CORDLIFE GROUP LIMITED

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2013

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 March		+/(-) Increase/ (Decrease)	Group 9 months ended 31 March		+/(-) Increase/ (Decrease)
	2013	**2012**		**2013**	**2012**	
	$'000	$'000	%	$'000	$'000	%
Revenue from rendering of services	6,736	6,916	(2.6)	23,760	21,294	11.6
Cost of sales	(2,177)	(2,120)	2.7	(7,298)	(6,644)	9.8
Gross profit	4,559	4,796	(4.9)	16,462	14,650	12.4
Other operating income	4	5	(20.0)	16	73	(78.1)
Gain on disposal of associate	–	–	–	2,663	–	n.m
Selling and marketing expenses	(1,756)	(1,618)	8.5	(5,536)	(4,929)	12.3
Administration expenses	(2,310)	(2,985)	(22.6)	(6,327)	(6,884)	(8.1)
Share of results in associate	277	496	(44.2)	1,590	1,439	10.5
Finance income	589	358	64.5	1,689	1,036	63.0
Finance costs	(18)	–	n.m	(18)	(1)	>100.0
Profit before income tax	1,345	1,052	27.9	10,539	5,384	95.7
Income tax expense	(117)	(220)	(46.8)	(870)	(770)	13.0
Profit net of tax for the financial period	1,228	832	47.6	9,669	4,614	>100.0
Other comprehensive income:						
Foreign currency translation	224	(408)	n.m	(346)	272	n.m
Total comprehensive income for the financial period, net of tax	1,452	424	>100.0	9,323	4,886	90.8

n.m denotes not meaningful

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.

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

	Group 3 months ended 31 March			Group 9 months ended 31 March	
	2013	**2012**		**2013**	**2012**
	$'000	$'000		$'000	$'000
Depreciation of property, plant and equipment	244	156	[1]	565	447
Amortisation of software	15	6		24	12
Bad debts written off	23	26		99	118
Foreign exchange (gain)/loss	3	(11)	[2]	(4)	(20)
Overprovision of tax in prior years	–	(33)		–	(33)
Other miscellaneous income	4	5		16	73

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 as well as the additional depreciation relating to the building. Depreciation on the building and its related renovations commenced in January 2013.

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 March 2013 $'000	**30 June 2012** $'000	**31 March 2013** $'000	**30 June 2012** $'000
ASSETS				
Non-current assets				
Investment in associate	26,654	17,664	25,701	–
Investment in subsidiaries	–	–	15,166	15,166
Property, plant and equipment	6,834	6,052	5,955	4,998
Investment property	4,173	–	4,173	–
Intangible asset	147	35	147	35
Convertible bond	1,500	1,500	1,500	1,500
Trade receivables	25,254	24,258	24,941	23,857
Deposits	209	214	–	–
Fixed deposits	11,500	11,500	11,500	11,500
	76,271	61,223	89,083	57,056
Current assets				
Cash and cash equivalents	7,192	12,945	3,539	10,098
Fixed deposits	6,000	6,000	6,000	6,000
Pledged fixed deposits	290	–	–	–
Trade receivables	8,169	8,588	7,806	8,320
Other receivables	1,249	661	1,228	574
Prepayments	594	529	505	373
Inventories	233	417	169	365
Amount owing by subsidiary companies	–	–	88	1,032
	23,727	29,140	19,335	26,762
Current liabilities				
Trade and other payables	3,252	2,781	2,914	2,386
Deferred revenue	3,588	4,281	2,912	3,526
Amount owing to subsidiary companies	–	–	19,452	97
Tax payable	932	1,092	860	1,076
Finance lease liabilities	–	6	–	–
Interest-bearing borrowings	237	111	237	111
	8,009	8,271	26,375	7,196
Net current assets/ (liabilities)	15,718	20,869	(7,040)	19,566

