# CORDLIFE GROUP LIMITED

**Full Year Unaudited Financial Statements for the Year Ended 30 June 2016**

**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 12 months ended 30 June | | +/(-) Increase/ (Decrease) |
|---|---|---|---|
| | **2016** | **2015** | |
| | $'000 | $'000 | % |
| **Revenue** | 59,627 | 57,583 | 3.5 |
| Cost of sales | (20,166) | (17,560) | 14.8 |
| **Gross profit** | 39,461 | 40,023 | (1.4) |
| Other operating income | 977 | 773 | 26.4 |
| Selling and marketing expenses | (19,012) | (17,657) | 7.7 |
| Administrative expenses | (19,513) | (17,254) | 13.1 |
| Finance income | 1,531 | 409 | >100.0 |
| Finance costs | (267) | (185) | 44.3 |
| **Profit before income tax from operations*** | 3,177 | 6,109 | (48.0) |
| Share of results of associate | (76) | (436) | (82.6) |
| Impairment loss on investment in associate | - | (2,646) | n.m. |
| Fair value (loss)/gain on investment properties | (220) | 265 | n.m. |
| Fair value changes on financial asset designated at fair value through profit or loss | 4,548 | 10,364 | (56.1) |
| Fair value changes on derivative | 2,519 | 12,922 | (80.5) |
| Exchange differences | 6,014 | 4,653 | 29.2 |
| Gain on sale of financial asset designated at fair value through profit or loss | 151 | - | n.m. |
| Gain on sale of convertible note | 5,012 | - | n.m. |
| Remeasurement loss on previously held equity interest in subsidiary | (1,594) | - | n.m. |
| Other expenses | (1,909) | - | n.m. |
| Finance income | 3,815 | 6,634 | (42.5) |
| Finance costs | (5,322) | (4,597) | 15.8 |
| Note repurchase expense | (2,025) | - | n.m. |
| **Profit before income tax** | 14,090 | 33,268 | (57.6) |
| Income tax expense | (802) | (1,143) | (29.8) |
| **Profit for the year** | 13,288 | 32,125 | (58.6) |

**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 12 months ended 30 June 2016 | 2015 | +/(-) Increase/ (Decrease) |
|---|---|---|---|
| | $'000 | $'000 | % |
| **Other comprehensive income/(loss) for the year, net of tax:** | | | |
| *Items that may be reclassified subsequently to profit and loss* | | | |
| Share of foreign currency translation of associate | (180) | (310) | (41.9) |
| Foreign currency translation | (484) | (80) | >100.0 |
| **Total comprehensive income for the year** | 12,624 | 31,735 | (60.2) |
| **Income/(loss) for the year attributable to:** | | | |
| - Shareholders of the company | 13,037 | 32,460 | (59.8) |
| - Non-controlling interests | 251 | (335) | n.m. |
| | 13,288 | 32,125 | (58.6) |
| **Total comprehensive income/(loss) for the year attributable to:** | | | |
| - Shareholders of the company | 12,309 | 32,013 | (61.5) |
| - Non-controlling interests | 315 | (278) | n.m. |
| | 12,624 | 31,735 | (60.2) |

n.m. denotes not meaningful

*In order to provide more clarity to readers, the Group has presented separately its share of results of associate, fair value (loss)/gain on investment properties, remeasurement loss on previously held equity interest in subsidiary, other expenses, fair value changes, gains on sale, exchange differences, finance income and finance costs that relate to the convertible note, loan to third party and fixed rate note from its profit before income tax from operations.

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

| | Group 12 months ended 30 June | | |
|---|---|---|---|
| | **2016** | **2015** | |
| | $'000 | $'000 | |
| Depreciation of property, plant and equipment | 1,784 | 1,461 | [1] |
| Amortisation of intangibles | 731 | 227 | [2] |
| Allowance for doubtful debts and bad debts written off, net | 386 | 511 | |
| Foreign exchange loss | 115 | 257 | |
| Underprovision of tax in prior years | 149 | 39 | |
| Other miscellaneous income | (977) | (773) | [3] |
| Waiver of upfront fee previously classified as finance income | 615 | - | [4] |

Notes

1. The increase in depreciation was due to the additional laboratory equipment purchased for Cordlife Sciences India to accommodate the increased sales volume and depreciation expenses incurred by StemLife Berhad ("StemLife") which became a subsidiary of the Group in December 2015.

2. The increase in amortisation of intangibles was mainly due to the amortisation of intangible assets arising from the acquisition of StemLife.

3. The increase in other miscellaneous income was mainly due to grant income from Spring Singapore of approximately S$232,000 for the Group's initiatives in training of employees and investing in infrastructure relating to information technology (FY2015: grant income of S$37,000).

4. On 25 August 2014, 10 September 2014 and 17 October 2014, the Company announced that it had entered into a facility agreement (the "Facility Agreement") with Magnum Opus International Holdings Limited ("Magnum") pursuant to which the Company had lent Magnum funds in an aggregate amount of US$45,834,000 (the "Magnum Loan").

   On 28 December 2015, the Company announced that an amount of US$44,695,887 of the Magnum Loan has been prepaid ahead of the final repayment date stipulated in the Facility Agreement. In exchange for the aforementioned prepayment, the Company agreed to waive the upfront fee owed by Magnum to the Company under the Facility Agreement (and accrued interest thereon) being US$1,565,897. The upfront fee was previously amortised and the amortised amount was recognised as finance income. As a consequence of the waiver, the amount of upfront fee amortised to date amounting to $615,000 was reversed to the income statement.

