

PRESS RELEASE

Cordlife achieves 18.5% growth in revenue to S\$41.8 million for 9MFY2015 due to a growth in client deliveries

- ***Through-the-line integrated marketing strategy will drive Cordlife's market share growth in India via network effects***
- ***Continue to widen service and product offerings for families, with a focus of both the mother and child***
- ***Positioned for growth as a consumer healthcare company***

Singapore, 11 May 2015 – Cordlife Group Limited (“Cordlife”, and together with its subsidiaries, the “Group”), a mother and child consumer healthcare company, reported a profit before income tax from operations for the first nine months ended 31 March 2015 (“9MFY2015”) of S\$5.0 million. Revenue increased 18.5% year-on-year (“yoy”) from S\$35.3 million in 9MFY2014 to S\$41.8 million in 9MFY2015 due to a growth in client deliveries resulting from increased marketing and client acquisition efforts.

Excluding the Group's share of loss of associate of S\$0.3 million, fair value gain on financial asset designated at fair value through profit or loss of S\$0.8 million, fair value loss on derivative of S\$1.0 million, non-operating exchange gain of S\$6.7 million and non-operating finance income and expense of S\$3.9 million and S\$2.9 million respectively in 9MFY2015, the Group's profit before income tax from operations was S\$5.0 million, representing a 19.9% decrease from S\$6.2 million for 9MFY2014. This is mainly attributable to a 43.0% increase in selling and marketing expenses in 9MFY2015 as the Group's Indian subsidiary increased marketing spend by S\$3.4 million to increase existing market share via network effects. Including the finance income and finance costs associated with the China Cord Blood Corporation (“CCBC”) convertible note, the net realized operating and investment income for 9MFY2015 would have been S\$6.0 million, compared with S\$6.2 million for 9MFY2014.

Fair value changes on investment in CCBC and Convertible Bond

The Group recorded fair value gain on its investment in CCBC designated at fair value through profit or loss of S\$0.8 million in 9MFY2015 (9MFY2014: gain of S\$5.0 million). The fair value changes are computed based on the changes in CCBC's last traded price as at 30 June 2014 of US\$5.52 (S\$6.90 at US\$1 : S\$1.2507) and 31 March 2015 of

US\$5.11 (S\$7.02 at US\$1 : S\$1.3738) for 9MFY2015 (9MFY2014: changes in CCBC's traded price as at the transfer date of 27 September 2013 of US\$3.46 (S\$4.34 at US\$1 : S\$1.2557) and the reporting date at 31 March 2014 of US\$4.00 (S\$5.03 at US\$1 : S\$1.2577)). The fair value changes are recognised directly in the profit or loss. The above are unrealised fair value losses.

On 10 November 2014, Cordlife and Magnum Opus International Holding Limited ("Magnum") completed the acquisition of a 7% senior convertible note (the "Convertible Bond") due 3 October 2017 issued by CCBC to Golden Meditech Holdings Limited in the principal amount of US\$50 million (the "CGL Acquisition"). The Group and Magnum also entered into a facility agreement pursuant to which the Group will lend Magnum funds in an aggregate amount of up to US\$45,834,000 (the "Magnum Loan"). The Group also issued 4.9% S\$120 million fixed rate notes (the "Notes") on 29 October 2014.

As the Convertible Bond provides the Company the option to convert the bond into shares in CCBC, the Company is required to separately compute the fair value changes on the conversion option component and recognise these changes in profit or loss. Fair value changes on the conversion option is mainly affected by the time to maturity of the bond, the share price of CCBC as at the reporting date compared to the date of acquisition and the value of the bond as a function of the cash inflow from the bond at the redemption date. The Group recorded fair value loss on derivative for 9MFY2015 of approximately S\$1.017 million (9MFY2014: nil). The Group also recognised a net interest income from the Magnum Loan, the Convertible Bond and the Notes of S\$1.054 million.

Operations Review

Mr Jeremy Yee, Executive Director and Chief Executive Officer of Cordlife said: "Today, Cordlife has the largest market share of private cord blood banks in Singapore, Indonesia and the Philippines. In Hong Kong and India, we are amongst the top three market leaders for private cord blood banks. The strong top-line growth that we achieved in 9MFY2015 indicates that we are continuing to expand market leadership across Asia, in particular, India, which offers tremendous growth opportunities. In the past months, we have been growing our market presence in India with the implementation of a through-the-line integrated marketing plan, which will create a network effect to expand our customer pool

through positive word-of-mouth and new client referrals. We also expect to benefit from the cross-selling of our cord lining banking and newborn screening services, which were introduced in India in 2010 and 2013 respectively, to our large installed base of existing cord blood banking clients. Cordlife is well-positioned to leverage on the growth opportunities afforded by India's fast-rising middle class seeking better healthcare options for their children.

