

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

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

	Group 3 months ended 31 December			Group 6 months ended 31 December		
	2012	2011	+ / (-) Increase/ (Decrease)	2012	2011	+ / (-) Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue from rendering of services	8,807	7,106	23.9	17,024	14,378	18.4
Cost of sales	(2,577)	(2,143)	20.3	(5,121)	(4,380)	16.9
Gross profit	6,230	4,963	25.5	11,903	9,998	19.1
Other operating income	9	23	(60.9)	12	68	(82.4)
Gain on disposal of associate	2,663	–	100.0	2,663	–	100.0
Selling and marketing expenses	(2,092)	(1,725)	21.3	(3,780)	(3,455)	9.4
Administration expenses	(2,200)	(2,050)	7.3	(4,017)	(3,899)	3.0
Share of results in associate	773	539	43.4	1,313	943	39.2
Finance income	552	428	29.0	1,100	678	62.2
Finance costs	–	(1)	(100.0)	–	(1)	(100.0)
Profit before income tax	5,935	2,177	172.6	9,194	4,332	112.2
Income tax expense	(294)	(250)	17.6	(753)	(550)	36.9
Profit net of tax for the financial period	5,641	1,927	192.7	8,441	3,782	123.2
Other comprehensive income:						
Foreign currency translation	(67)	99	n.m	(570)	681	n.m
Total comprehensive income for the financial period, net of tax	5,574	2,026	175.1	7,871	4,463	76.4

n.m denotes not meaningful

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

	Group			Group	
	3 months ended 31			6 months ended 31	
	December			December	
	2012	2011		2012	2011
	\$'000	\$'000		\$'000	\$'000
Depreciation of property, plant and equipment	161	149	[1]	321	291
Amortisation of software	4	3		9	6
Bad debts written off	65	72		76	92
Foreign exchange (gain)/loss	–	(46)	[2]	(7)	(9)
Other miscellaneous income	10	23		13	68

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 financial 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	
	31 December 2012 \$'000	30 June 2012 \$'000	31 December 2012 \$'000	30 June 2012 \$'000
ASSETS				
Non-current assets				
Investment in associate	26,167	17,664	25,701	–
Investment in subsidiaries	–	–	15,166	15,166
Property, plant and equipment	9,819	6,052	8,864	4,998
Intangible asset	33	35	33	35
Convertible bond	1,500	1,500	1,500	1,500
Trade receivables	24,981	24,258	24,666	23,857
Deposits	206	214	–	–
Fixed deposits	11,500	11,500	11,500	11,500
	<u>74,206</u>	<u>61,223</u>	<u>87,430</u>	<u>57,056</u>
Current assets				
Cash and cash equivalents	6,824	12,945	2,973	10,098
Fixed deposits	6,000	6,000	6,000	6,000
Pledged fixed deposits	286	–	–	–
Trade receivables	8,379	8,588	8,044	8,320
Other receivables	1,008	661	975	574
Prepayments	689	529	561	373
Inventories	334	417	260	365
Amount owing by subsidiary companies	–	–	88	1,032
	<u>23,520</u>	<u>29,140</u>	<u>18,901</u>	<u>26,762</u>
Current liabilities				
Trade and other payables	3,024	2,781	2,438	2,386
Deferred revenue	3,482	4,281	2,912	3,526
Amount owing to subsidiary companies	–	–	19,640	97
Tax payable	1,233	1,092	1,086	1,076
Finance lease liabilities	–	6	–	–
Interest-bearing borrowings	239	111	239	111
	<u>7,978</u>	<u>8,271</u>	<u>26,315</u>	<u>7,196</u>
Net current assets/ (liabilities)	<u>15,542</u>	<u>20,869</u>	<u>(7,414)</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	
	31 December 2012 \$'000	30 June 2012 \$'000	31 December 2012 \$'000	30 June 2012 \$'000
Non-current liabilities				
Other payables	182	202	–	–
Deferred revenue	9,461	8,181	5,535	4,622
Deferred tax liabilities	96	97	60	60
Interest-bearing borrowings	5,270	2,453	5,270	2,453
	<u>15,009</u>	<u>10,933</u>	<u>10,865</u>	<u>7,135</u>
Net assets	<u>74,739</u>	<u>71,159</u>	<u>69,151</u>	<u>69,487</u>
Capital and reserves				
Share capital	53,548	53,548	53,548	53,548
Treasury shares	(103)	–	(103)	–
Accumulated profits	23,458	19,205	15,284	15,517
Reserves	(2,164)	(1,594)	422	422
Total equity	<u>74,739</u>	<u>71,159</u>	<u>69,151</u>	<u>69,487</u>