**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 2016** $'000 | **30 June 2015** $'000 | **30 June 2016** $'000 | **30 June 2015** $'000 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment in associate | - | 13,543 | - | 13,543 |
| Investment in subsidiaries | - | - | 54,386 | 21,034 |
| Financial asset designated at fair value through profit or loss | - | 60,858 | - | 60,858 |
| Available-for-sale asset | 4,200 | - | 4,200 | - |
| Derivative asset | - | 37,971 | - | 37,971 |
| Property, plant and equipment | 13,290 | 9,567 | 6,654 | 7,098 |
| Investment properties | 9,152 | 3,795 | 3,590 | 3,795 |
| Goodwill | 7,581 | - | - | - |
| Intangible assets | 6,677 | 2,543 | 1,969 | 1,164 |
| Deferred tax assets | 178 | - | 178 | - |
| Trade receivables | 60,510 | 54,606 | 45,535 | 43,458 |
| Other receivables | 4,212 | 98,513 | 4,212 | 98,513 |
| Deposits | 105 | - | - | - |
| | 105,905 | 281,396 | 120,724 | 287,434 |
| **Current assets** | | | | |
| Cash and cash equivalents | 69,701 | 15,738 | 59,769 | 11,668 |
| Fixed deposits | 53,399 | 12,256 | 47,567 | 11,949 |
| Pledged fixed deposits | 324 | 320 | - | - |
| Short-term investments | 14,970 | 1,234 | - | - |
| Trade receivables | 21,010 | 15,256 | 8,663 | 7,278 |
| Other receivables | 2,014 | 4,210 | 765 | 2,724 |
| Prepayments | 1,720 | 1,702 | 739 | 961 |
| Inventories | 1,057 | 851 | 429 | 347 |
| Amounts owing by subsidiaries | - | - | 14,022 | 11,368 |
| | 164,195 | 51,567 | 131,954 | 46,295 |
| **Current liabilities** | | | | |
| Trade and other payables | 13,135 | 11,597 | 4,972 | 7,027 |
| Deferred revenue | 15,502 | 3,989 | 2,565 | 1,994 |
| Amounts owing to subsidiaries | - | - | 15,052 | 25,090 |
| Tax payable | 592 | 1,103 | - | 463 |
| Interest-bearing borrowings | 2,124 | 4,486 | 2,124 | 4,486 |
| | 31,353 | 21,175 | 24,713 | 39,060 |
| **Net current assets** | 132,842 | 30,392 | 107,241 | 7,235 |

**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 30 June 2016 $'000 | Group As at 30 June 2015 $'000 | Company As at 30 June 2016 $'000 | Company As at 30 June 2015 $'000 |
|---|---|---|---|---|
| **Non-current liabilities** | | | | |
| Other payables | 86 | 1,306 | - | 1,306 |
| Deferred revenue | 24,716 | 23,627 | 12,795 | 13,111 |
| Deferred tax liabilities | 4,073 | 91 | 105 | 105 |
| Interest-bearing borrowings | 8,742 | 7,355 | 8,742 | 7,355 |
| Notes payable | 67,403 | 117,463 | 67,403 | 117,463 |
| | 105,020 | 149,842 | 89,045 | 139,340 |
| **Net assets** | 133,727 | 161,946 | 138,920 | 155,329 |
| **Capital and reserves** | | | | |
| Share capital | 96,672 | 96,657 | 96,672 | 96,657 |
| Treasury shares | (9,828) | (9,901) | (9,828) | (9,901) |
| Accumulated profits | 55,368 | 78,633 | 51,487 | 67,998 |
| Other reserves | (10,621) | (2,983) | 589 | 575 |
| | 131,591 | 162,406 | 138,920 | 155,329 |
| Non-controlling interests | 2,136 | (460) | - | - |
| **Total equity** | 133,727 | 161,946 | 138,920 | 155,329 |

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

| | | As at | |
|---|---|---|---|
| | | **30 June 2016** | **30 June 2015** |
| | | $'000 | $'000 |
| **Amount repayable in one year or less, or on demand** | | | |
| - | Loan I – secured | 277 | 306 |
| - | Loan II – secured | 1,167 | 3,500 |
| - | Loan III – secured | 680 | 680 |
| **Amount repayable after one year** | | | |
| - | Loan I – secured | 5,049 | 5,315 |
| - | Loan II – secured | 2,333 | - |
| - | Loan III – secured | 1,360 | 2,040 |
| - | Notes payable | 67,403 | 117,463 |
| | | 78,269 | 129,304 |

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

a) First legal mortgage of the leasehold properties and investment properties (the "Properties") of Cordlife Group Limited (the "Company");

b) The assignment of the rights, title and interest with respect to the Properties; and

c) Charge over all current 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 a 3 year term loan with yearly principal repayments. It will be repaid in full in July 2018.

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

On 29 October 2014, the Group issued S$120 million in aggregate principal amount of 4.9% fixed rate notes due 2017 (the "Notes") under its S$500 million Multicurrency Debt Issuance Programme.

On 16 December 2015, 6 January 2016 and 28 January 2016, the Group announced that it had repurchased S$51,750,000 in principal amount of the Notes (the "Repurchased Notes"). Following the settlement, the Repurchased Notes were cancelled on 6 April 2016, and the remaining outstanding aggregate principal amount of the Notes following the cancellation of the Repurchased Notes would be S$68,250,000.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company from time to time outstanding. The Notes are redeemable only upon maturity on 28 October 2017.

**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 12 months ended 30 June | |
|---|---|---|
| | **2016** | **2015** |
| | $'000 | $'000 |
| **Operating activities** | | |
| Profit before income tax | 14,090 | 33,268 |
| Adjustments for: | | |
| Depreciation | 1,784 | 1,461 |
| Amortisation | 731 | 227 |
| Allowance for doubtful debts | 386 | 511 |
| Loss/(gain) on disposal of property, plant and equipment | 4 | (54) |
| Interest income | (5,346) | (7,043) |
| Interest expense | 5,589 | 4,782 |
| Note repurchase expense | 2,025 | – |
| Share-based compensation expense | 102 | 108 |
| Share of results of associate | 76 | 436 |
| Impairment loss on investment in associate | – | 2,646 |
| Unrealised share of other income from associate | (44) | (106) |
| Fair value loss/(gain) on investment properties | 220 | (265) |
| Fair value changes on financial asset designated at fair value through profit or loss | (4,548) | (10,364) |
| Fair value changes on derivative | (2,519) | (12,922) |
| Gain on sale of financial asset designated at fair value through profit or loss | (151) | – |
| Gain on sale of convertible note | (5,012) | – |
| Remeasurement loss on previously held equity interest in subsidiary | 1,594 | – |
| Unrealised exchange gain | (7,082) | (4,780) |
| **Operating cash flows before movements in working capital** | 1,899 | 7,905 |
| Increase in trade receivables | (9,279) | (11,522) |
| Decrease/(increase) in other receivables, deposits and prepayments | 405 | (1,147) |
| Increase in inventories | (74) | (206) |
| Increase in trade payables and other payables | 119 | 1,201 |
| Increase in deferred revenue | 2,900 | 1,765 |
| **Cash used in operations** | (4,030) | (2,004) |
| Interest received | 1,204 | 409 |
| Interest paid | (267) | (185) |
| Income tax paid | (1,260) | (1,664) |
| **Net cash used in operating activities** | (4,353) | (3,444) |

