<u>1,452</u>	25.4	<u>14,283</u>	<u>9,323</u>	53.2
Profit for the financial period attributable to:						
- Owners of the company	1,528	1,228	24.4	14,435	9,669	49.3
- Non-controlling interest	45	-	n.m	41	-	n.m
	<u>1,573</u>	<u>1,228</u>	28.1	<u>14,476</u>	<u>9,669</u>	49.7
Total comprehensive income for the financial period attributable to:						
- Owners of the company	1,773	1,452	22.1	14,244	9,323	52.8
- Non-controlling interest	48	-	n.m	39	-	n.m
	<u>1,821</u>	<u>1,452</u>	25.4	<u>14,283</u>	<u>9,323</u>	53.2

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

	Group			Group	
	3 months ended 31			9 months ended 31	
	March			March	
	2014	2013		2014	2013
	\$'000	\$'000		\$'000	\$'000
Depreciation of property, plant and equipment	244	244	[1]	913	565
Amortisation of software	21	15		61	24
Allowance for doubtful debts and bad debts written off	8	23		68	99
Foreign exchange (gain)/loss	40	3		(7)	(4)
Other miscellaneous income	106	4	[2]	328	16

Notes

- 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 as well as depreciation from the equipment of the subsidiaries and assets which the Group acquired in June 2013.

The increase in depreciation also relates to the Group's headquarters and facility at A'Posh Bizhub (the "Property"). Depreciation on the Property and its related renovations commenced in January 2013.

- The increase in other miscellaneous income is due to a grant income of \$123,000 from SPRING Singapore which the Company had claimed for certain initiatives. The Company received \$58,000 under the Wage Credit Scheme and Productivity and Innovation Credit Scheme from the Inland Revenue Authority of Singapore. The Company also generated rental income of \$56,000 from its investment properties for the 9 months ended 31 March 2014.

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	
	31 March 2014 \$'000	30 June 2013 \$'000	31 March 2014 \$'000	30 June 2013 \$'000
ASSETS				
Non-current assets				
Investment in associate	18,704	27,965	18,596	25,701
Investment in subsidiaries	–	–	23,279	21,304
Long-term investment	36,794	–	36,794	–
Property, plant and equipment	7,744	7,606	6,123	6,053
Investment properties	5,330	5,330	5,330	5,330
Intangible asset	1,708	1,785	161	136
Trade receivables	41,752	38,743	36,909	35,823
Other receivables	508	434	295	221
Fixed deposits	11,500	11,500	11,500	11,500
	<u>124,040</u>	<u>93,363</u>	<u>138,987</u>	<u>106,068</u>
Current assets				
Cash and cash equivalents	7,754	7,986	4,194	3,492
Fixed deposits	25,287	3,500	25,008	3,500
Pledged fixed deposits	333	334	–	–
Short-term investments	940	342	–	–
Trade receivables	13,587	12,121	7,037	8,012
Other receivables	2,110	1,083	727	803
Prepayments	1,465	1,285	608	624
Inventories	648	435	287	156
Amounts owing by subsidiaries	–	–	1,946	1,476
	<u>52,124</u>	<u>27,086</u>	<u>39,807</u>	<u>18,063</u>
Current liabilities				
Trade and other payables	7,857	7,505	3,314	4,239
Amounts payable for acquisition of subsidiaries	–	3,182	–	3,182
Deferred revenue	4,223	5,055	2,565	3,585
Amounts owing to subsidiaries	–	–	801	243
Tax payable	972	1,138	827	1,128
Interest-bearing borrowings	948	271	948	271
	<u>14,000</u>	<u>17,151</u>	<u>8,455</u>	<u>12,648</u>
Net current assets	<u>38,124</u>	<u>9,935</u>	<u>31,352</u>	<u>5,415</u>