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 31 March 2013 $'000	Group As at 30 June 2012 $'000	Company As at 31 March 2013 $'000	Company As at 30 June 2012 $'000
Non-current liabilities				
Other payables	185	202	–	–
Deferred revenue	10,207	8,181	6,141	4,622
Deferred tax liabilities	193	97	157	60
Interest-bearing borrowings	5,213	2,453	5,213	2,453
	15,798	10,933	11,511	7,135
Net assets	76,191	71,159	70,532	69,487
Capital and reserves				
Share capital	53,548	53,548	53,548	53,548
Treasury shares	(103)	–	(103)	–
Accumulated profits	24,686	19,205	16,665	15,517
Reserves	(1,940)	(1,594)	422	422
Total equity	76,191	71,159	70,532	69,487

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

	As at	
	31 March 2013	**30 June 2012**
	$'000	$'000
Amount repayable in one year or less, or on demand		
- secured	237	111
- unsecured	–	–
	237	111
Amount repayable after one year		
- secured	5,213	2,453
- unsecured	–	–
	5,450	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 3 months ended 31 March		Group 9 months ended 31 March	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Operating activities				
Profit before income tax	1,345	1,052	10,539	5,384
Adjustments for:				
Depreciation	244	156	565	447
Amortisation	15	6	24	12
Loss on disposal of property, plant and equipment	21	–	22	–
Interest income	(120)	(33)	(369)	(67)
Interest expense	18	–	18	1
Gain on disposal of associate	–	–	(2,663)	–
Share of results of associate	(277)	(496)	(1,590)	(1,439)
IPO expenses	–	1,283	–	1,906
Operating cash flows before movements in working capital	1,246	1,968	6,546	6,244
Increase in trade receivables	(64)	(1,201)	(577)	(1,953)
(Increase)/decrease in other receivables, deposits and prepayments	(74)	403	(421)	(322)
Decrease/(increase) in inventories	102	(8)	184	(145)
(Decrease)/increase in trade payables	(115)	(175)	(213)	37
Increase in other payables	348	300	669	205
Increase in deferred revenue	852	1,462	1,332	1,885
Cash generated from operations	2,295	2,749	7,520	5,951
Interest received	45	33	144	67
Interest paid	(18)	–	(18)	(1)
Income tax paid	(322)	(425)	(934)	(1,802)
Net cash generated from operating activities	2,000	2,357	6,712	4,215

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 31 March		Group 9 months ended 31 March	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Investing activities				
Purchase of property, plant and equipment	(1,447)	(468)	(5,533)	(1,623)
Purchase of intangible assets	(128)	–	(136)	(42)
Investment in convertible bond	–	(1,500)	–	(1,500)
Transfer from term deposits	–	1,322	–	1,310
Proceeds from disposal of associated company	–	–	20,614	–
Acquisition of associated company	–	–	(25,701)	–
Purchase of treasury shares	–	–	(103)	–
Net cash used in investing activities	(1,575)	(646)	(10,859)	(1,855)
Financing activities				
Repayments of finance lease liabilities	–	(4)	(7)	(13)
Pledged fixed deposit	–	–	(290)	–
Proceeds from interest-bearing borrowings	27	409	3,095	1,222
Repayment of interest-bearing borrowings	(85)	(25)	(210)	(61)
Proceeds from issue of shares	–	29,700	–	29,700
Share issue cost	–	(2,902)	–	(3,525)
Dividends	–	–	(4,188)	–
Net cash (used in)/generated from financing activities	(58)	27,178	(1,600)	27,323
Net increase/(decrease) in cash and cash equivalents	367	28,889	(5,747)	29,683
Cash and cash equivalents at the beginning of the financial period	6,824	4,725	12,945	3,995
Effects of exchange rate changes on the balance of cash	1	26	(6)	(38)
Cash and cash equivalents at end of the financial period	7,192	33,640	7,192	33,640

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	Accumulated profits $'000	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation account $'000	Total $'000
Balance at 1 July 2011	25,677	16,933	568	534	(2,184)	(974)	40,554
Profit for the year	–	4,614	–	–	–	–	4,614
Other comprehensive income	–	–	–	–	–	272	272
Total comprehensive income for the financial period, net of tax	–	4,614	–	–	–	272	4,886
Issuance of shares pursuant to the IPO	29,700	–	–	–	–	–	29,700
IPO expenses taken to equity	(1,619)	–	–	–	–	–	(1,619)
Balance at 31 March 2012	53,758	21,547	568	534	(2,184)	(702)	73,521