**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 12 months ended 30 June | |
|---|---|---|
| | **2016** | **2015** |
| | $'000 | $'000 |
| **Investing activities** | | |
| Purchase of property, plant and equipment | (4,086) | (1,968) |
| Purchase of intangible assets | (1,148) | (825) |
| Proceeds from disposal of property, plant and equipment | 60 | – |
| Proceeds from disposal of investment property | – | 754 |
| Placement of short term investment | (1,276) | (246) |
| Acquisition of subsidiary, net of cash | (14,418) | – |
| Acquisition of convertible bond, net of transaction cost | (4,200) | (57,303) |
| Acquisition of available-for-sale asset | (4,200) | – |
| Interest received on loan receivable and convertible note | 5,245 | 2,155 |
| Proceeds from disposal of shares, net of transaction costs | 65,688 | – |
| Proceeds from disposal of convertible note, net of transaction costs | 87,225 | – |
| Proceeds from loan repayment | 62,596 | – |
| Transfer to term deposits, net | (38,296) | (8) |
| **Net cash generated from/(used in) investing activities** | 153,190 | (57,441) |
| **Financing activities** | | |
| Transfer (to)/from pledged fixed deposits | (4) | 28 |
| Repayment of interest-bearing borrowings | (976) | (1,009) |
| Loan to external party, net of transaction cost | – | (57,683) |
| Dividends paid | (36,302) | (5,186) |
| Proceeds from issue of notes, net of transaction cost | – | 116,797 |
| Interest paid on Notes | (4,902) | (2,941) |
| Purchase of treasury shares | – | (6,003) |
| Repurchase of Notes | (52,889) | – |
| **Net cash (used in)/generated from financing activities** | (95,073) | 44,003 |
| **Net increase/(decrease) in cash and cash equivalents** | 53,964 | (16,882) |
| **Cash and cash equivalents at the beginning of the financial year** | 15,738 | 32,643 |
| Effects of exchange rate changes on the balance of cash and cash equivalents | 199 | (23) |
| **Cash and cash equivalents at end of the financial year** | 69,701 | 15,738 |

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with a maturity of three months or less.

**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 | Treasury shares $'000 | Accumulated profits $'000 | Share-based compensation reserve $'000 | Capital reserve $'000 | Merger reserve $'000 | Acquisition reserve $'000 | Foreign currency translation reserve $'000 | Non-controlling interests $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2014** | 96,657 | (3,898) | 51,359 | 45 | 568 | 534 | (2,184) | (1,607) | (182) | 141,292 |
| Profit/(loss) for the year | – | – | 32,460 | – | – | – | – | – | (335) | 32,125 |
| Other comprehensive (loss)/ income | | | | | | | | | | |
| - Net effect of foreign currency translation | – | – | – | – | – | – | – | (137) | 57 | (80) |
| - Share of other comprehensive expense of associate | – | – | – | – | – | – | – | (310) | – | (310) |
| Total comprehensive income/ (loss) for the year, net of tax | – | – | 32,460 | – | – | – | – | (447) | (278) | 31,735 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | | | |
| Purchase of treasury shares | – | (6,003) | – | – | – | – | – | – | – | (6,003) |
| Grant of share awards to employees | – | – | – | 108 | – | – | – | – | – | 108 |
| Dividends | – | – | (5,186) | – | – | – | – | – | – | (5,186) |
| Total contributions by and distributions to owners | – | (6,003) | (5,186) | 108 | – | – | – | – | – | (11,081) |
| **Balance at 30 June 2015** | 96,657 | (9,901) | 78,633 | 153 | 568 | 534 | (2,184) | (2,054) | (460) | 161,946 |

**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 | **Capital reserve** $'000 | **Share-based compensation reserve** $'000 | **Total** $'000 |
|---|---|---|---|---|---|---|
| **Balance at 1 July 2014** | 96,657 | (3,898) | 44,703 | 422 | 45 | 137,929 |
| Profit for the year, representing total comprehensive income for the year | – | – | 28,481 | – | – | 28,481 |
| Contributions by and distributions to owners | | | | | | |
| Purchase of treasury shares | – | (6,003) | – | – | – | (6,003) |
| Grant of share awards to employees | – | – | – | – | 108 | 108 |
| Dividends | – | – | (5,186) | – | – | (5,186) |
| Total contributions by and distributions to owners | – | (6,003) | (5,186) | – | 108 | (11,081) |
| **Balance at 30 June 2015** | 96,657 | (9,901) | 67,998 | 422 | 153 | 155,329 |

**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 | Share-based compensation reserve $'000 | Capital reserve $'000 | Merger reserve $'000 | Acquisition reserve $'000 | Other reserve $'000 | Foreign currency translation account $'000 | Non-controlling interests $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2015** | 96,657 | (9,901) | 78,633 | 153 | 568 | 534 | (2,184) | – | (2,054) | (460) | 161,946 |
| Profit for the financial period | – | – | 13,037 | – | – | – | – | – | – | 251 | 13,288 |
| Other comprehensive (loss)/profit for the financial period, net of tax | | | | | | | | | | | |
| - Foreign currency translation | – | – | – | – | – | – | – | – | (548) | 64 | (484) |
| - Share of other comprehensive loss of associate | – | – | – | – | – | – | – | – | (180) | – | (180) |
| Total comprehensive income/(loss) for the period, net of tax | – | – | 13,037 | – | – | – | – | – | (728) | 315 | 12,624 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | | | | |
| Grant of share awards to employees | – | – | – | 102 | – | – | – | – | – | – | 102 |
| Treasury shares re-issued pursuant to equity compensation plan | 15 | 73 | – | (88) | – | – | – | – | – | – | – |
| Dividends | – | – | (36,302) | – | – | – | – | – | – | – | (36,302) |
| Total contributions by and distributions to owners | 15 | 73 | (36,302) | 14 | – | – | – | – | – | – | (36,200) |
| Acquisition of subsidiary | – | – | – | – | – | – | – | – | – | 10,848 | 10,848 |
| Acquisition of non-controlling interests in subsidiaries* | – | – | – | – | – | – | – | (6,924) | – | (8,567) | (15,491) |
| **Balance at 30 June 2016** | 96,672 | (9,828) | 55,368 | 167 | 568 | 534 | (2,184) | (6,924) | (2,782) | 2,136 | 133,727 |

**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)**

*On 12 October 2015, the Group announced that its wholly-owned subsidiary, CS Cell Technologies Pte. Ltd acquired 585,778 ordinary shares in Cordlife Sciences (India) Pvt. Ltd from Strassenburg Pharmaceuticals Limited, representing approximately 15% of all the issued ordinary shares of Cordlife India for INR40,000,000 (approximately S$891,000). As a result of the acquisition, the carrying value of the non-controlling interest being approximately S$(85,000) was reversed, and the difference between the consideration and the carrying value of the non-controlling interest, being S$976,000 was recognised in other reserve.