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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	
	31 March 2014 \$'000	30 June 2013 \$'000	31 March 2014 \$'000	30 June 2013 \$'000
Non-current liabilities				
Other payables	81	160	–	–
Deferred revenue	21,330	19,457	14,127	13,360
Amounts owing to subsidiary	–	–	21,181	21,335
Deferred tax liabilities	193	192	177	177
Interest-bearing borrowings	11,964	5,926	11,964	5,926
	<u>33,568</u>	<u>25,735</u>	<u>47,449</u>	<u>40,798</u>
Net assets	<u>128,596</u>	<u>77,563</u>	<u>122,890</u>	<u>70,685</u>
Capital and reserves				
Share capital	96,892	53,548	96,892	53,548
Treasury shares	(3,638)	(103)	(3,638)	(103)
Accumulated profits	37,938	26,176	29,191	16,818
Other reserves	(2,590)	(2,013)	445	422
Non-controlling interests	(6)	(45)	–	–
Total equity	<u>128,596</u>	<u>77,563</u>	<u>122,890</u>	<u>70,685</u>

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

	31 March 2014 \$'000	As at 30 June 2013 \$'000
Amount repayable in one year or less, or on demand		
- Loan I –secured	268	271
- Loan II – secured	–	–
- Loan III – secured	680	–
Amount repayable after one year		
- Loan I –secured	5,744	5,926
- Loan II – secured	3,500	–
- Loan III – secured	2,720	–
	12,912	6,197

Loan I, Loan II and Loan III are secured by:

- a) First legal mortgage of the Company's Property;
- b) The assignment of the rights, title and interest with respect to the Property; and
- c) Charge over all receivables of the Company.

Loan I is drawn-down in different tranches and repayable in 240 monthly instalments. It will be repaid in full in June 2031.

Loan II is drawn-down in different tranches and repayable in 3 yearly instalments. It will be repaid in full in August 2017.

Loan III is a 5 year term loan with yearly principal repayments. It will be repaid in full in November 2018.

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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 31 March		Group 9 months ended 31 March	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Operating activities				
Profit before income tax	1,970	1,345	15,354	10,539
Adjustments for:				
Depreciation	244	244	913	565
Amortisation	54	15	161	24
Allowance for doubtful debts	–	–	29	–
Loss on disposal of property, plant and equipment	2	21	2	22
Interest income	(48)	(120)	(148)	(369)
Interest expense	65	18	149	18
Share-based compensation expense	23	–	23	–
Gain on disposal of associate	–	–	–	(2,663)
Share of results of associate	(22)	(277)	2,031	(1,590)
Fair value changes on long-term investment	402	–	(5,016)	–
Gain on transfer of investment in associate to long-term investment	–	–	(6,177)	–
Unrealised exchange loss/(gain)	263	–	(378)	–
Operating cash flows before movements in working capital	2,953	1,246	6,943	6,546
Increase in trade receivables	(1,353)	(64)	(4,502)	(577)
Increase in other receivables, deposits and prepayments	(648)	(74)	(1,152)	(421)
(Increase)/decrease in inventories	(161)	102	(213)	184
Increase/(decrease) in trade payables	301	(115)	(134)	(213)
(Decrease)/increase in other payables	(257)	348	388	669
Increase in deferred revenue	786	852	1,042	1,332
Cash generated from operations	1,621	2,295	2,372	7,520
Interest received	8	45	19	144
Interest paid	(65)	(18)	(149)	(18)
Income tax paid	(519)	(322)	(1,044)	(934)
Net cash generated from operating activities	1,045	2,000	1,198	6,712