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 2011	25,677	15,311	422	41,410
Profit for the year	–	3,211	–	3,211
Other comprehensive income	–	–	–	–
Total comprehensive income for the financial period, net of tax	–	3,211	–	3,211
Issuance of shares pursuant to the IPO	29,700	–	–	29,700
IPO expenses taken to equity	(1,619)	–	–	(1,619)
Balance at 31 March 2012	53,758	18,522	422	72,702

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	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation account $'000	Total $'000
Balance at 1 July 2012	53,548	–	19,205	568	534	(2,184)	(512)	71,159
Profit for the year	–	–	9,669	–	–	–	–	9,669
Other comprehensive income								
- Net effect of foreign currency translation	–	–	–	–	–	–	(555)	(555)
- Share of other comprehensive income of associate	–	–	–	–	–	–	209	209
Total comprehensive income for the financial period, net of tax	–	–	9,669	–	–	–	(346)	9,323
Purchase of own shares and held as treasury shares	–	(103)	–	–	–	–	–	(103)
Dividends	–	–	(4,188)	–	–	–	–	(4,188)
Balance at 31 March 2013	53,548	(103)	24,686	568	534	(2,184)	(858)	76,191

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	–	–	5,336	–	5,336
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the financial period, net of tax	–	–	5,336	–	5,336
Purchase of own shares and held as treasury shares	–	(103)	–	–	(103)
Dividends	–	–	(4,188)	–	(4,188)
Balance at 31 March 2013	53,548	(103)	16,665	422	70,532

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 March 2013, 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 March 2013, 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 March 2013, 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 March 2013 No. of shares	**30 June 2012 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 March		Group 9 months ended 31 March	
	2013	**2012**	**2013**	**2012**
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:				
Profit attributable to shareholders (S$ '000)	1,228	832	9,669	4,614
Weighted average number of shares in issue during the period ('000)	232,487	230,890	232,592	151,482
Basic and diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	0.53	0.36	4.16	3.05

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 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	
	31 March 2013 (cents)	30 June 2012 (cents)	31 March 2013 (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	32.77	30.58	30.34	29.86

The number of shares in issue and used in calculating the net asset value per share as at 31 March 2013 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 9 MONTHS 2013 ("9M2013") AGAINST 9 MONTHS 2012 ("9M2012")

Income Statement

Revenue from rendering of services

Revenue from rendering of services increased by 11.6% or S$2.5 million from S$21.3 million in 9M2012 to S$23.8 million in 9M2013. The increase in revenue was due mainly to an increase in the number of client deliveries, from approximately 5,300 in 9M2012 to 6,200 in 9M2013. 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 9.8% 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 12.4% or S$1.8 million due to the increase in new client deliveries.

Gross profit margin remained stable at approximately 69%.

Other operating income

Other operating income decreased by 78.1% or S$57,000 due to sale of consumables that did not recur in 9M2013.

Gain on disposal of associate company

During the 9-month period ended 31 March 2013, the Group completed the disposal (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 due mainly 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 12.3% or S$0.6 million. The increase was due mainly to an increase in various advertising and marketing activities to further promote customers' awareness which resulted in an increase in client acquisition.

Administrative expenses

Administrative expenses decreased by 8.1% or S$0.5 million. In 9M2012, the Group had incurred an amount of S$1.9 million relating to IPO expenses. Excluding the IPO expenses, administrative expenses increased by 26.9% or S$1.3 million from S$5.0 million in 9M2012 to S$6.3 million in 9M2013.

This increase was due mainly to one-time costs related to the move to our new office premise amounting to S$0.2 million, an increase in headcount and staff cost of S$0.4 millionand an increase in compliance costs of S$0.2 million . Additionally, there is an increase in investor relations expense of S$0.1 million, an increase in professional fees of S$0.1 million and an increase in travel expenses of S$0.3 million.

