

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

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

	Group		+ / (-)
	3 months ended 30		
	September		Increase/ (Decrease)
	2012	2011	
	\$'000	\$'000	%
Revenue from rendering of services	8,217	7,272	13.0
Cost of sales	(2,544)	(2,237)	13.7
Gross profit	5,673	5,035	12.7
Other operating income	3	45	(93.3)
Selling and marketing expenses	(1,688)	(1,730)	(2.4)
Administration expenses	(1,817)	(1,849)	(1.7)
Share of results in associate	540	404	33.7
Finance income	548	250	119.2
Finance costs	–	–	–
Profit before income tax	3,259	2,155	51.2
Income tax expense	(459)	(300)	53.0
Profit net of tax for the financial period	2,800	1,855	50.9
Other comprehensive income:			
Foreign currency translation	(503)	582	n.m
Total comprehensive income for the financial period, net of tax	2,297	2,437	(5.7)

n.m denotes not meaningful

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

	Group		
	3 months ended 30		
	September		
	2012	2011	
	\$'000	\$'000	
Depreciation of property, plant and equipment	160	142	[1]
Amortisation of software	5	3	
Bad debts written off	11	20	
Foreign exchange (gain)/loss	(7)	37	[2]
Other miscellaneous income	3	45	

Notes

1. The increase in depreciation was due to the additional laboratory equipment purchased for the Singapore and Hong Kong entities to accommodate the increased sales volume.
2. Foreign exchange differences are related to the strengthening and weakening of the Singapore dollar (S\$) during the respective periods.

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 September 2012 \$'000	30 June 2012 \$'000	30 September 2012 \$'000	30 June 2012 \$'000
ASSETS				
Non-current assets				
Investment in associate	17,710	17,664	–	–
Investment in subsidiaries	–	–	15,166	15,166
Property, plant and equipment	8,979	6,052	8,036	4,998
Intangible asset	34	35	34	35
Convertible bond	1,500	1,500	1,500	1,500
Trade receivables	24,821	24,258	24,493	23,857
Deposits	206	214	–	–
Fixed deposits	11,500	11,500	11,500	11,500
	<u>64,750</u>	<u>61,223</u>	<u>60,729</u>	<u>57,056</u>
Current assets				
Cash and cash equivalents	14,180	12,945	11,036	10,098
Fixed deposit	6,000	6,000	6,000	6,000
Pledged fixed deposits	286	–	–	–
Trade receivables	8,366	8,588	7,890	8,320
Other receivables	1,024	661	975	574
Prepayments	606	529	498	373
Inventories	306	417	244	365
Amount owing by subsidiary companies	–	–	1,092	1,032
	<u>30,768</u>	<u>29,140</u>	<u>27,735</u>	<u>26,762</u>
Current liabilities				
Trade and other payables	2,330	2,781	1,857	2,386
Deferred revenue	3,786	4,281	2,912	3,526
Amount owing to subsidiary companies	–	–	94	97
Tax payable	1,284	1,092	1,233	1,076
Finance lease liabilities	2	6	–	–
Interest-bearing borrowings	241	111	241	111
	<u>7,643</u>	<u>8,271</u>	<u>6,337</u>	<u>7,196</u>
Net current assets	<u>23,125</u>	<u>20,869</u>	<u>21,398</u>	<u>19,566</u>

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

	Group As at		Company As at	
	30 September 2012 \$'000	30 June 2012 \$'000	30 September 2012 \$'000	30 June 2012 \$'000
Non-current liabilities				
Other payables	182	202	–	–
Deferred revenue	8,815	8,181	5,186	4,622
Deferred tax liabilities	96	97	60	60
Interest-bearing borrowings	5,326	2,453	5,326	2,453
	<u>14,419</u>	<u>10,933</u>	<u>10,572</u>	<u>7,135</u>
Net assets	<u>73,456</u>	<u>71,159</u>	<u>71,555</u>	<u>69,487</u>
Capital and reserves				
Share capital	53,548	53,548	53,548	53,548
Accumulated profits	22,005	19,205	17,585	15,517
Reserves	(2,097)	(1,594)	422	422
Total equity	<u>73,456</u>	<u>71,159</u>	<u>71,555</u>	<u>69,487</u>