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

	31 December 2012 \$'000	As at 30 June 2012 \$'000
Amount repayable in one year or less, or on demand		
- secured	239	111
- unsecured	–	–
	239	111
Amount repayable after one year		
- secured	5,270	2,453
- unsecured	–	–
	5,270	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.

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		Group	
	3 months ended 31		6 months ended 31	
	December		December	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before income tax	5,935	2,177	9,194	4,332
Adjustments for:				
Depreciation	161	149	321	291
Amortisation	4	3	9	6
Loss on disposal of property, plant and equipment	1	–	1	–
Interest income	(120)	(18)	(246)	(35)
Interest expense	–	–	–	1
Gain on disposal of associate	(2,663)	–	(2,663)	–
Share of results of associate	(773)	(539)	(1,313)	(943)
Operating cash flows before movements in working capital	2,545	1,772	5,303	3,652
Increase in trade receivables	(171)	(796)	(513)	(752)
Decrease /(increase) in other receivables, deposits and prepayments	9	(93)	(347)	(687)
(Increase)/decrease in inventories	(29)	(38)	82	(137)
Increase/(decrease) in trade payables	13	17	(97)	212
Increase/(decrease) in other payables	680	27	321	(95)
Increase in deferred revenue	342	492	481	390
Cash generated from operations	3,389	1,381	5,230	2,583
Interest received	45	18	96	35
Interest paid	–	–	–	(1)
Income tax paid	(348)	(1,032)	(613)	(1,374)
Net cash generated from operating activities	3,086	367	4,713	1,243

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		Group	
	3 months ended 31		6 months ended 31	
	December	December	December	December
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Investing activities				
Purchase of property, plant and equipment	(1,060)	(697)	(4,184)	(1,170)
Purchase of intangible assets	(4)	(27)	(8)	(42)
Proceeds from disposal of associated company	20,614	–	20,614	–
Acquisition of associated company	(25,701)	–	(25,701)	–
Purchase of treasury shares	(103)	–	(103)	–
Net cash used in investing activities	<u>(6,254)</u>	<u>(724)</u>	<u>(9,382)</u>	<u>(1,212)</u>
Financing activities				
Repayments of finance lease liabilities	(3)	(4)	(7)	(9)
Pledged fixed deposit	–	–	(284)	–
Proceeds from interest-bearing borrowings	–	407	3,021	813
Repayment of interest-bearing borrowings	(58)	(24)	(77)	(36)
Dividends	(4,188)	–	(4,188)	–
Net cash (used in)/generated from financing activities	<u>(4,249)</u>	<u>379</u>	<u>(1,535)</u>	<u>768</u>
Net (decrease)/increase in cash and cash equivalents	<u>(7,417)</u>	<u>22</u>	<u>(6,204)</u>	<u>799</u>
Cash and cash equivalents at the beginning of the financial period	14,180	4,743	12,945	3,995
Effects of exchange rate changes on the balance of cash	61	(40)	83	(69)
Cash and cash equivalents at end of the financial period	<u>6,824</u>	<u>4,725</u>	<u>6,824</u>	<u>4,725</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 year	–	3,782	–	–	–	–	3,782
Other comprehensive income	–	–	–	–	–	681	681
Total comprehensive income for the financial year, net of tax	–	3,782	–	–	–	681	4,463
Balance at 31 December 2011	25,677	20,715	568	534	(2,184)	(293)	45,017