The increase in travel expenses for 9M2013 mainly relates to the business visits made by the Group's key personnel from Singapore to Hong Kong to gain a better perspective of the umbilical cord tissue service and market, for its subsequent launch in Singapore on 12 May 2013.

Share of results in associate

Share of results in associate increased by 10.5% or S$0.15 million. This is derived from a 4- month contribution from the Group's 10% indirect shareholding in CSCS and a 5-month contribution from the Group's 10% direct stake in China Cord Blood Corporation ("CCBC"), based on the results of these associate companies. Based on our Group's understanding, the increase in contribution arises from the growth of CCBC and Guangzhou Tianhe Nuoya's business as new customers signed up each year in addition to existing customers.

The rising contribution is offset by the cash and non-cash expenses incurred as a result of the convertible notes issued by CCBC as well as the non-cash fair value losses derived from such financial instruments. The convertible notes which were classified as financial liabilities will be stated at fair value under IFRS and any changes with respect to these fair values will be credited or charged against CCBC's profit and loss accounts.

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 March 2013, 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 63.0% or S$0.7 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 the associate company which is not taxable.

COMPARING 3Q2013 AGAINST 3Q2012

Income Statement

Revenue from rendering of services

Revenue from rendering of services decreased by 2.6% or S$0.2 million from S$6.9 million in 3Q2012 to S$6.7 million in 3Q2013. The decrease in revenue was due mainly to a decrease in the number of client deliveries from Hong Kong. This is due to the effect of the moratorium on Mainland mothers giving birth in Hong Kong.

Cost of sales

Cost of sales increased by 2.7 % or S$57,000. This is due to the fixed costs incurred by the Hong Kong entity in provision of services, despite the drop in client deliveries.

Gross profit and gross profit margin

Gross profit decreased by 4.9% or S$0.2 million. This is due to the drop in client deliveries in Hong Kong, coupled with fixed costs incurred in provision of services, despite the drop in client deliveries in Hong Kong.Accordingly, gross profit margin decreased from 69.3% in 3Q2012 to 67.7% in 3Q2013.

Selling and marketing expenses

Selling and marketing expenses increased by 8.5% or S$0.1 million. The increase was due mainly to an increase in various advertising and marketing activities to further promote customers' awareness which resulted in an increase in client acquisition.

Administrative expenses

Administrative expenses decreased by 22.6% or S$0.7 million. In 3Q2012, the Group incurred an amount of S$1.3 million relating to IPO expenses. Excluding the IPO expenses, administrative expenses increased by 37.1% or S$0.6 million from S$1.7 million in 3Q2012 to S$2.3 million in 3Q2013. This increase was due mainly to one-time costs related to the move to our new office premise amounting to S$0.2 million and an increase in compliance costs of S$0.1 million.

An increase in travel expenses of S$0.1 million is also recorded for 3Q2013. The increase in travel expenses for 3Q2013 mainly relates to the business visits made by the Group's key personnel from Singapore to Hong Kong to gain a better perspective of the umbilical cord tissue service and market, for its subsequent launch in Singapore on 12 May 2013.

Share of results in associate

Share of results in associate decreased by 44.2% or S$0.2 million. The share of results for 3Q2013 relates CCBC results while that of 3Q2012 relates to CSCS results. Included in the results of the associate for this quarter is a non-cash fair value losses and the cash and non-cash expenses incurred in relation to the convertible notes issued by CCBC. The convertible notes which were classified as financial liabilities will be stated at fair value under IFRS and any changes with respect to these fair values will be credited or charged against CCBC's profit and loss accounts.

The tax laws in the 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 March 2013, 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 64.5% or S$0.2m 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 the associate company which is not taxable.

Balance sheet

The net increase in the carrying value of property, plant and equipment and investment property of S$5.0 million was attributable mainly to the capital expenditure incurred in 9M2013 for the purchase of the new office, A'Posh Bizhub, at Yishun Industrial Street 1.