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

	30 September 2012 \$'000	As at 30 June 2012 \$'000
Amount repayable in one year or less, or on demand		
- secured	241	111
- unsecured	–	–
	241	111
Amount repayable after one year		
- secured	5,326	2,453
- unsecured	–	–
	5,567	2,564

This loan is secured by:

- a) First legal mortgage of the Company's new headquarters and facility at A'Posh Bizhub, at Yishun Industrial Street 1(the "Property") and
- b) The assignment of the rights, title and interest with respect to the Property upon completion.

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

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

	Group	
	3 months ended 30	
	September	
	2012	2011
	\$'000	\$'000
Operating activities		
Profit before income tax	3,259	2,155
Adjustments for:		
Depreciation	160	142
Amortisation	5	3
Interest income	(127)	(17)
Interest expense	—	—
Share of results of associate	(540)	(404)
	<u>2,757</u>	<u>1,879</u>
Operating cash flows before movements in working capital		
(Increase)/decrease in trade receivables	(341)	44
Increase in other receivables, deposits and prepayments	(432)	(594)
Decrease/(increase) in inventories	111	(99)
(Decrease)/increase in trade payables	(110)	195
Decrease in other payables	(361)	(122)
Increase/(decrease) in deferred revenue	139	(103)
	<u>1,763</u>	<u>1,200</u>
Cash generated from operations		
Interest received	127	17
Interest paid	—	—
Income tax paid	(265)	(342)
	<u>1,625</u>	<u>875</u>
Net cash generated from operating activities		
Investing activities		
Purchase of property, plant and equipment	(3,125)	(478)
Purchase of intangible assets	(3)	(15)
	<u>(3,128)</u>	<u>(493)</u>
Net cash used in investing activities		

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

	Group	
	3 months ended 30	
	September	
	2012	2011
	\$'000	\$'000
Financing activities		
Repayments of finance lease liabilities	(4)	(3)
Pledged fixed deposit	(286)	–
Proceeds from interest-bearing borrowings	3,022	406
Repayment of interest-bearing borrowings	(19)	(12)
Net cash generated from financing activities	<u>2,713</u>	<u>391</u>
Net increase in cash and cash equivalents	1,210	773
Cash and cash equivalents at the beginning of the financial period	12,945	3,995
Effects of exchange rate changes on the balance of cash	25	(25)
Cash and cash equivalents at end of the financial period	<u>14,180</u>	<u>4,743</u>

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	Accumulated profits \$'000	Capital reserve \$'000	Merger reserve \$'000	Acquisition reserve \$'000	Foreign currency translation account \$'000	Total \$'000
Group							
Balance at 1 July 2011	25,677	16,933	568	534	(2,184)	(974)	40,554
Profit for the period	–	1,855	–	–	–	–	1,855
Other comprehensive income	–	–	–	–	–	582	582
Total comprehensive income for the financial period, net of tax	–	1,855	–	–	–	582	2,437
Balance at 30 September 2011	25,677	18,788	568	534	(2,184)	(392)	42,991

	Share capital \$'000	Accumulated profits \$'000	Capital reserve \$'000	Total \$'000
Company				
Balance at 1 July 2011	25,677	15,311	422	41,410
Profit for the period	–	1,508	–	1,508
Other comprehensive income	–	–	–	–
Total comprehensive income for the financial period, net of tax		1,508	–	1,508
Balance at 30 September 2011	25,677	16,819	422	42,918

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)

	Share capital \$'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 period	–	2,800	–	–	–	–	2,800
Other comprehensive income	–	–	–	–	–	(503)	(503)
Total comprehensive income for the financial period, net of tax	–	2,800	–	–	–	(503)	2,297
Balance at 30 September 2012	53,548	22,005	568	534	(2,184)	(1,015)	73,456