	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 year	–	2,720	–	2,720
Other comprehensive income	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	2,720	–	2,720
Balance at 31 December 2011	25,677	18,031	422	44,130

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	Treasury shares \$'000	Accumulated profits \$'000	Capital reserve \$'000	Merger reserve \$'000	Acquisition reserve \$'000	Foreign currency translation account \$'000	Total \$'000
Group								
Balance at 1 July 2012	53,548	–	19,205	568	534	(2,184)	(512)	71,159
Profit for the year	–	–	8,441	–	–	–	–	8,441
Other comprehensive income	–	–	–	–	–	–	(570)	(570)
Total comprehensive income for the financial year, net of tax	–	–	8,441	–	–	–	(570)	7,871
Purchase of own shares and held as treasury shares	–	(103)	–	–	–	–	–	(103)
Dividends	–	–	(4,188)	–	–	–	–	(4,188)
Balance at 31 December 2012	53,548	(103)	23,458	568	534	(2,184)	(1,082)	74,739

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	Total \$'000
Balance at 1 July 2012	53,548	–	15,517	422	69,487
Profit for the year	–	–	3,955	–	3,955
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	–	3,955	–	3,955
Purchase of own shares and held as treasury shares	–	(103)	–	–	(103)
Dividends	–	–	(4,188)	–	(4,188)
Balance at 31 December 2012	53,548	(103)	15,284	422	69,151

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.

As at 31 December 2012, the Company's issued and paid up capital excluding treasury shares comprises 232,487,354 (30 June 2012: 232,687,354) ordinary shares.

As at 31 December 2012, the Company's issued and paid up share capital was \$53,547,971 (30 June 2012: \$53,547,971).

On 21 November 2012, pursuant to the Share Buyback Mandate approved by shareholders at the Extraordinary General Meeting held on 19 October 2012, the Company purchased 200,000 of its own shares at \$0.515 per share. The total consideration paid was \$103,000. These shares are held by the Company as treasury shares.

As at 31 December 2012, the Company held 200,000 (30 June 2012: nil) treasury shares against 232,487,354 (30 June 2012: 232,687,354) issued ordinary shares excluding treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at	
	31 December 2012	30 June 2012
	No. of shares	No. of shares
Total number of issued shares excluding treasury shares	232,487,354	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

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

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

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

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

Not applicable.

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

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

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted all new and revised Financial Reporting Standard (FRS) and Interpretations of FRS (INT FRS) which became effective for the Group's financial year beginning 1 July 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 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 3 months ended 31 December		Group 6 months ended 31 December	
	2012	2011	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)	5,641	1,927	8,441	3,782
<u>Basic earnings per share:</u>				
Weighted average number of shares in issue during the period ('000)	232,603	150,887	232,644	150,887
Basic earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	2.43	1.28	3.63	2.51
<u>Diluted earnings per share:</u>				
Weighted average number of shares in issue during the period adjusted for the effect of dilution ('000)	232,603	172,687	232,644	172,687
Diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	2.43	1.12	3.63	2.19

Notes:

There were no potentially dilutive shares for the current financial period reported on.

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 for the current financial period reported on were the same as the Group did not have any potential dilutive instruments.

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

	Group		Company	
	31 December 2012 (cents)	30 June 2012 (cents)	31 December 2012 (cents)	30 June 2012 (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the period reported on	32.15	30.58	29.74	29.86

The number of shares in issue and used in calculating the net asset value per share as at 31 December 2012 and 30 June 2012 is 232,487,354 and 232,687,354 respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

COMPARING 6 MONTHS 2013 ("HY2013") AGAINST 6 MONTHS 2012 ("HY2012")

Income Statement

Revenue from rendering of services

Revenue from rendering of services increased by 18.4% or S\$2.6 million from S\$14.4 million in HY2012 to S\$17.0 million in HY2013. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 3,800 in HY2012 to 4,500 in HY2013. 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.