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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 31 March		Group 9 months ended 31 March	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Investing activities				
Purchase of property, plant and equipment	(454)	(1,447)	(1,053)	(5,533)
Purchase of intangible assets	(14)	(128)	(84)	(136)
Proceeds from disposal of associate	–	–	–	20,614
Acquisition of associate	–	–	(8,196)	(25,701)
Short-term investment	(225)	–	(599)	–
Transfer to term deposits	(25,006)	–	(21,786)	–
Payment for acquisition of subsidiaries	–	–	(3,158)	–
Net cash used in investing activities	<u>(25,699)</u>	<u>(1,575)</u>	<u>(34,876)</u>	<u>(10,756)</u>
Financing activities				
Repayments of finance lease liabilities	–	–	–	(7)
Transfer from/(to) pledged fixed deposits	–	–	–	(290)
Proceeds from interest-bearing borrowings	–	27	6,900	3,095
Repayment of interest-bearing borrowings	(62)	(85)	(184)	(210)
Dividends	–	–	(2,673)	(4,188)
Proceeds from issue of shares	–	–	33,547	–
Purchase of treasury shares	(3,535)	–	(3,535)	(103)
Share issue cost	–	–	(603)	–
Net cash (used in)/generated from financing activities	<u>(3,597)</u>	<u>(58)</u>	<u>33,452</u>	<u>(1,703)</u>
Net (decrease)/ increase in cash and cash equivalents	(28,251)	367	(226)	(5,747)
Cash and cash equivalents at the beginning of the financial period	36,019	6,824	7,986	12,945
Effects of exchange rate changes on the balance of cash	(14)	1	(6)	(6)
Cash and cash equivalents at end of the financial period	<u>7,754</u>	<u>7,192</u>	<u>7,754</u>	<u>7,192</u>



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CORDLIFE GROUP LIMITED

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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

	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Capital reserve \$'000	Merger reserve \$'000	Acquisition reserve \$'000	Foreign currency translation account \$'000	Total \$'000
Group								
Balance at 1 July 2012	53,548	–	19,205	568	534	(2,184)	(512)	71,159
Profit for the year	–	–	9,669	–	–	–	–	9,669
Other comprehensive income								
- Net effect of foreign currency translation	–	–	–	–	–	–	(555)	(555)
- Share of other comprehensive income of associate	–	–	–	–	–	–	209	209
Total comprehensive income for the financial year, net of tax	–	–	9,669	–	–	–	(346)	9,323
Purchase of own shares and held as treasury shares	–	(103)	–	–	–	–	–	(103)
Dividends	–	–	(4,188)	–	–	–	–	(4,188)
Balance at 31 March 2013	53,548	(103)	24,686	568	534	(2,184)	(858)	76,191

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Capital reserve \$'000	Total \$'000
Balance at 1 July 2012	53,548	–	15,517	422	69,487
Profit for the year	–	–	5,336	–	5,336
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	–	5,336	–	5,336
Purchase of own shares and held as treasury shares	–	(103)	–	–	(103)
Dividends	–	–	(4,188)	–	(4,188)
Balance at 31 March 2013	53,548	(103)	16,665	422	70,532

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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	Treasury Shares \$'000	Accumulated profits \$'000	Capital reserve \$'000	Merger reserve \$'000	Acquisition reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation account \$'000	Non- controlling interest \$'000	Total \$'000
Balance at 1 July 2013	53,548	(103)	26,176	568	534	(2,184)	(931)	(931)	(45)	77,563
Profit for the period	-	-	14,435	-	-	-	-	-	41	14,476
Other comprehensive income										
- Net effect of foreign currency translation	-	-	-	-	-	-	-	(347)	(2)	(349)
- Share of other comprehensive income of associate	-	-	-	-	-	-	-	156	-	156
Total comprehensive income for the financial period, net of tax	-	-	14,435	-	-	-	-	(191)	39	14,283
Transfer of investment in associate to long-term investment	-	-	-	-	-	-	-	(409)	-	(409)
Issuance of shares as consideration for acquisition	10,400	-	-	-	-	-	-	-	-	10,400
Issuance of shares pursuant to private placement	33,548	-	-	-	-	-	-	-	-	33,547
Placement expenses taken to equity	(604)	-	-	-	-	-	-	-	-	(603)
Dividends	-	-	(2,673)	-	-	-	-	-	-	(2,673)
Purchase of treasury shares	-	(3,535)	-	-	-	-	-	-	-	(3,535)
Issuance of performance share grants	-	-	-	-	-	-	23	-	-	23
Balance at 31 March 2014	96,892	(3,638)	37,938	568	534	(2,184)	23	(1,531)	(6)	128,596