In 9MFY2015, Cordlife recognised S\$142,000 in royalties from the licensing of cord lining technology to CCBC and StemLife. For our operations in India, Hong Kong, Singapore and the Philippines, a significant number of parents who opted to bank their child's cord blood with us, have also signed up for our umbilical cord lining banking services at the same time. In FY2014, we established the Diagnostics Strategic Business Unit to further expand our range of consumer healthcare products and services and our first product introduced under this business unit was Metascreen™, a comprehensive non-invasive metabolic screening test specially designed for newborn babies. Metascreen™ was first introduced by Cordlife in India in October 2013, and subsequently launched in Hong Kong and the Philippines in April 2014. We have plans to roll out Metascreen™ to new markets progressively. This is testament to the progress we have made as a consumer healthcare company catering to the mother and child. Looking ahead, we hope to continue providing greater value-add to our clients with the new suite of products and services that we are introducing.”

Financial Review

Revenue increased by 18.5% or S\$6.5 million from S\$35.3 million in 9MFY2014 to S\$41.8 million in 9MFY2015. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 11,600 in 9MFY2014 to 16,100 in 9MFY2015. The increase in client deliveries was due to increased awareness as a result of increased marketing and client acquisition efforts. In particular, there was an increase in marketing spend in the Group's Indian subsidiary to increase brand awareness amongst prospective clients and establish its presence in more cities.

Gross profit increased by 13.4% or S\$3.3 million in 9MFY2015 compared to 9MFY2014 due to the increase in new client deliveries. Gross profit margin decreased from 70.7%

in 9MFY2014 to 67.6% in 9MFY2015, due mainly to an increase in revenue contribution from operations with lower margins.

Other operating income increased by 72.9% or approximately S\$239,000 in 9MFY2015 compared to 9MFY2014 mainly from a gain on disposal of investment property of S\$54,000, increase in rental income generated from the Company's investment properties by approximately S\$77,000 and royalties from licensing of cord lining technology to StemLife and CCBC of approximately S\$142,000.

Selling and marketing expenses increased by 43.0% or S\$4.1 million in 9MFY2015 compared to 9MFY2014. This was mainly attributable to the Group's Indian subsidiary where selling and marketing expenses increased by S\$3.4 million. Television commercials were aired in India for the first time as part of a through-the-line integrated marketing plan, which alone accounted for approximately S\$1.9 million during the period. There was also an increase in newspaper advertising, digital marketing and client activation activities. These additional promotional activities had been strategically planned to increase existing market share in India. The increase was also attributable to the increase in staff related costs of S\$0.8 million. The Group's entities in Singapore and India have increased their headcounts to cater to the increasing business volume.

Administrative expenses increased by 9.6% or S\$0.9 million in 9MFY2015 compared to 9MFY2014 due mainly to increase in staff cost from annual salary increments and an increase in the number of full time employees. The increase was also partly attributable to increase in legal and professional fees of approximately S\$180,000 mainly arising from the establishment of the S\$500 million Multicurrency Debt Issuance Programme and legal fees incurred in relation to an investigation by the Competition Commission of Singapore into an alleged infringement by the Company of the Competition Act (Cap. 50B), as announced on 14 October 2014.

As at 31 March 2015, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short term investments of S\$33.8 million.

A Focused Growth-Path through the use of Network Effects

The Group is riding on the growth 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 the following:

- On 10 November 2014, the Group announced that it had completed the acquisition of a convertible note issued by CCBC for approximately US\$44 million, which will result in its interest in CCBC rising to approximately 17.79% of the enlarged share capital of CCBC, assuming full conversion of the note. This transaction was approved by shareholders in an EGM held on 5th November 2014, with a majority vote of 80.43% for the transaction.
- On 3 March 2014, the Group announced that it had extended its strategic alliance and co-operation with CordLabs Asia Pte. Ltd. and CCBC in relation to the provision of human postnatal umbilical cord lining storage services to certain territories in the People's Republic of China.
- On 9 December 2013, the Group announced that it had 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 holds approximately 31.81% of the issued and paid-up share capital in StemLife. Prior to this, the Group announced on 4 October 2013 that it had completed the acquisition of an initial 19.92% interest in StemLife. StemLife Berhad currently has approximately 40% of the largest cord blood banking company in Thailand, Thai StemLife. The acquisition of 31.81% stake in StemLife Berhad is expected to generate long term revenue and cost synergies between Cordlife and StemLife Berhad

The Group is also looking to provide other adjacent products and services that cater to the mother and child segment, in addition to cord blood and umbilical cord lining banking services. Initiatives under this strategy include the following:

- On 30 April 2014, the Group announced that Cordlife had 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 April 2014, Metascreen™ was launched in both the Philippines and Hong Kong.
- The Group is expected to launch all adjacent products and services into all the markets this year, and in some cases, leveraging on the power of product and service bundling.

Proposed Disposal Of Shares In China Cord Blood Corporation And 7% Senior Unsecured Convertible Note Due 2017

Cordlife announced on 8 May 2015 that the Group has entered into a conditional purchase agreement with Golden Meditech Holdings Limited, pursuant to which Cordlife has agreed to sell and Golden Meditech has agreed to purchase from Cordlife 7,314,015 ordinary shares in CCBC and a 7% senior unsecured convertible note due 3 October 2017 issued by CCBC to Cordlife in the principal amount of US\$25 million (the "Proposed Disposal"). The Proposed Disposal allows Cordlife to realise value in its investment in CCBC at a net gain of approximately S\$46,184,000¹. The proceeds from Proposed Disposal may be used for the Group's future business expansion, or be used to deleverage the financial position of the Group and/or for distribution to shareholders of the Group. The completion of the Proposed Disposal is conditional upon the fulfilment of the salient terms of the purchase agreement as per the SGX announcement dated 8 May 2015.

