NEWS RELEASE

CORDLIFE ACHIEVES 50.9% RISE IN NET PROFIT TO S$2.8 MILLION FOR 1Q 2013

- Revenue increases 13.0%, driven by rise in number of client deliveries
- High gross margin of 69.0% maintained
- Strong balance sheet with net cash position
- Shareholder approval of acquisition of China’s largest cord blood banking operator positions Group for further geographical expansion

Singapore, November 12, 2012 – Cordlife Group Limited (“Cordlife”, and together with its subsidiaries, the “Group”), the cord blood and tissue banking service provider, reported a 50.9% rise in net profit to S$2.8 million for the three months ended September 30, 2012 (“1Q 2013”), compared to S$1.9 million for the last corresponding period (“1Q 2012”). This was achieved on the back of steady revenue growth of 13.0% year-on-year, from S$7.3 million to S$8.2 million, which was driven by the increase in number of client deliveries.

Mr Jeremy Yee, Executive Director and Chief Executive Officer of Cordlife, said: “Our strong financial performance demonstrates that our educational efforts have successfully helped to generate increased awareness about the benefits of private cord blood banking services. This provides parents with the opportunity to store their child’s very precious cord blood so that when a medical need arises, that same precious resource is readily available to the child.

Our robust business model continues to generate a stable, recurring income with a growing subscriber base, which has helped us to manage the slowdown in the economy well and remain profitable.”

The initial public offering of Cordlife’s shares was sponsored by PrimePartners Corporate Finance Pte. Ltd., who assumes no responsibility for the contents of this press release.
Financial Review

Revenue from rendering of services increased by 13.0% to S$8.2 million in 1Q 2013, as compared to S$7.3 million in 1Q 2012. This was largely due to an increase in the number of client deliveries, from approximately 2,000 in 1Q 2012 to 2,150 in 1Q 2013.

Correspondingly, gross profit increased 12.7%, or S$0.6 million, to S$5.7 million in 1Q 2013. The Group maintained a high gross profit margin of 69.0% during this period.

Cost of sales increased by 13.7%, or S$0.3 million, in line with the rise in turnover.

Overall, administrative expenses decreased by 1.7%, or S$32,000, primarily because no IPO expenses were incurred in 1Q 2013, whereas S$0.3 million in IPO expenses was registered in 1Q 2012. The decrease was partially offset by an increase in administrative expenses due to an increase in headcounts and staff cost of S$0.1 million and increase in compliance cost of S$0.1 million. Selling and marketing expenses also decreased by 2.4%, or S$42,000.

Share of results in associate increased by 33.7% to S$0.5 million, derived from an increase in share of profits from our Group’s 10% indirect shareholdings in Guangzhou Municipality Tianhe Nuoya Bio-engineering Co., Ltd., the sole cord blood banking operator in the Guangdong province. The increase was due to growth in the operator’s business as new customers signed up each year, in addition to existing customers.

As a result, net profit rose from S$1.9 million in 1Q 2012 to S$2.8 million in 1Q 2013, representing a 50.9% increase.
As at September 30, 2012, the Group maintained a strong balance sheet, with a cash position of S$31.7 million (inclusive of S$17.5 million in fixed deposits and exclusive of pledged fixed deposit of S$0.3 million). NAV increased from 30.58 cents as at June 30, 2012, to 31.57 cents as at September 30, 2012.

Outlook

Despite lingering concerns over the global economy and sluggish growth forecasted for Singapore in 2012, the domestic sector, which includes healthcare, will stay resilient. 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 China Cord Blood Corporation (“CCBC”), the largest cord blood banking operator in China. CCBC, which is listed on the New York Stock Exchange and 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.

“We would like to thank shareholders for their support because this strategic move positions Cordlife for further geographical expansion by leveraging on CCBC’s extensive cord blood banking network,” Mr Yee said. “China is home to the world’s fastest-growing population of middle-class consumers; they are seeking better quality medical care, which can include seeking a life-time protection for their children through storage of their cord blood units.”

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1 “MAS warns of sluggish growth ahead,” The Straits Times, October 31, 2012
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.
ABOUT CORDLIFE GROUP LIMITED (Bloomberg stock code: CLGL)

Incorporated in May 2001, Cordlife Group Limited is an award-winning and established cord blood banking service provider. Amongst the first private cord blood banks in Asia, the Group has established a dominant market leader position in Singapore*. Today, it has the larger market share of the only two private cord blood banks in Singapore. In Hong Kong, it is amongst the three market leaders for private cord blood banks.

The Group collects, processes, tests, cryopreserves and stores stem cells from the umbilical cord blood of the child at birth, allowing customers to preserve their child’s cord blood stem cells for treatment later in his or her life if their child so requires. In March 2011, the Group launched umbilical cord tissue banking service in Hong Kong, offering an additional service that allows customers to collect and store their child's umbilical cord tissue, which is a rich source of mesenchymal and epithelial stem cells and may potentially help repair the body in different ways.

Cordlife’s business model, which allows customers to opt for a one-time lump sum payment, or annual payments until the child reaches maturity (21 years old in Singapore and 18 years old in Hong Kong), provides the Group with a stable pool of recurring cash flow.

In addition, Cordlife, through its collaborative relationships or arrangements with major private hospitals & clinics such as Thomson Medical, Parkway East Hospital and Raffles Hospital, has continued to increase public awareness of its cord blood banking services in Singapore. Overseas, the Group has 10% direct stake in China Cord Blood Corporation – a top operator in China holding majority shares in Beijing, Guangdong and Zhejiang Cord Blood Banks, and an approximately 20% share in Shandong Cord Blood Bank.

*According to the industry data in the Company’s prospectus dated March 21, 2012
Cordlife was amongst the first in Asia to be accredited 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.

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 2011 by Quamnet Outstanding Enterprise Awards; Most Popular Brand Award 2010 – The Most Popular Cord Blood Bank by TVB Weekly; and U-Choice Lifestyle Brand Award 2010 by Metroinfo FM99.7**. 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.

**Awarded to Cordlife Hong Kong

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