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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	Treasury shares \$'000	Accumulated profits \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Total \$'000
Balance at 1 July 2013	53,548	(103)	16,818	–	422	70,685
Profit for the period	–	–	15,046	–	–	15,046
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the financial period, net of tax	–	–	15,046	–	–	15,046
Issuance of shares as consideration for acquisition	10,400	–	–	–	–	10,400
Issuance of shares pursuant to private placement	33,548	–	–	–	–	33,548
Placement expenses taken to equity	(604)	–	–	–	–	(604)
Dividends	–	–	(2,673)	–	–	(2,673)
Purchase of treasury shares	–	(3,535)	–	–	–	(3,535)
Issuance of performance share grants	–	–	–	23	–	23
Balance at 31 March 2014	96,892	(3,638)	29,191	23	422	122,890

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the 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 2013	232,487,354	53,547,971
Issue of new shares as consideration for acquisition ^[1]	8,000,000	10,400,000
Issue of new shares from private placement ^[2]	26,838,000	32,943,750 ^[3]
Purchase of treasury shares	(3,003,000)	-
As at 31 March 2014	264,322,354	96,891,721

[1] The allotment and issuance of 8,000,000 new shares in the Company's share capital is pursuant to the acquisition by the Company of 19.92% of the issued and paid-up share capital of Stemlife Berhad ("Stemlife"). For further information, please refer to the announcements released by the Company on 4 September 2013, 26 September 2013 and 4 October 2013.

[2] The allotment and issuance of 26,838,000 new shares in the Company's share capital is pursuant to the private placement comprising (a) placement via a placement agent and (b) placement via direct subscription from investors. For further information, please refer to the announcements released by the Company on 2 October 2013, 11 October and 14 October 2013.

[3] The proceeds from the issuance of new shares pursuant to the private placement are net of expenses incurred by the Company in connection with the issuance of new shares of S\$603,750.

As at 31 March 2014, the Company held 3,203,000 (30 June 2013: 200,000) treasury shares against 264,322,354 (30 June 2013: 232,487,354) issued ordinary shares excluding treasury shares.

1(d)(iii) To show the total 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	
	31 March 2014 No. of shares	30 June 2013 No. of shares
Total number of issued shares excluding treasury shares	264,322,354	232,487,354

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

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

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 have been presented using the same accounting policies and methods of computation as presented in the issuer's most recently audited annual financial statements.

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 Group's financial year beginning 1 July 2013.

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 the prior year's reporting period.

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2014

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

	Group 3 months ended 31 March		Group 9 months ended 31 March	
	2014	2013	2014	2013
Basic Earnings Per Share				
Earnings per ordinary share of the group for the financial period based on net profit attributable to owners of the Company:				
Profit attributable to owners of the Company (S\$ '000)	1,528	1,228	14,435	9,669
Weighted average number of shares in issue during the period ('000)	266,528	232,487	254,005	232,592
Basic earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	0.57	0.53	5.68	4.16

Diluted Earnings Per Share

Earnings per ordinary share of the group for the financial period based on net profit attributable to owners of the Company:

Profit attributable to owners of the Company (S\$ '000)	1,528	1,228	14,435	9,669
Weighted average number of shares in issue during the period ('000)	266,638	232,487	254,041	232,592
Diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	0.57	0.53	5.68	4.16

Notes:

Basic earnings per share are calculated by dividing profit net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share are calculated by dividing profit net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	Group		Company	
	31 March 2014 (cents)	30 June 2013 (cents)	31 March 2014 (cents)	30 June 2013 (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the period reported on	48.65	33.36	46.49	30.40

The number of shares in issue and used in calculating the net asset value per share as at 31 March 2014 and 30 June 2013 is 264,322,354 and 232,487,354 respectively.