On 12 November 2015, the Group announced that it had, through Maybank Investment Bank Berhad, served a notice of conditional mandatory take-over offer (the “Offer”) on the board of directors of StemLife to acquire all the remaining ordinary shares of RM0.10 each in the capital of StemLife not already owned by the Company. The Group obtained control of StemLife on 7 December 2015 with an interest in StemLife of approximately 50.03%. Subsequent to gaining control, the Group continued to receive acceptances to the offer and acquired shares in StemLife up to the close of the Offer on 2 February 2016. At the close of offer, the Group obtained 39.85% interest from the non-controlling interests in StemLife to arrive at a total interest in StemLife of approximately 89.88%. As a result of the further 39.85% interest acquired, the carrying value of the non-controlling interest being approximately S$8,652,000 was reversed and the difference between the consideration and the carrying value of the non-controlling interest, being S$5,948,000 was recognised in other reserves.

**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 | **Capital reserve** $'000 | **Share-based compensation reserve** $'000 | **Total** $'000 |
|---|---|---|---|---|---|---|
| **Balance at 1 July 2015** | 96,657 | (9,901) | 67,998 | 422 | 153 | 155,329 |
| Profit for the period, representing total comprehensive income for the period | – | – | 19,791 | – | – | 19,791 |
| Contributions by and distributions to owners | | | | | | |
| Grant of share awards to employees | – | – | – | – | 102 | 102 |
| Treasury shares re-issued pursuant to equity compensation plan | 15 | 73 | – | – | (88) | – |
| Dividends | – | – | (36,302) | – | – | (36,302) |
| Total contributions by and distributions to owners | 15 | 73 | (36,302) | – | 14 | (36,200) |
| **Balance at 30 June 2016** | 96,672 | (9,828) | 51,487 | 422 | 167 | 138,920 |

**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 2015** | 259,297,354 | 96,656,721 |
| Treasury shares re-issued pursuant to equity compensation plan | 61,000 | 15,532 |
| **As at 30 June 2016** | **259,358,354** | **96,672,253** |

**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 30 June 2016 No. of shares** | **As at 30 June 2015 No. of shares** |
|---|---|---|
| Total number of issued shares | 267,525,354 | 267,525,354 |
| Less: Treasury shares | (8,167,000) | (8,228,000) |
| Total number of issued shares excluding treasury shares | 259,358,354 | 259,297,354 |

**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**

On 6 January 2016, 61,000 treasury shares were utilised for issue of 61,000 shares under the Cordlife Share Grant Plan.

**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 year reported on have been presented using the same accounting policies and methods of computation as presented in the Group'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 financial year beginning 1 July 2015.

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.

**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 12 months ended 30 June | |
|---|---|---|
| **Basic Earnings Per Share** | **2016** | **2015** |
| **Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:** | | |
| Profit attributable to shareholders of the Company (S$ '000) | 13,037 | 32,460 |
| Weighted average number of shares in issue during the period ('000) | 259,327 | 260,043 |
| Basic earnings per share ("EPS") based on weighted average number of ordinary shares (cents) | 5.03 | 12.48 |
| **Diluted Earnings Per Share** | | |
| **Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:** | | |
| Profit attributable to shareholders of the Company (S$ '000) | 13,037 | 32,460 |
| Weighted average number of shares in issue during the period ('000) | 259,819 | 260,343 |
| Diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents) | 5.02 | 12.47 |

Notes:

Basic earnings per share are calculated by dividing profit net of tax, attributable to shareholders 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 shareholders 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.

Potential ordinary shares shall be treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share.

**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 | |
|---|---|---|---|---|
| | **30 June 2016 (cents)** | **30 June 2015 (cents)** | **30 June 2016 (cents)** | **30 June 2015 (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 financial year reported on | 51.56 | 62.46 | 53.56 | 59.90 |

The number of shares in issue used in calculating the net asset value per share as at 30 June 2016 and 30 June 2015 was 259,358,354 and 259,297,354 respectively.

The decrease in net asset value per ordinary share of the Group was due mainly to the payment of the final and special interim dividend of 1 cent per share on 6 November 2015 and 13 cents per share on 3 December 2015 respectively. The decrease was also partly due to the acquisition of non-controlling interests in Cordlife Sciences (India) Pvt. Ltd and StemLife, where the difference between the consideration and the carrying value of the non-controlling interests amounting to a total of S$6,924,000 was recognised in other reserves.

**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 2016 ("FY2016") AGAINST 12 MONTHS 2015 ("FY2015")**

**Income Statement**

Revenue

Revenue increased by 3.5% or S$2.0 million from S$57.6 million in FY2015 to S$59.6 million in FY2016. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 21,085 in FY2015 to 22,956 in FY2016. Increase in client deliveries in FY2016 was partly due to StemLife which contributed S$3.6 million of the increase in revenue. The Group consolidated StemLife as a subsidiary on 7 December 2015 when it obtained control.

Cost of sales

Cost of sales increased by 14.8% or S$2.6 million in FY2016 compared to FY2015. The increase in cost of sales was in line with the increase in client deliveries from FY2015 to FY2016. The newly consolidated subsidiary, StemLife, accounted for S$1.6 million of the increase in cost of sales.

Gross profit and gross profit margin

Gross profit decreased by 1.4% or S$562,000 in FY2016 compared to FY2015. Gross profit margin decreased from 69.5% in FY2015 to 66.2% in FY2016.

The drop in gross profit margin was mainly due to the increase in cost of quality and compliance in laboratory practices in order to adhere to best practices and provide the highest quality of service to our clients. In the current financial year, Singapore obtained FACT (Foundation for the Accreditation of Cellular Therapy) accreditation and Philippines began preparing for AABB (formerly known as American Association of Blood Banks) accreditation.

It was also due to lower margin attributable to the newly consolidated subsidiary, StemLife.

Other operating income

Other operating income increased by 26.4% or approximately S$204,000 in FY2016 compared to FY2015 partly due to grant income from Spring Singapore of approximately S$232,000 for the Group's initiatives in employee training and development and investments in information technology infrastructure (FY2015: grant income of S$37,000).

Selling and marketing expenses

Selling and marketing expenses increased by 7.7% or S$1.4 million in FY2016 compared to FY2015.

This was due to an increase in expenditure in Indonesia and Philippines of approximately S$1.1 million as part of the Group's expansion into more cities and increased marketing efforts in raising market awareness of its diagnostic services. In Singapore and Hong Kong, selling and marketing expenses increased by approximately S$1.7 million due to increase in headcount and implementation of more educational marketing activities to further promote customer awareness. The increase was also partly attributable to the newly consolidated subsidiary, StemLife, accounting for S$894,000 of marketing spend.

This was offset by a decrease in advertising spend in India of approximately S$2.2 million. In FY2015, approximately S$1.2 million was spent on television commercials aired in the Indian market for the first time as part of a through-the-line integrated marketing plan. There was no expense incurred in relation to television advertisement in FY2016.