During the period ended 31 March 2013, 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 November 2012 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 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

According to latest government statistics, the total number of births in Singapore was 42,600 in 2012, representing a 7.4% increase from the 39,654 births in 2011[1]. Total fertility rate improved from 1.2 to 1.29 over the same period[1]. Given the Singapore government's push to encourage Singaporeans to marry and have children, analysts expect a perk-up in birth rates from 2014, which could benefit Cordlife[2]. Key initiatives in the S$2 billion Marriage & Parenthood Package rolled out in January 2013 include enhanced support for medical costs related to childbirth, such as an increase in the Baby Bonus cash scheme and extension of the Child Development Account (CDA), which many of Cordlife's clients tap into to pay for its services. In addition, other measures introduced by the Singapore government to promote marriage and parenthood, such as the Parenthood Priority Scheme, sets aside 30% to 50% of new flats for first-timer couples who have young children or are expecting one.

In anticipation of growth in the market as a result of the government's pro-family policies, Cordlife has established Asia's largest private cord blood storage facility that has the capacity to house up to 650,000 cord blood units. With ownership of a larger, state-of-the-art facility, the Group is able to build on economies of scale and leverage on operational efficiency to grow, while containing costs at the same time. Furthermore, the Group expects that its new service offering – the storage of umbilical cord tissue – will generate additional income in the coming months.

In a report dated 10 April 2013 by Deloitte & Touche Financial Advisory Services Limited ("Deloitte"), Singapore and Hong Kong are shown to have high penetration rates of private cord blood banking at approximately 19% in 2011. In Singapore, the projected penetration level is expected to reach 26% by 2015, mainly driven by effective marketing activities by established companies, and increasing public awareness and acceptance level. The private cord blood banking segment's incremental cord blood storage growth is projected at a CAGR of 9% from 2011 to 2015. The report also showed that Cordlife grew its market share from 50% to 62% in the private sector and achieved a CAGR of 12% on annual incremental storage units from 2007 to 2011.

While it remains unclear whether the moratorium on women from mainland China giving birth at private hospitals in Hong Kong will be lifted after 2013, Deloitte researchers project the penetration rate for Hong Kong mothers to reach 25% by 2015, which still represents a sizable pool of potential customers for the private cord blood banking services. Moreover, according to Economist Intelligence Unit's forecast mentioned in the Deloitte report, the birth rate in Hong Kong is expected to increase slightly, from 0.74% in 2011 to 0.76% in 2015. Concerned about the aging population, the Hong Kong government has encouraged residents to have more children through policies such as protracting the compulsory free education from 9 years to 12 years.

[1] *Source: Department of Statistics, Singapore*
[2] Source: White Paper 'to benefit property, transport,' Straits Times, 21 Jan 2013

Although slightly affected by the ban implemented earlier this year, Cordlife's strategic move to acquire 10% of China Cord Blood Corporation ("CCBC") in November 2012 mitigated the ban's financial impact on the Group. CCBC, China's largest cord blood banking operator, had been aggressively expanding its market share in the past few years.

In China, the penetration rate of private cord blood banking is still low at 2.2%, indicating much room to grow for the sector, which is expected to do so at a forecast CAGR of 23% by 2015, according to the Deloitte report. The China's middle-class population is estimated to grow from 290 million in 2011 to a projected 590 million by 2025, which means a progressively larger customer pool for cord blood bank operations. In addition, the stem cell industry is listed as a key development area of China's 12th Five-Year-Plan, indicating another positive driver of the cord blood banking industry.

Going forward, the Group remains confident of its performance as it continues to leverage on its market position and brand equity and ride on positive industry momentum. Barring any unforeseen circumstances, the Group expects to remain profitable for FY2013.

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	Interim
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S$0.018 per ordinary share
Tax Rate	Exempt (1-tier)

Name of Dividend	Special
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S$0.002 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 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 31 March 2013 presented in this announcement, to be false or misleading in any material aspect.

15. Disclosure on the use of IPO proceeds

As at 30 April 2013, the Group has utilised approximately S$9.8 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 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%	-	-
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%	9.8	33.1%

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, 31 January 2013 and 30 April 2013.

By Order of the Board

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
13 May 2013