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 9 MONTHS ENDED 31 MARCH 2014 ("9M2014") AGAINST 9 MONTHS ENDED 31 MARCH 2013 ("9M2013")

Income Statement

Revenue

Revenue increased by 40.7% or S\$10.2 million from S\$25.1 million in 9M2013 to S\$35.3 million in 9M2014. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 6,180 in 9M2013 to 11,600 in 9M2014. This was contributed by the client deliveries from the Group's Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

The increase in revenue arising from the client deliveries from the Group's Philippines and Indian subsidiaries is offset by a decrease in revenue from the Group's Hong Kong subsidiary. This was due to a moratorium by the Hong Kong government on mainland Chinese mothers giving birth at private hospitals in Hong Kong commencing in 2013.

Cost of sales

Cost of sales increased by 41.8% or S\$3.1 million, in line with our increase in revenue. The increase in cost of sales was largely due to the higher costs incurred by the Group's subsidiaries in India, the Philippines and Indonesia.

Gross profit and gross profit margin

Gross profit increased by 40.2% or S\$7.1 million due to the increase in new client deliveries.

Gross profit margin remained stable at 70.7% in 9M2014 as compared to 70.9% in 9M2013.

Other operating income

Other operating income increased by S\$312,000. The increase is due to a grant income of \$123,000 from SPRING Singapore which the Company had claimed for certain initiatives. The Company received \$58,000 under the Wage Credit Scheme and Productivity and Innovation Credit Scheme from the Inland Revenue Authority of Singapore. The Company also generated rental income of \$56,000 from its investment properties in 9M2014.

There was no such grant income and rental income in 9M2013.

Gain on disposal of associate

During 9M2013, the Group disposed of its 10% indirect stake in China Stem Cells (South) Company Limited ("CSCS") resulting in a gain of approximately S\$2.7 million. There is no such gain in 9M2014.

Selling and marketing expenses

Selling and marketing expenses increased by 70.8% or S\$3.9 million in 9M2014. This increase was contributed by the inclusion of the Group's Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013. Excluding these, selling and marketing expenses increased by 10.5% or S\$ 0.6 million in 9M2014.

The increase was mainly due to an increase in various educational and marketing activities to further promote public and customers' awareness of our products and services.

The increase was also attributable to costs incurred during the process of new product development. These include costs of additional head count and costs incurred to introduce and educate our partners on such new products. In addition, there were also selling and marketing expenses incurred in relation to restructuring of the Group's Indian and Philippines subsidiaries subsequent to the acquisition in June 2013. Such one-time costs were incurred in order to align these entities as part of the Group. The total new product development and restructuring costs related to selling and marketing expenses amounted to S\$199,000 in 9M2014, of which S\$12,000 was incurred in 3Q2014. There were no such costs incurred in 9M2013.

Administrative expenses

Administrative expenses increased by 51.8% or S\$3.3 million in 9M2014. This increase was contributed by the inclusion of the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013. New product development and restructuring costs related to administrative expenses amounted to S\$329,000 in HY2014, of which S\$111,000 was incurred in 3Q2014. There were no such costs incurred in 9M2013.

Share of results in associate

Our share of loss in associate was S\$2.1 million for 9M2014 as compared to our share of profit of S\$1.3 million for 9M2013. In 9M2013, the Group accounted for our share of profits in CSCS. The Group disposed of its shares in CSCS in November 2012. In 9M2014, the Group accounted for our share of profits in its 10% interest in China Cord Blood Corporation ("CCBC") which it acquired in November 2012.

Based on our Group's understanding, there was an increase in contribution arising from the growth of CCBC's business as new customers signed up each year in addition to existing customers respectively.

The increase in contribution is offset by the cash and non-cash expenses incurred as a result of the convertible notes issued by CCBC as well as the non-cash fair value losses derived from such financial instruments. In accordance with Singapore Financial Reporting Standards, the convertible notes which were classified as financial liabilities will be stated at fair value and any changes with respect to these fair values will be credited or charged against CCBC's profit and loss accounts.

On 27 September 2013, Mr Yee Pinh Jeremy stepped down from the board of directors of CCBC. The Group is of the view that it has lost significant influence over CCBC and no longer regards its investment in CCBC as an associate. The Group ceased to equity account for CCBC's results with effect from 27 September 2013 and the investment in associate was transferred to long-term investment.