Cost of sales

Cost of sales increased by 16.9% or S\$0.1 million, in line with our increase in revenue from rendering of services.

Gross profit and gross profit margin

Gross profit increased by 19.1% or S\$2.0 million due to the increase in new client deliveries.

Gross profit margin remained stable at approximately 70%.

Other operating income

Other operating income decreased by 82.4% or S\$56,000 due to sale of consumables that did not recur in HY2013.

Gain on disposal of associate company

During the half year ended 31 December 2012, the Group disposed (the "Disposal") of its 10% indirect stake in China Stem Cells (South) Company Limited ("CSCS"). Completion of the Disposal took place on 12 November 2012 ("Completion Date") and the Disposal resulted in a gain of approximately S\$2.7m.

In the circular dated 4 October 2012 to shareholders ("Circular") relating to, *inter alia*, the Disposal, it was stated that the expected gain on Disposal was approximately S\$3.9m based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2012.

The decrease of approximately S\$1.2m was mainly due to:

- (i) the fall in the exchange rate of the US dollar against the Singapore dollar between 30 June 2012 and the Completion Date; and
- (ii) the increase in the book value of the investment in CSCS due to the equity accounting of the share of profits in CSCS (as an associate of the Group) for the period from 1 July 2012 to 31 October 2012 in accordance with the accounting requirements in FRS 28 (Investments in Associates).

Selling and marketing expenses

Selling and marketing expenses increased by 9.4% or S\$0.3 million. The increase was mainly due to an increase in client acquisition which resulted in an increase in various advertising and marketing activities to further promote customers' awareness.

Administrative expenses

Administrative expenses increased by 3.0% or S\$0.1 million. This increase was mainly due to an increase in headcount and staff cost, compliance costs and other administrative expenses. The increase is offset by the absence of IPO listing expenses of S\$0.6 million incurred in HY2012 which did not recur in HY2013.

Share of results in associate

Share of results in associate increased by 39.2% or S\$0.4 million. This comprises of 4 months of CSCS results and 2 months of China Cord Blood Corporation ("CCBC") results. Based on our Group's understanding, the increase is partly 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") 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. Consistent with CCBC, the Group has not provided for income taxes on such undistributed accumulated earnings of PRC subsidiaries of CCBC as of 31 December 2012, since these earnings are intended to be reinvested indefinitely in the PRC pursuant to the announcement by CCBC, which is listed on the New York Stock Exchange.

Finance income

Finance income increased by 62.2% or S\$0.4 million due to an increase in interest income from non-current trade receivables, interest income from fixed deposits and interest income accrued from the convertible bond which the Group invested in FY2012.

Tax

The effective tax rate for the current period is lower than the corporate tax rate of 17% mainly because of the gain on disposal of associate company which is not taxable.

COMPARING 2Q2013 AGAINST 2Q2012

Income Statement

Revenue from rendering of services

Revenue from rendering of services increased by 23.9% or S\$1.7 million from S\$7.1 million in 2Q2012 to S\$8.8 million in 2Q2013. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 1,900 in 2Q2012 to 2,300 in 2Q2013. 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.

Cost of sales

Cost of sales increased by 20.3 % or S\$0.4 million, in line with our increase in revenue from rendering of services.

Gross profit and gross profit margin

Gross profit increased by 25.5% or S\$1.3 million mainly due to the increase in new client deliveries.

Gross profit margin remained stable at approximately 70%.

Other operating income

Other operating income decreased by 60.9% or S\$14,000 mainly due to sale of consumables that did not recur in 2Q2013.

Gain on disposal of associate company

During the half year ended 31 December 2012, the Group disposed (the "Disposal") of its 10% indirect stake in China Stem Cells (South) Company Limited ("CSCS"). Completion of the Disposal took place on 12 November 2012 ("Completion Date") and the Disposal resulted in a gain of approximately S\$2.7m.