Administrative expenses

Administrative expenses increased by 13.1% or S$2.3 million in FY2016 compared to FY2015.

This was partly due to total one-off expenses in FY2016 of $1.4 million, comprising legal and professional fees of S$407,000 and $318,000 incurred for the take-over offer of StemLife and the legal proceeding brought against Cryoviva Singapore Pte. Ltd. over intellectual property infringement respectively. The Group also provided for non-recurring service tax relating to customer contracts in prior years of S$626,000 for Cordlife India.

Depreciation of property, plant and equipment increased by S$207,000 due to the additional laboratory equipment purchased for India to accommodate the increased sales volume and depreciation expenses incurred by StemLife. Amortisation expenses increased by S$335,000 in FY2016 mainly due to the amortisation of intangible assets arising from the acquisition of StemLife.

In order to ensure quality of our services with a growing customer base and the expansion of the diagnostic strategic business unit, staff-related costs increased by approximately S$1.3 million. This was attributable to increased headcount and more investment in training and development to augment the long-term effectiveness and efficiency of the employees. The increase was offset by a decrease in performance bonus of S$1.7 million.

There was also an increase in travel expenses of S$190,000 for business development and oversight activities as the regional operations continue to expand. In FY2016, there was also an increase of S$164,000 in consultancy fees relating to hiring costs and board effectiveness review. There was no such review in FY2015.

StemLife also accounted for approximately S$1.5 million of the increase.

Finance income

Finance income increased by S$1.1 million due to the increase in placement of fixed deposits with reputable banks and financial institutions in line with the Group's cash management policy. The newly consolidated subsidiary, StemLife, accounted for S$486,000 of the increase in finance income.

Finance costs

Finance costs increased by 44.3% or S$82,000 mainly attributable to the increased interest rate charged on the Group's bank borrowings.

Profit before income tax from operations

As a result of the foregoing, our profit before income tax from operations in FY2016 was lower than FY2015 at S$3.2 million.

Share of results of associate

Our share of loss in associate was approximately S$76,000 for FY2016 as compared to a loss of S$436,000 for FY2015.

Impairment loss on investment in associate

In FY2015, the Group recognised an impairment loss on investment in StemLife amounting to S$2.6 million. No similar impairment loss was being recognised in FY2016.

Fair value (loss)/gain on investment properties

Certain units owned by the Group in A'Posh Bizhub and certain properties acquired from StemLife have been designated as investment properties because these units are allocated to be leased to third parties to earn rental income or for capital appreciation. Investment properties are initially recognised at cost and subsequently measured at fair value which reflects the market conditions at the end of the reporting period. The Group engaged an independent professional valuer to value these investment properties, resulting in fair value loss of S$220,000 and gain of S$265,000 in FY2016 and FY2015 respectively which are recorded in the profit or loss.

Fair value changes on financial asset designated at fair value through profit or loss

On 14 September 2015, the Group obtained shareholders' approval in an Extraordinary General Meeting in relation to the sale of shares and a convertible note issued by CCBC (the "Disposal") to Golden Meditech Holdings Limited ("Meditech").

The Group had agreed to sell to Meditech 7,314,015 ordinary shares of par value US$0.0001 per share (the "Sale Shares") in CCBC and a 7% senior unsecured convertible note due 3 October 2017 issued by CCBC to the Company in the principal amount of US$25,000,000 (the "Convertible Note").

On 30 October 2015 and 13 November 2015, the Company announced that the disposal of the Sale Shares and the Convertible Note had been completed respectively.

The Group recorded fair value gain on its investment in CCBC designated at fair value through profit or loss of S$4.5 million in FY2016 (FY2015: S$10.4 million). The fair value changes are computed based on the changes in CCBC's last traded price as at 30 June 2015 of US$6.16 (approximately S$8.32 at US$1:S$1.3508) and 30 October 2015, being the date of disposal of the Sale Shares, of US$6.37 (approximately S$8.94 at US$1:S$1.4038) for FY2016 (FY2015: 30 June 2014 of US$5.52 (approximately S$6.90 at US$1:S$1.2506) and 30 June 2015 of US$6.16 (approximately S$8.32 at US$1:S$1.3508)). The fair value changes are recognised directly in the profit or loss.

Fair value changes on derivative

On 10 November 2014, each of the Company and Magnum completed the acquisition of a 7% senior convertible note due 3 October 2017 issued by CCBC to Meditech in the principal amount of US$25 million each (respectively, the "CGL Acquisition" and the "Magnum Acquisition"). The Company and Magnum also entered into a facility agreement pursuant to which the Company will lend Magnum funds in an aggregate amount of up to US$46,500,000 (the "Magnum Loan").

As the Convertible Note provided the Company the option to convert the Convertible Note to shares in CCBC, the Company was 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 was mainly affected by the time to maturity of the note, the share price of CCBC as at the reporting date compared to the date of acquisition and the value of the note as a function of the cash inflow from the note at the redemption date.

On 13 November 2015, the Company announced that it had completed the disposal of the Convertible Note.

The Group recorded fair value gain on derivative up to the date of disposal on 13 November 2015 of approximately S$2,519,000 for FY2016 (FY2015: fair value gain of S$12.9 million).

Exchange differences

Due to strengthening of the US$ against the S$, unrealised foreign exchange gain of approximately S$6.0 million was recognised on the Magnum Loan and the Convertible Note for FY2016 (FY2015: S$4.7 million).

Gain on sale of financial asset designated at fair value through profit or loss

In FY2016, the Group recognised the gain on the sale of the Sale Shares of S$151,000 (FY2015: $Nil). The gain on the sale was computed based on difference between the Disposal price per Sale Share of US$6.40 (approximately S$8.98 at US$1:S$1.4038) and CCBC's last traded share price as at the date of disposal on 30 October 2015 of US$6.37 (approximately S$8.94 at US$1:S$1.4038). There was no such Gain on sale of financial asset designated at fair value through profit or loss in FY2015.

Gain on sale of convertible note

Upon completion of the Disposal of the Convertible Note on 13 November 2015, the Group recognised the gain on the sale of the Convertible Note of S$5,012,000 in FY2016 (FY2015: $Nil).

Remeasurement loss on previously held equity interest in subsidiary

The Group recognised a loss of S$1,594,000 as a result of measuring at fair value its 31.81% equity interest in StemLife held before the business combination. There was no such remeasurement loss in FY2015.

Other expenses

Other expenses of S$1.9 million recorded in FY2016 comprise one-time employee bonuses paid in respect of the realised gains on sale of the Sale Shares and the Convertible Note. There was no such one-time employee bonus in FY2015.