During 9M2014, the Group also completed the acquisition of 31.81% of the issued shares in Stemlife. Consequently, the Group accounted for our share of profits in Stemlife amounting to S\$108,000.

Tax

The effective tax rate was approximately 5.7% and 8.3% for 9M2014 and 9M2013 respectively. The effective tax rate for 9M2014 was significantly lower because of the fair value gain on long-term investment and the gain from transfer of investment in associate to long-term investment which are not taxable.

COMPARING 3 MONTHS ENDED 31 MARCH 2014 (“3Q2014”) AGAINST 3 MONTHS ENDED 31 MARCH 2013 (“3Q2013”)

Income Statement

Revenue

Revenue increased by 64.0% or S\$4.6 million from S\$7.2 million in 3Q2013 to S\$11.8 million in 3Q2014. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 1,760 in 3Q2013 to 4,100 in 3Q2014. This was contributed by the client deliveries from the Group’s Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

Cost of sales

Cost of sales increased by 41.1 % or S\$0.9 million, in line with our increase in revenue. The increase in cost of sales was largely due to the higher costs incurred by the Group’s subsidiaries in India, the Philippines and Indonesia.

Gross profit and gross profit margin

Gross profit increased by 73.9% or S\$3.7 million mainly due to the increase in new client deliveries.

Gross profit margin increased from 69.8% in 3Q2013 to 74.0% in 3Q2014.

Operating income

Other operating income increased by S\$102,000. This is due to a grant income of S\$7,000 from SPRING Singapore for certain initiatives undertaken by the Company. The Company received \$41,000 under the Wage Credit Scheme from the Inland Revenue Authority of Singapore. The Company also received S\$ 36,000 of rental income from its investment properties for 3Q2014. There was no such grant income and rental income in 3Q2013.

Selling and marketing expenses

Selling and marketing expenses increased by 82.3% or S\$1.4 million. This increase was contributed by the inclusion of the Group’s Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013. The selling and marketing expenses incurred by these entities for 3Q2014 was S\$1.2 million.

Administrative expenses

Administrative expenses increased by 41.8% or S\$1.0 million. This increase was contributed by the inclusion of the Group's Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

Share of results in associate

Our share of profit in associate was S\$0.3 million for 3Q2013. This represented our share of profits in CCBC. The Group disposed of its share in CSCS in November 2012. The Group acquired a 10% equity stake in CCBC in November 2012.

On 27 September 2013, Mr Yee Pinh Jeremy stepped down from the board of directors of CCBC. The Group is of the view that it has lost significant influence over CCBC and no longer regards its investment in CCBC as an associate. The Group ceased to equity account for CCBC's results with effect from 27 September 2013 and the investment in associate was transferred to long-term investment.

During 2Q2014, the Group also completed the acquisition of 31.81% of the issued shares in Stemlife Berhad ("Stemlife"). Consequently, the Group accounted for our share of profits in Stemlife amounting to S\$22,000.

Tax

The effective tax rate was approximately 20.2% and 8.7% for 3Q2014 and 3Q2013 respectively. The effective tax rate for 3Q2014 is higher than the corporate tax rate because of fair value loss on long-term investment which is not tax deductible.

Balance sheet

The Group's interest in CCBC is recognised as a long-term investment. Changes in the fair value of this long-term investment will be recognised in the profit and loss.

The investment in associate as at 31 March 2014 represents the Group's 31.81% interest in Stemlife. The Group has not completed the initial accounting to identify the fair value of the assets and liabilities of Stemlife.

The pledged fixed deposit relates to fixed deposit pledged with a bank to secure credit card instalment facility.