In the circular dated 4 October 2012 to shareholders ("Circular") relating to, inter alia, the Disposal, it was stated that the expected gain on Disposal was approximately S\$3.9m based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2012.

The decrease of approximately S\$1.2m was mainly due to:

- (i) the fall in the exchange rate of the US dollar against the Singapore dollar between 30 June 2012 and the Completion Date; and
- (ii) the increase in the book value of the investment in CSCS due to the equity accounting of the share of profits in CSCS (as an associate of the Group) for the period from 1 July 2012 to 31 October 2012 in accordance with the accounting requirements in FRS 28 (Investments in Associates).

Selling and marketing expenses

Selling and marketing expenses increased by 21.3% or S\$0.4 million. The increase was mainly due to an increase in client acquisition which resulted in an increase in various advertising and marketing activities to further promote customers' awareness.

Administrative expenses

Administrative expenses increased by 7.3% or S\$0.1 million. This increase was mainly due to an increase in headcount and staff cost, compliance costs and other administrative expenses. The increase is offset by the absence of IPO listing expenses of S\$0.3 million incurred in 2Q2012 which did not recur in 2Q2013.

Share of results in associate

Share of results in associate increased by 43.4% or S\$0.2 million. This comprises of 1 month of CSCS results and 2 months of CCBC results.

The tax laws in the People's Republic of China ("PRC") 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. Consistent with CCBC, the Group has not provided for income taxes on such undistributed accumulated earnings of PRC subsidiaries of CCBC as of 31 December 2012, since these earnings are intended to be reinvested indefinitely in the PRC pursuant to the announcement by CCBC, which is listed on the New York Stock Exchange.

Finance income

Finance income increased by 29.0% or S\$0.1m due to an increase in interest income from non-current trade receivables, interest income from fixed deposits and interest income accrued from the convertible bond which the Group invested in FY2012.

Tax

The effective tax rate for the current period is lower than the corporate tax rate of 17% mainly because of the gain on disposal of associate company which is not taxable.

Balance sheet

The net increase in the carrying value of property, plant and equipment of S\$3.8 million was attributable mainly to the capital expenditure incurred in HY2013 for the purchase of the new office, A'Posh Bizhub, at Yishun Industrial Street 1.

During the half year ended 31 December 2012, the Group completed the acquisition of 10% of the issued shares in CCBC and the disposal of its 10% indirect stake in CSCS. The investment in associate represents the Group's 10% interest in CCBC.

Provisional goodwill, if any, relating to the acquisition has not been recognised separately subject to the finalisation of the purchase price allocation exercise.

The decrease in cash and cash equivalents was attributable to payment of dividends in HY2013 and payment for the acquisition of 10% of the issued shares in CCBC. The decrease is offset by positive cash flows generated from operating activities. The pledged fixed deposit relates to the fixed deposit pledged with a bank to secure credit card instalment facility.

Non-current trade receivables represent 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 competitive conditions of the industry in which the group operates and any known significant trends and factors or events that may affect the group in the next reporting period and the next 12 months

On January 21, 2013, the Singapore government unveiled policies to boost fertility and birth rates. The S\$2 billion Marriage & Parenthood Package 2013 is an improvement from the S\$1.6 billion package in 2008, and consists of a range of enhanced incentives aimed at increasing the Total Fertility Rate (TFR) in Singapore to 1.4 or 1.5 over the next few years from a TFR of 1.2 in 2011. Given the Singapore government's efforts to encourage Singaporeans to marry and have children, analysts say they expect to see a perk-up in birth rates from 2014, which could benefit Cordlife¹. From January to November last year, there were 38,914 live births, which is a 7.7% increase over the 36,135 live births in the same period in 2011².

As the leading provider of cord blood banking services in Singapore, the Group is in a niche area of the health-care sector that is poised to benefit from the enhanced Marriage & Parenthood Package 2013.