Finance income (non-operation)

Finance income of approximately S$3,815,000 was recognised for FY2016 (FY2015: S$6.6 million) on the Magnum Loan and the Convertible Note. In FY2015, interest income was accrued on the Magnum Loan and the Convertible Note from 10 November 2014, being the date of acquisition and the date of entering into the Convertible Note and the Magnum Loan respectively. In FY2016, interest income was accrued on the Magnum Loan and the Convertible Note from the beginning of the financial year up to the date of repayment and Disposal respectively.

Finance costs (non-operation)

Finance costs of approximately S$5,322,000 were recognised on the Notes for FY2016 (FY2015: S$4.6 million). In FY2015, the Company incurred finance expense on the Notes from the date of issue on 29 October 2014 to 30 June 2015.

Note repurchase expense

In FY2016, the Company incurred finance expense on the Notes from the beginning of the financial year to 30 June 2016. On 16 December 2015, 6 January 2016 and 28 January 2016, the Group also announced that it had repurchased S$51,750,000 in principal amount of the Notes, which resulted in expenses of S$2,025,000. The Notes were repurchased at market value which was at a premium to the principal amount.

Tax

In FY2016, the share of results of associate was reported net of tax. Fair value changes on financial asset designated at fair value through profit or loss, fair value changes on derivative, Gain on sale of financial asset designated at fair value through profit or loss, gain on sale of convertible note and finance income not from operations and exchange differences were not taxable. Fair value loss on investment properties, remeasurement loss on previously held equity interest in subsidiary, other expenses and finance costs not from operations were not deductible for tax purposes.

In FY2015, share of results of associate was reported net of tax. Fair value gain on investment properties, fair value changes on financial asset designated at fair value through profit or loss, fair value changes on derivative, finance income not from operations and exchange differences were not taxable. Impairment loss on investment in associate and finance costs not from operations were not deductible for tax purposes.

Adjusting for these non-taxable and non-deductible items, the effective tax rate for FY2016 was 25.2%, compared to an effective tax rate for FY2015 of 18.7%. The increase in effective tax rate in FY2016 was mainly due to under-provision for prior year taxes and losses in Hong Kong for which no deferred tax asset was recognised.

**Balance sheet**

Cash and cash equivalents, fixed deposits and short-term investments

As at 30 June 2016, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short-term investments of S$138.1 million (30 June 2015: S$29.2 million). The increase in cash and cash equivalents in FY2016 was mainly due to the proceeds from the Disposal of $152.9 million, the repayment of the Magnum Loan of S$62.6 million and interest received on Magnum Loan and the Convertible Note of S$5.2 million. This was offset by

- dividend payment of approximately S$36.3 million;
- repurchase of Notes of S$52.9 million;
- acquisition of shares in StemLife, net of cash and cash equivalents (excluding short-term investments of approximately S$12.4 million and fixed deposits of S$2.8 million) on the balance sheet of StemLife on 7 December 2015, amounting to approximately S$14.4 million;
- acquisition of convertible bond and equity interest in CellResearch Corporation Pte. Ltd. (“CRC”) of S$8.4 million;
- interest payment on Notes of S$4.9 million and
- net cash used in operating activities of approximately S$4.4 million.

Net cash used in operating activities comprised mainly operating cash flows before movements in working capital of S$1.9 million, net working capital outflow of S$5.9 million, net interest received of S$0.9 million and tax payment of S$1.3 million.

Net working capital outflow of approximately S$5.9 million in FY2016 was due to the following:
- increase in trade receivables of approximately S$9.3 million;
- decrease in other receivables, deposits and prepayments of approximately S$0.4 million;
- Increase in trade and other payables of approximately S$119,000 and
- increase in deferred revenue of approximately S$2.9 million.

Investment in associate

The decrease in investment in associate was due to StemLife being consolidated as a subsidiary of the Group as announced on 7 December 2015.

Financial asset designated at fair value through profit or loss

The Group’s interest in CCBC was recognised as a financial asset designated at fair value through profit or loss. On 30 October 2015, the Group announced the completion of its disposal of the Sale Shares in CCBC.

Available-for-sale asset

On 1 February 2016, the Group announced that it had purchased 4.2 million ordinary shares of CRC for S$4.2 million to strengthen the strategic alliance with CRC and to enhance value-add of the Group’s clinical and quality assurance capacity. The ordinary shares are carried at cost less impairment, if any.

Derivative asset

The conversion option component was classified as a derivative and was carried at a fair value of S$37.9 million as at 30 June 2015. Upon disposal of the Convertible Note, the derivative asset on 30 June 2016 was S$Nil.

Property, plant and equipment

As at 30 June 2016, the Group recorded S$13.3 million on the balance sheet for property, plant and equipment (30 June 2015: S$9.6 million). The increase was mainly due to the acquisition of StemLife, which contributed S$1.6 million of the increase in property, plant and equipment, as well as the acquisition of the property in India which the Group was previously leasing for its operations.

Investment properties

As at 30 June 2016, the Group recorded S$9.2 million of investment properties (30 June 2015: S$3.8 million). The increase was mainly to the acquisition of StemLife, which contributed S$5.6 million of the increase in investment properties.

Goodwill

As at 30 June 2016, the Group has completed its purchase price allocation for the acquisition of StemLife and recognised the goodwill of S$7.6 million.

Intangible assets

Intangible assets comprise customer contracts acquired in business combinations and computer software. Intangible assets of approximately S$4.2 million were recognised in 30 June 2016 as a result of the consolidation of StemLife as a subsidiary of the Company.

Deferred tax asset

As at 30 June 2016, the Group recorded a deferred tax asset of S$178,000 (30 June 2015: $Nil) due to temporary differences.

Trade receivables, non-current

Non-current trade receivables represents cord blood and cord lining banking service revenues receivable under instalment payment plans that have yet to be billed to the customers. Upon billing, the billed amount will be receivable under the same terms as the current trade receivables.

Other receivables, non-current

On 13 November 2015, the Group announced the disposal of the Convertible Note issued by CCBC to the Company. On 28 December 2015, the Group also announced the repayment of the Magnum Loan. In light of the foregoing, the non-current other receivables decreased by S$98.5 million.

On 1 February 2016, the Group announced that it had also subscribed for a Class A Redeemable Convertible Note ("RCN") maturing 3 years from the issue date in the principal amount of S$4.2 million from CRC. The yielding interest is at a rate of three month SIBOR plus 7% per annum payable annually in arrears. The RCN is carried at cost less impairment, if any.

Deposits, non-current

Non-current deposits refer to the long-term rental deposits placed by Cordlife Hong Kong.