The increase in cash was due to net proceeds of S\$32,943,750 from the issue of new shares pursuant to a private placement exercise completed on 14 October 2013. The increase in cash is offset by the following:

- payment to shareholders of the Company of the one-tier (tax-exempt) dividend amounting to approximately S\$2,673,000 on 15 November 2013;
- final payment of S\$ 3,158,000 in September 2013 and December 2013 for the acquisition of Australia-listed Life Corporation Limited's (previously known as Cordlife Limited) cord blood and cord lining banking businesses and assets in India, the Philippines, Hong Kong and Indonesia;

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- payment of S\$1,300,000 in December 2013 for the acquisition of the Group's 31.81% interest in Stemlife; and
- purchase of treasury shares between 12 February 2014 to 28 March 2014 amounting to a total consideration of approximately S\$ 3,500,000

The Group also generated positive cash flows from operating activities for 9M2014.

Non-current trade receivables represent cord blood and umbilical cord lining banking service revenues receivable under instalment payment 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.

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 significant trends and factors or events that may affect the group in the next reporting period and the next 12 months

Industry prospects

According to the latest government statistics, the total number of births in Singapore was 39,720 in 2013, representing a 6.9% decrease from the 42,663 births in 2012. Total fertility rate decreased from 1.29 to 1.19 over the same period¹. Given the Singapore government's push to encourage Singaporeans to marry and have children, analysts expect a perk-up in birth rates from 2014, which could benefit Cordlife². Key initiatives in the S\$2 billion Marriage & Parenthood Package rolled out in January 2013 include enhanced support for medical costs related to childbirth, such as an increase in the Baby Bonus cash scheme and extension of the Child Development Account (CDA), which many of Cordlife's clients tap into to pay for its services.

In a report dated 10 April 2013 (the "Deloitte Report") by Deloitte & Touche Financial Advisory Services Limited ("Deloitte"), Singapore and Hong Kong are shown to have high penetration rates of private cord blood banking at approximately 19% in 2011. In Singapore, the projected penetration level is expected to reach 26% by 2015, mainly driven by effective marketing activities by established companies, and increasing public awareness and acceptance levels. The private cord blood banking segment's incremental cord blood storage is projected to grow at a Compound Annual Growth Rate (CAGR) of 9% from 2011 to 2015.

¹ Source: Department of Statistics, Singapore Web Site. http://www.singstat.gov.sg/statistics/latest_data.html#16. Accessed May 6, 2014

² Source: The Straits Times, January 21, 2013, "White Paper 'to benefit property, transport'"

According to the Deloitte Report, the 2007–2011 CAGR of annual incremental storage units for private cord blood banks in Indonesia, the Philippines and India are at 38% for Indonesia, and 35% for the Philippines and India respectively. The cord blood and cord lining banking operations in India, the Philippines and Indonesia have developed rapidly, on the back of the fast-rising middle class in these countries seeking better healthcare options for their children.

In China, the penetration rate of private cord blood banking is still low at 2.2% in 2011, indicating much room to grow for the sector, which is expected to do so at a forecast CAGR of 23% by 2015, according to the Deloitte Report. China's middle-class population is estimated to grow from 290 million in 2011 to a projected 590 million by 2025, which means a progressively larger customer pool for cord blood bank operations.

Economies of scale and scope strategy

To derive economies of scale, Cordlife is riding on the growth story of emerging Asian nations by expanding its geographical footprint for cord blood and umbilical cord lining banking business as well as other newly-introduced products catering to the mother and child segment. Initiatives under this strategy include:

- On 3 March 2014, the Group announced that it has extended its strategic alliance and co-operation with CordLabs Asia Pte. Ltd. ("CAP") and NYSE-listed China Cord Blood Corporation ("CCBC"), in relation to the provision of human postnatal umbilical cord lining storage services to certain territories in the People's Republic of China (the "PRC").
- On 9 December 2013, the Group announced that it has acquired a further 11.89% interest ("Additional Acquisition") in Stemlife, an associated company of Cordlife listed on the ACE Market of the Bursa Malaysia, for a cash payment of approximately RM17.66 million. Following the Additional Acquisition, Cordlife will hold approximately 31.81% of the issued and paid-up share capital in Stemlife. The Consideration for the Additional Acquisition was satisfied by the Group fully in cash funded through a combination of borrowings and IPO proceeds. Prior to this, the Group announced on 4 October 2013 that it had completed the acquisition of an initial 19.92% interest in Stemlife.
- On 11 November 2013, the Group announced that it has signed a non-binding term sheet with NYSE-listed CCBC, to jointly explore and develop new services based on cellular technologies. This collaboration will enable the Group to capitalise on economies of scale by expanding its geographical reach via CCBC's local networks.
- On 28 June 2013, the Group announced that it has completed the acquisition of Australia-listed Life Corporation Limited's (previously known as Cordlife Limited) cord blood and umbilical cord lining banking businesses and assets in India, the Philippines, Hong Kong and Indonesia for an aggregate consideration of A\$5.5 million.
- On 12 November 2012, the Group completed the acquisition of 10% of issued shares in CCBC and the disposal of our 10% indirect stake in China Stem Cells (South) Company Limited.

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To benefit from economies of scope, the Group is also transitioning into a multi-product healthcare company catering to the mother and child segment. In addition to providing cord blood and umbilical cord lining services, the Group is looking to provide other complementary products and services that cater to the mother and child segment. Initiatives under this strategy include:

- On 30 April 2014, the Group announced that it has entered into a licensing agreement with Stemlife, to jointly explore and develop umbilical cord lining related new services based on cellular technology in Malaysia.
- In October 2013, the Group's Indian subsidiary, Cordlife Services (India) Pvt. Ltd., introduced an advanced non-invasive metabolic screening service known as MetaScreen. MetaScreen is a comprehensive set of metabolic screening test specially designed for both newborn babies and adults. The service can detect as many as 110 inborn errors of metabolism from urine samples.
- In March 2011, the Group launched umbilical cord lining banking service in Hong Kong, offering an additional service that allows customers to collect and store their child's umbilical cord lining, which is a rich source of mesenchymal and epithelial stem cells and may potentially help repair the body in different ways. This new service was also launched in May 2013 in Singapore³ and August 2013 in the Philippines.

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 FY2014.

11. Dividends

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

Any dividend recommended for the current financial period reported on? No

(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.***

Not applicable

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

Not applicable

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

Not applicable.

³ The storage and banking of umbilical cord lining services provided is currently not licensed by the Ministry of Health, Singapore and this service is provided on a research/clinical trial basis.

13. Interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

There were no interested party transactions of \$100,000 or more for the financial period reported on.

14. Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements of the Company and the Group for the three months ended 31 March 2014 presented in this announcement, to be false or misleading in any material aspect.

15. Disclosure on the use of IPO proceeds

As at 30 April 2014, the Group has utilised approximately S\$ 19.4 million of the proceeds of the IPO of the Company (the "IPO Proceeds") as follows:

Intended Use of IPO Proceeds	Estimated amount S\$ (in millions)	Estimated percentage of gross proceeds raised from the IPO	Amount utilised S\$ (in millions)	Percentage of gross proceeds raised from the IPO
Development and expansion of business and operations in Singapore and overseas	16.6	55.9%	14.5	48.8%
Renovation of proposed new headquarters and facility at Yishun, A'Posh Bizhub	3.0	10.1%	1.0	3.4%
Investments in infrastructure relating to information technology	2.0	6.7%	-	-
Working capital and general corporate purposes	4.7	15.8%	0.2	0.7%
Expenses incurred in connection with the IPO	3.4	11.5%	3.7	12.5%
	29.7	100.0%	19.4	65.3%

Note:

(1) The numbers in the table above may not exactly add due to rounding.

The above utilisation of the Company's IPO Proceeds is in accordance with the intended use stated and percentage allocated in the disclosure on page 25 of the Company's prospectus dated 21 March 2012.

The Company will make further announcements via SGXNET as and when the balance of the IPO Proceeds are materially disbursed in accordance with Rule 704(30) of the Listing Manual of the SGX-ST.



CORDLIFE GROUP LIMITED
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By Order of the Board

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
12 May 2014