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Company	Share capital \$'000	Accumulated profits \$'000	Capital reserve \$'000	Total \$'000
Balance at 1 July 2012	53,548	15,517	422	69,487
Profit for the period	–	2,068	–	2,068
Other comprehensive income	–	–	–	–
Total comprehensive income for the financial period, net of tax		2,068	–	2,068
Balance at 30 September 2012	53,548	17,585	422	71,555

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against 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 (\$\$)
As at 30 June 2012 and 30 September 2012	232,687,354	53,547,971

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

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 September 2012 No. of shares	As at 30 June 2012 No. of shares
Total number of issued shares excluding treasury shares	232,687,354	232,687,354

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

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

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

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

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

Not applicable.

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

Except as disclosed in note (5) below, the financial statements for the current period reported on has been presented using the same accounting policies and methods of computation as presented in the issuer's most recently audited 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 2012.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior years 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 3 months ended 30 September	
	2012	2011
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:		
Profit attributable to shareholders (S\$ '000)	2,800	1,855
Weighted average number of shares in issue during the period ('000)	232,687	172,687
Basic and diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	1.20	1.07

Notes:

There were no potentially dilutive shares.

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

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

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

	Group		Company	
	30 September 2012 (cents)	30 June 2012 (cents)	30 September 2012 (cents)	30 June 2012 (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the period reported on	31.57	30.58	30.75	29.86

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

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 3 MONTHS ENDED 30 SEPTEMBER 2012 ("1Q2013") AGAINST 3 MONTHS ENDED 30 SEPTEMBER 2011 ("1Q2012")

Income Statement

Revenue from rendering of services

Revenue from rendering of services increased by 13.0% or S\$0.9 million from S\$7.3 million in 1Q2012 to S\$8.2 million in 1Q2013. The increase in revenue was largely due to an increase in the number of client deliveries, from approximately 2,000 in 1Q2012 to 2,150 in 1Q2013. The increase in client deliveries was due to increased awareness as a result of an increase in marketing and promotional activities undertaken by the Group as well as a baby boom in Dragon Year.

Cost of sales

Cost of sales increased by 13.7% or S\$0.3 million, in line with our increase in revenue from rendering of services.

Gross profit and gross profit margin

Gross profit increased by 12.7% or S\$0.6 million due to the increase in new client deliveries.

Gross profit margin decreased marginally from 69.2% in 1Q2012 to 69.0% in 1Q2013.

Other operating income

Other operating income decreased by 93.3% or S\$42,000 due to sale of consumables that did not recur in 1Q2013.

Selling and marketing expenses

Selling and marketing expenses marginally decreased by 2.4% or S\$42,000 in 1Q2013.

Administrative expenses

Administrative expenses decreased by 1.7% or S\$32,000 in 1Q2013. This decrease was mainly attributable to the absence of IPO listing expenses in 1Q2013 as opposed to S\$0.3 million of IPO listing expenses incurred in 1Q2012. The decrease was partially offset by an increase in administrative expenses mainly due to an increase in headcount and staff cost of S\$0.1 million and increase in compliance cost of S\$0.1 million.

Share of results in associate

Share of results in associate increased by 33.7% or S\$0.1 million. Based on our Group's understanding, the increase in share of profits from our Group's shareholdings in China Stem Cells (South) Company Limited was due to the growth of Guangzhou Tianhe Nuoya's business as new customers signed up each year in addition to existing customers.

The tax laws in the People's Republic of China ("PRC"), the country of incorporation of Guangzhou Tianhe Nuoya, imposes a withholding tax at 10%, unless reduced by a tax treaty or agreement, for dividends receivable by non-PRC-resident enterprises from PRC-resident enterprises in respect of earnings accumulated beginning on 1 January 2008. The Group has not provided for income taxes on such undistributed accumulated earnings of Guangzhou Tianhe Nuoya, a PRC subsidiary of China Stem Cells (South) Company Limited as of 31 March 2012, since these earnings are intended to be reinvested indefinitely in the PRC pursuant to the announcement by China Cord Blood Corporation, which is listed on the New York Stock Exchange and the ultimate holding company of China Stem Cells (South) Company Limited. As of 30 September 2012, such unremitted earnings that may be subject to the withholding tax amounted to S\$4.9 million and the related unrecognised deferred tax liability was S\$0.49 million.