Fixed deposits

Fixed deposits increased mainly due to the increase in placement of fixed deposits with reputable banks and financial institutions in line with the Group's cash management policy.

Short-term investments

Short-term investments comprise the Group's investments in money market funds. The increase in short-term investments of approximately S$13.7 million was mainly due to the consolidation of StemLife as a subsidiary of the Group. StemLife held approximately S$12.1 million in money market funds as at 30 June 2016.

Trade receivables, current

Trade receivables increased by S$5.8 million to S$21.0 million as at 30 June 2016 (30 June 2015: S$15.3 million) mainly due to the acquisition of StemLife, which accounted for S$2.9 million of the increase.

Other receivables, current

Other receivables decreased by S$2.1 million to S$2.1 million as at 30 June 2016 (30 June 2015: S$4.2 million) mainly due to interest received on the Magnum Loan and Convertible Note which was repaid on 28 December 2015 and disposed of on 13 November 2015 respectively.

Inventories

Inventories increased by approximately S$0.2 million to S$1.1 million as at 30 June 2016 (30 June 2015: S$0.9 million) mainly due to the consolidation of StemLife as a subsidiary, which carried inventories of S$0.1 million as at 30 June 2016.

Trade and other payables

Trade and other payables as at 30 June 2016 increased approximately S$1.6 million mainly due to the consolidation of StemLife as a subsidiary, which carried trade and other payables of S$1.9 million as at 30 June 2016.

Deferred revenue, current

Deferred revenue represents revenue received in advance for services to be rendered under cord blood and cord lining banking contracts. Current deferred revenue increased by approximately S$15.4 million from 30 June 2015 to 30 June 2016 due to the consolidation of

StemLife as a subsidiary. StemLife held approximately S$10.4 million of current deferred revenue as at 30 June 2016.

Tax payable

The decrease in tax payable by S$0.5 million from S$1.1 million as at 30 June 2015 to S$0.6 million as at 30 June 2016 was due to lower profit before tax.

Interest-bearing borrowings, current and non-current

Interest-bearing borrowings decreased by $1.0 million from S$11.8 million as at 30 June 2015 to S$10.9 million as at 30 June 2016 due to repayments made during the year.

Notes payable

The Notes are carried at amortised cost using the effective interest rate and are classified as Notes Payable on the balance sheet at S$67.4 million. The decrease in Notes Payable of S$50.1 million was due to total of S$51,750,000 in principal amount of the Notes repurchased announced on 16 December 2015, 6 January 2016 and 28 January 2016.

**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 significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group remains focused on its key strategies to expand via increasing its geographical footprint, introducing new consumer healthcare products and forging collaborative networks & strategic alliances.

The global stem cell banking market is expected to grow at CAGR of 20.2% from 2016 to reach USD 3.96 billion in 2021 on the back of increasing awareness regarding storage of cord blood and tissue stem cells, high growth potential of emerging economies, and increasing use of stem cells in the field of therapeutics[1]. Recognising these opportunities, the Group continues to deepen penetration into the emerging Asian nations through expansion into more cities and raising market awareness of its cord blood and umbilical cord lining business and diagnostic services in its existing markets. The Group has stepped up marketing efforts in markets such as Indonesia and Philippines and has increased educational marketing initiatives in Singapore and Hong Kong.

[1] Information extracted from "Stem Cell Banking Market by Bank Type (Cord Blood, and Cord Tissue), Service (Collection & Transportation, Analysis, Processing, and Storage), Application (Cerebral Palsy, Leukemia, Thalassemia, Anemia, Autism, Diabetes), Region - Forecast to 2021", Marketsandmarkets, July 2016

As part of the Group's strategic expansion of its diagnostic unit, it will launch other adjacent products and services that cater to the mother and child segment into all the markets this year, and in some cases, leverage on the power of product and service bundling. The Group has also invested in training and development to augment the long effectiveness and efficiency of its employees as well as ensure the quality of its services.

The Group is also on the lookout for merger and acquisitions opportunities that are synergistic or complementary in nature which will provide sustainable earnings as well as strengthen its foothold in the consumer healthcare industry.

Barring any unforeseen circumstances and excluding fair value gain or loss on investment properties and any other one-off items, the Group expects its core business to remain profitable for FY2017.

**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? Yes

| | |
|---|---|
| Name of Dividend | Final |
| Dividend Type | Tax exempt (1-tier) dividend |
| Dividend Amount | S$0.010 per ordinary share |
| Tax Rate | Exempt (1-tier) |

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

Not applicable.

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

Not applicable.

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

No dividend has been declared for the current financial year reported on.

**13. Interested person transactions**

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

There were no interested person 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 for the financial year ended 30 June 2016 presented in this announcement, to be false or misleading in any material aspect.

**15. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7

**16. Disclosure on the use of IPO proceeds**

Following the announcement made by the Company on 12 February 2016 (entitled "Second Quarter Unaudited Financial Statements for the Period Ended 31 December 2015") disclosing, inter alia, the use of the proceeds from the IPO of the Company (the "IPO Proceeds"), the Board of Directors of the Company wishes to provide an update on the use of the IPO Proceeds.

The Group has utilised a further S$0.2 million on investments in infrastructure relating to information technology.

The breakdown of the use of proceeds by the Group for working capital and general corporate purposes is as follows:

| | Amount (S$ million) |
|---|---|
| **Amount utilised as working capital and general corporate purposes:** | |
| Salaries, central provident fund contributions and other short-term benefits | 1.20 |
| Trade purchases | 1.10 |
| Legal and professional fees | 0.55 |
| Advertising and marketing expenses | 0.90 |
| Administrative expenses | 0.70 |
| Business travel expenses | 0.20 |
| Income tax and GST | 0.20 |
| Establishment of S$500 million Multicurrency Debt Issuance Programme | 0.03 |
| Issue of S$120 million 4.9% Fixed Rate Notes due 2017 | 1.20 |
| Magnum Loan | 0.09 |
| CGL Acquisition | 0.23 |
| Total | **6.40** |

As at 26 August 2016, the Group has utilised approximately S$28.9 million of the IPO Proceeds as follows:

| Intended Use of IPO Proceeds | Estimated amount<br><br>S$<br>(in millions) | Estimated percentage of gross proceeds raised from the IPO | Amount utilised<br><br>S$<br>(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% | 16.6 | 55.9% |
| Renovation of 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% | 1.2 | 4.0% |
| Working capital and general corporate purposes | 4.7 | 15.8% | 6.4 | 21.5% |
| Expenses incurred in connection with the IPO | 3.4 | 11.5% | 3.7 | 12.5% |
| | 29.7 | 100.0% | 28.9 | 97.3% |

Note:

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

The Group made an announcement on 30 April 2013, on the Use of Proceeds from Initial Public Offering ("IPO") that the Company had substantially completed renovation of new headquarters and facility at Yishun, A'Posh Bizhub and the actual expenses incurred in connection with the renovation works were approximately S$1.0 million. The balance of approximately S$2.0 million from the S$3.0 million which was originally allocated for the renovation works was re-deployed for working capital and general corporate purposes.