The incentives include: An increase of S\$2,000 per birth in the Baby Bonus cash gift up to the fourth child; a Medisave account of S\$3,000 for every Singaporean baby; an extension of six years for the Child Development Account (until the child turns 12); an increase in the co-funding of the Assisted Reproduction Technology treatments from the current 50 per cent to 75 per cent; enhanced maternity protection for pregnant employees; and the introduction of one-week paternity leave.

As many of Cordlife's existing clients already tap into their Child Development Accounts (CDA) to pay for the Group's services, the extension of CDA, as well as the increases in the Baby Bonus scheme, will allow more parents to afford to store their children's precious cord blood stem cells as an additional medical treatment alternative.

In Hong Kong, where the population faces similar issues of low fertility and birth rates, some are calling for the Hong Kong government to look into its population policy and consider reversing a populist policy that banned mainland babies from being born in Hong Kong³. Although not adversely affected by the ban, which does not apply to mainland Chinese women married to Hong Kong residents, Cordlife Hong Kong can stand to benefit from a reversal of this policy as there will be a larger pool of potential customers.

In China, its one-child policy, imposed in the late 1970s, is beginning to impact China's growth with the first fall in its labour pool in decades. It is estimated that the number of

¹ Source: *White Paper 'to benefit property, transport,' Straits Times, Jan 21*

² Source: *The Immigration and Checkpoints Authority, 24 December 2012*

³ Source: *"HK ponders weak population growth - with an eye on S'pore," Straits Times, Jan 31*



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people aged between 15 and 64 will drop by around 40 million between 2014 and 2030, according to the Chinese Academy of Social Sciences, a government think-tank⁴.

Nevertheless, China remains a huge market that is growing in affluence. With that, more Chinese parents are now exploring better health care options for their children, including securing the storage of their children's cord blood stem cells as an additional medical treatment alternative. Being the first foreign entrant into the China cord blood banking market via the Group's strategic stake in the country's top cord blood banking operator, China Cord Blood Corporation, the Group believes it is in good stead to ride on this industry growth.

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

⁴ Source: "One-child policy threatens to impact China's growth," *Business Times*, Jan 31

11. Dividends

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

Any dividend recommended for the current financial period reported on? Yes

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

(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.***

The interim dividend will be paid on 5 April 2013

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

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 14 March 2013 ("Book Closure Date") for the purpose of determining members' entitlement to the interim dividend ("Dividend").

Duly completed registrable transfers received by the Company's Share Registrar Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00 Singapore 068898 up to 5.00pm on 13 March 2013 ("Entitlement Date") will be registered to determine members' entitlements to the Dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00pm on the Entitlement Date will be entitled to the Dividend.

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

Not applicable.

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 31 December 2012 presented in this announcement, to be false or misleading in any material aspect.

15. Disclosure on the use of IPO proceeds

As at 31 January 2013, the Group has utilised approximately S\$9.6 million of the IPO Proceeds as follows

Intended Use of IPO Proceeds	Estimated amount S\$ (in millions)	Estimated percentage of gross proceeds raised from the IPO	Amount utilised S\$ (in millions)	Percentage of gross proceeds raised from the IPO
Development and expansion of business and operations in Singapore and overseas	16.6	55.9%	5.1	17.2%
Renovation of proposed new headquarters and facility at Yishun, A'Posh Bizhub	3.0	10.1%	0.8	2.7%
Investments in infrastructure relating to information technology	2.0	6.7%	-	-
Working capital and general corporate purposes	4.7	15.8%	-	-
Expenses incurred in connection with the IPO	3.4	11.5%	3.7	12.5%
	29.7	100.0%	9.6	32.4%



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Note:

- (1) The numbers in the table above may not exactly add due to rounding.
- (2) Please refer to the announcements made on SGXNET on 30 November 2012, 11 January 2013 and 31 January 2013.

By Order of the Board

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
14 February 2013

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.