Mr Yee continued: "Moving forward, we remain committed to developing our market leadership in cord blood and umbilical cord lining banking in Asia while continuing with our plans to introduce new consumer healthcare products catering to the mother and child. Barring any unforeseen circumstances and excluding fair value changes on financial asset designated at fair value through profit or loss, fair value changes on derivative, non-

¹ This figure does not include the Additional Consideration which is dependent on the Final Proposal Price as explained in the Company's announcement on 8 May 2015. For more information, please refer to the announcement on the Proposed Disposal of shares in China Cord Blood Corporation and 7% senior unsecured convertible note due 2017.

operating exchange differences, share of results of associate and any other one-off items, the Group expects its core business to remain profitable for FY2015.”

- The End -

ABOUT CORDLIFE GROUP LIMITED (Bloomberg stock code: CLGL)

Incorporated in May 2001, Cordlife Group Limited (“Cordlife”, and together with its subsidiaries, the “Group”), is a consumer healthcare company catering to the mother and child segment and a leading cord blood and umbilical cord lining banking services provider. Amongst the first private cord blood banks in Asia, Cordlife has the largest market share of private cord blood banks in Singapore, Indonesia and the Philippines². In Hong Kong and India, it is amongst the top three market leaders for private cord blood banks.

Cordlife, through its collaborative relationships and arrangements with major private hospitals and clinics such as Thomson Medical and Parkway East Hospital, has continued to increase public awareness of its cord blood banking service in Singapore. Overseas, the Group has a 10.02% direct stake in China Cord Blood Corporation (“CCBC”) – a top cord blood bank operator in China holding majority shares in the Beijing, Guangdong and Zhejiang Cord Blood Banks, and an approximately 24.00% share in Shandong Cord Blood Bank. In November 2014, Cordlife acquired CCBC convertible note for approximately US\$44 million, which will result in its interest in CCBC rising to approximately 17.79% of the enlarged share capital of CCBC, assuming full conversion of the note. In October 2013, Cordlife also acquired a 19.92% stake, which was subsequently increased to approximately 31.81% in December 2013, in StemLife Berhad (“StemLife”). StemLife is a fully licensed cord blood banking facility with the Ministry of Health Malaysia currently listed on the ACE Market of Bursa Malaysia.

Cordlife has been accredited since 2005 by AABB (formerly known as the American Association of Blood Banks), an association involved in the field of transfusion medicine and cellular therapies. The Group is one of the first private cord blood banks in Singapore and amongst the first in Hong Kong to have released cord blood units for transplants and other therapeutic use. In Singapore, Cordlife was the first private cord blood bank to release cord blood units for the treatment of cerebral palsy. In addition, in April 2013, Cordlife became the first private cord blood bank in Asia to have launched SEPAX^{®2}, a Swiss-made FDA-approved, GMP compliant automated stem cell processing system that maximises automation while ensuring consistently high cell recoveries.

Cordlife’s track record has won the Group many accolades and awards, including: Best Medical Service Award 2010 by Capital CEO Supreme Brand Awards; Top Pregnant/Baby Products Award 2011 by Pregnancy Magazine; Outstanding Financial Strength Cord Blood Bank 2012 by Quamnet Outstanding Enterprise Awards; Most Popular Brand Award 2010 – The Most Popular Cord Blood Bank by TVB Weekly; U-Choice Lifestyle Brand Award 2010 by Metroinfo FM99.7; Baby & Kid Brands Awards Year 2013, “My Favourite Cord Blood Bank” by Hong Kong Economic Times; 2014 Most Popular Stem Cell Bank Reader’s Choice by Child Magazine; 2013-2014 MyBB Parent-Child Favorite Cord Blood and Umbilical Cord Bank Company and Baby Kingdom Top 10 Family Brand Award 2012³. In October 2012, Cordlife was awarded the prestigious SIAS Investors’ Choice Awards as runner-up in the “Most Transparent Company Award 2012” New Issues Category. In August 2013, we were presented with Merit Award for the Singapore Corporate Awards 2013, “Best Investor Relations Award”. In November 2013, Cordlife was named the “Most Transparent

² Source : Deloitte & Touche Financial Advisory Services Limited report, October 2014

³ Awarded to Cordlife (Hong Kong) Limited



Company 2013" in the Retail & Household Goods Category and Mainboard Small Caps Category at the 14th SIAS Investors' Choice Awards.

ISSUED ON BEHALF OF : Cordlife Group Limited
BY : Financial PR Pte Ltd
4 Robinson Road #04-01
The House of Eden
Singapore 048543
CONTACT : Mr Kamal Samuel / Mr Mark Lin / Mr Colin Tan
OFFICE : 6438-2990
EMAIL : kamal@financialpr.com.sg / marklin@financialpr.com.sg /
colintan@financialpr.com.sg