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 and the announcement on Use of Proceeds from Initial Public Offering ("IPO") dated 30 April 2013.

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.

## 17. Disclosure on the use of placement proceeds

Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the announcements on Private Placement Of An Aggregate Of Up To 26,838,000 New Ordinary Shares In The Capital Of The Company dated 2 October 2013, 11 October 2013 and 14 October 2013.

The Company issued 26,838,000 Placement Shares at issue price of S$1.25 by way of private placement (the "Private Placement") to raise aggregate gross proceeds of S$33,547,500 on 14 October 2013.

The Board of Directors (the "Board") of the Company wishes to announce that the Group has utilised approximately S$9.2 million out of the approximately S$33.5 million raised from the Private Placement.

The breakdown of the total use of proceeds by the Group for general working capital purposes is as follows:

| | **Amount (S$ million)** |
|---|---|
| **Amount utilised as working capital:** | |
| Trade purchases | 2.2 |
| Legal and professional fees | 0.1 |
| Total | **2.3** |

As at 30 June 2016, the Group has utilised approximately S$9.2 million of the Private Placement proceeds as follows:

| Intended Use of Placement Proceeds | Estimated amount (S$ m) | Estimated percentage of gross proceeds raised from the Private Placement | Amount utilised (S$ m) | Percentage of gross proceeds raised from the Private Placement |
|---|---|---|---|---|
| Further, fund and support the Group's operations in connection with its enlarged geographical footprint developed after the Company's initial public offering, including funding of additional strategic investments, joint ventures, acquisitions and/or strategic alliances as and when opportunities materialise and are deemed appropriate by the Board | 23.5 | 70.1% | 6.3 | 18.8% |
| General working capital | 8.6 | 25.7% | 2.3 | 6.9% |
| Expenses incurred in connection with the Private Placement | 1.4 | 4.2% | 0.6 | 1.8% |
| | 33.5 | 100.0% | 9.2 | 27.5% |

Note:

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

The Board is of the view that the above utilisation is in accordance with the intended use disclosed in the Company's announcement dated 2 October 2013.

The Board is also pleased to announce that due to the Company's prudent management of financial resources and negotiations with vendors, there is a balance of approximately S$0.8 million from the approximately S$1.4 million which was originally allocated to pay for expenses incurred in connection with the Private Placement. The Board, after deliberation, deemed it in the best interest of the Company and its shareholders to re-deploy the said balance amount for general working capital purposes.

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

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

### Segment revenue

| | Banking<br>S$'000 | Diagnostics<br>S$'000 | Others*<br>S$'000 | Total<br>S$'000 |
|---|---|---|---|---|
| **Year ended 30 June 2016** | | | | |
| Revenue from external customers | 59,095 | 532 | – | 59,627 |
| Total consolidated revenue | | | | 59,627 |
| **Year ended 30 June 2015** | | | | |
| Revenue from external customers | 57,436 | 103 | 44 | 57,583 |
| Total consolidated revenue | | | | 57,583 |

### Segment results

| | Banking<br>S$'000 | Diagnostics<br>S$'000 | Others*<br>S$'000 | Total<br>S$'000 |
|---|---|---|---|---|
| **Year ended 30 June 2016** | | | | |
| Depreciation and amortisation | (2,650) | (39) | – | (2,689) |
| Share of results of associate | (76) | – | – | (76) |
| Segment profit/(loss) | 1,895 | (58) | – | 1,837 |
| Fair value loss on investment properties | | | | (220) |
| Fair value changes on financial asset designated at fair value through profit or loss | | | | 4,548 |
| Fair value changes on derivative | | | | 2,519 |
| Exchange differences | | | | 6,014 |
| Gain on sale of financial asset designated at fair value through profit or loss | | | | 151 |
| Gain on sale of convertible note | | | | 5,012 |
| Remeasurement loss on previously held equity interest in subsidiary | | | | (1,594) |
| Other expenses | | | | (1,909) |
| Finance income | | | | 5,346 |
| Finance costs | | | | (5,589) |
| Note repurchase expense | | | | (2,025) |
| Profit before income tax | | | | 14,090 |
| Income tax | | | | (802) |
| Profit for the year | | | | 13,288 |

| | Banking | Diagnostics | Others* | Total |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Year ended 30 June 2015** | | | | |
| Depreciation and amortisation | (1,653) | (35) | – | (1,688) |
| Share of results of associates | (436) | – | – | (436) |
| Segment profit/(loss) | 5,699 | (248) | (2) | 5,449 |
| Impairment loss on investment in associate | | | | (2,646) |
| Fair value gain on investment properties | | | | 265 |
| Fair value changes on financial asset designated at fair value through profit or loss | | | | 10,364 |
| Fair value changes on derivative | | | | 12,922 |
| Exchange differences | | | | 4,653 |
| Finance income | | | | 7,043 |
| Finance costs | | | | (4,782) |
| Profit before income tax | | | | 33,268 |
| Income tax | | | | (1,143) |
| Profit for the year | | | | 32,125 |

* Others refer to results of subsidiaries which principal activities are not that of the provision of cord blood and umbilical cord lining banking and diagnostics services.

**19. 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.

**20. A breakdown of sales as follows:**

| | | Group | | |
|---|---|---|---|---|
| | | **FY2016** | **FY2015** | **+/(-) Increase/ (Decrease)** |
| | | S$'000 | S$'000 | % |
| (a) | Revenue reported for first half year | 29,088 | 27,519 | 5.7 |
| (b) | Profit/(loss) after tax before deducting minority interests reported for the first half year | 17,176 | (6,890) | n.m. |
| (c) | Revenue reported for second half year | 30,539 | 30,064 | 1.6 |
| (d) | (Loss)/profit after tax before deducting minority interests reported for the second half year | (3,888) | 39,015 | n.m. |

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

| | **Full year 2016** | **Full year 2015** |
|---|---|---|
| | S$ | S$ |
| Interim dividend | 2,592,974 | 2,592,974 |
| Special interim dividend | 33,708,656 | - |
| Final dividend | - | 2,592,974 |
| Total | 36,301,630 | 5,185,948 |

**22. Persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make the appropriate negative statement**

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**

Dr Wong Chiang Yin
Group Chief Executive Officer and Executive Director
26 August 2016