Finance income

Finance income increased by 119.2% or S\$0.3 million due to an increase in interest income from non-current trade receivables as well as interest income from fixed deposits.

Tax

The effective tax rate was approximately 16.9% and 17.1% for 1Q2013 and 1Q2012 respectively. The effective tax rate for 1Q2012 was marginally higher than 1Q2013 mainly because of expenses relating to the IPO which were not tax deductible.

Balance sheet

The net increase in the carrying value of property, plant and equipment of S\$2.9 million was attributable mainly to the capital expenditure incurred for the purchase of the Company's new headquarters and facility at A'Posh Bizhub, at Yishun Industrial Street 1.

The increase in cash and cash equivalents was attributable to positive cash flows generated from operating activities. The pledged fixed deposit relates to fixed deposit pledged with a bank to secure credit card instalment facility.

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

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

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

Despite lingering concerns over the global economy and sluggish growth forecasted for Singapore this year, the domestic sector, which includes healthcare, will stay resilient¹. As a dominant market player in a niche area of healthcare, the Group is optimistic that industry prospects in its key markets of Singapore and Hong Kong remain promising.

Moreover, at an Extraordinary General Meeting held on October 19, 2012, shareholders approved the Group's acquisition of approximately 10% of issued shares in China Cord Blood Corporation ("CCBC"), the largest cord blood banking operator in China. CCBC, which is listed on the New York Stock Exchange, provides cord blood collection, laboratory testing, hematopoietic stem cell processing and stem cell storage services in the Beijing municipality and the provinces of Guangdong and Zhejiang.

This strategic move positions Cordlife for further geographical expansion by leveraging on CCBC's extensive cord blood banking network. China is home to the world's fastest-growing population of middle-class consumers, and more Chinese are seeking better-quality medical care, which can include seeking a life-time protection for their children through storage of their cord blood units.

According to industry data in Cordlife's prospectus dated March 21, 2012 (the "Prospectus"), the nationwide penetration rate for private cord blood banks in China is expected to increase from 0.5% in 2010 to 1.4% in 2015. In Hong Kong, the penetration rate is expected to deepen from 11.5% in 2010 to 20.6% in 2015. Leading players – and the Group ranks second in terms of market share in 2011 – are driving this growth by raising the visibility of cord blood banking.

In Singapore, in order to increase Cordlife's current capacity to exploit economies of scale, reduce the uncertainty of future costs and further entrench its leadership position, Cordlife has locked in long-term fixed cost as it will be moving into a larger facility at Yishun, A'Posh Bizhub, which is slated to be ready by the first quarter of 2013.

Barring any unforeseen circumstances, the Group expects to remain profitable for FY2013.

¹ "MAS warns of sluggish growth ahead," *The Straits Times*, October 31, 2012

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/recommended, a statement to that effect

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

13. Interested person transactions

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

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 30 September 2012 presented in this announcement, to be false or misleading in any material aspect.

15. Update on implementation of New Automated Reconciliation System (“NARS”)

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

As at the date of announcement, we have completed the first parallel run of NARS.

16. Disclosure on the use of IPO proceeds

There was no utilisation of the IPO proceeds during the three months ended 30 September 2012.

As announced on 12 November 2012, Cordlife utilised US\$4,003,584.02 from the IPO proceeds for the purpose of the completion of the acquisition by Cordlife of approximately 10% of the issued shares in CCBC.

By Order of the Board

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
12 November 2012

The initial public offering of Cordlife Group Limited's shares was sponsored by PrimePartners Corporate Finance Pte. Ltd. (“Issue Manager”). The Issue Manager assumes no responsibility for the contents of this Announcement.