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CORDLIFE GROUP LIMITED

Full Year Unaudited Financial Statement for the Year Ended 30 June 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 12 months ended 30 June		+/(-) Increase/ (Decrease)
	2013	**2012**	
		(restated)*	
	$'000	$'000	%
Revenue	34,702	30,275	14.6
Cost of sales	(9,373)	(8,743)	7.2
Gross profit	25,329	21,532	17.6
Other operating income	28	75	(62.7)
Gain on disposal of associate	2,729	–	n.m
Selling and marketing expenses	(7,801)	(6,909)	12.9
Administration expenses	(10,197)	(9,164)	11.3
Share of results of associates	2,753	2,091	31.7
Fair value gain on investment properties	1,134	–	n.m
Negative goodwill on acquisition of associate	138	–	n.m
Finance income	492	157	>100.0
Finance costs	(46)	(2)	>100.0
Profit before income tax	14,559	7,780	87.1
Income tax expense	(1,075)	(854)	25.9
Profit for the financial year	13,484	6,926	94.7
Other comprehensive income for the financial year, net of tax:			
Foreign currency translation	(419)	462	n.m
Total comprehensive income for the financial year	13,065	7,388	76.8

n.m denotes not meaningful

* Interest income relating to non-current trade receivables has been reclassified from finance income to revenue for prior year to be consistent with FY2013.

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 12 months ended 30 June		
	2013	**2012**	
	$'000	$'000	
Depreciation of property, plant and equipment	726	663	[1]
Amortisation of intangible asset	39	18	
Impairment loss on trade receivables	444	210	
Foreign exchange gain	(59)	(18)	
Overprovision of tax in prior years	(7)	(173)	

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 Group's new headquarters and facility at A'Posh Bizhub (the "Property"). Depreciation on the Property and its related renovations commenced in January 2013.

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

	Group As at		Company As at	
	30 June 2013 $'000	**30 June 2012** $'000	**30 June 2013** $'000	**30 June 2012** $'000
ASSETS				
Non-current assets				
Investment in associate	27,965	17,664	25,701	–
Investment in subsidiaries	–	–	21,304	15,166
Property, plant and equipment	7,606	6,052	6,053	4,998
Investment properties	5,330	–	5,330	–
Intangible assets	146	35	136	35
Convertible bond	–	1,500	–	1,500
Trade receivables	38,743	24,258	35,823	23,857
Other receivables	221	–	221	–
Goodwill	1,554	–	–	–
Deposits	213	214	–	–
Fixed deposits	11,500	11,500	11,500	11,500
	93,278	61,223	106,068	57,056
Current assets				
Cash and cash equivalents	7,986	12,945	3,492	10,098
Fixed deposits	3,500	6,000	3,500	6,000
Short term investments	342	–	–	–
Pledged fixed deposits	334	–	–	–
Trade receivables	12,121	8,588	8,012	8,320
Other receivables	1,083	661	803	574
Prepayments	1,285	529	624	373
Inventories	435	417	156	365
Amounts owing by subsidiary companies	–	–	1,476	1,032
	27,086	29,140	18,063	26,762
Current liabilities				
Trade and other payables	7,505	2,781	4,239	2,386
Amount payable for acquisition of subsidiaries	3,182	–	3,182	–
Deferred revenue	5,472	4,281	3,585	3,526
Amounts owing to subsidiary companies	–	–	243	97
Income tax payable	1,138	1,092	1,128	1,076
Finance lease liabilities	–	6	–	–
Interest-bearing borrowings	271	111	271	111
	17,568	8,271	12,648	7,196
Net current assets	9,518	20,869	5,415	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		Company As at	
	30 June 2013 $'000	**30 June 2012** $'000	**30 June 2013** $'000	**30 June 2012** $'000
Non-current liabilities				
Other payables	160	202	–	–
Deferred revenue	19,040	8,181	13,360	4,622
Deferred tax liabilities	192	97	177	60
Interest-bearing borrowings	5,926	2,453	5,926	2,453
Amount owing by subsidiary company	–	–	21,335	–
	25,318	10,933	40,798	7,135
Net assets	77,478	71,159	70,685	69,487
Capital and reserves				
Share capital	53,548	53,548	53,548	53,548
Treasury shares	(103)	–	(103)	–
Accumulated profits	26,176	19,205	16,818	15,517
Reserves	(2,013)	(1,594)	422	422
Non-controlling interests	(130)	–	–	–
Total equity	77,478	71,159	70,685	69,487

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

	As at	
	30 June 2013 $'000	**30 June 2012** $'000
Amounts repayable in one year or less, or on demand		
- secured	271	111
Amounts repayable after one year		
- secured	5,926	2,453
	6,197	2,564

This loan is secured by:

a) First legal mortgage of the Company's 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 12 months ended 30 June	
	2013	**2012**
	$'000	$'000
Operating activities		
Profit before income tax	14,559	7,780
Adjustments for:		
Depreciation	726	663
Amortisation	39	18
Loss on disposal of property, plant and equipment	34	–
Interest income	(492)	(157)
Interest expense	46	2
Impairment loss on trade receivables	444	210
Gain on disposal of associate	(2,729)	–
Share of results of associate	(2,753)	(2,091)
Negative goodwill on acquisition of associate	(138)	–
Fair value gain on investment properties	(1,134)	–
IPO expenses	–	1,902
Unrealised exchange loss	(24)	–
Operating cash flows before movements in working capital	8,578	8,327
Increase in trade receivables	(10,350)	(3,394)
Increase in other receivables, deposits and prepayments	(394)	(583)
Decrease/(increase) in inventories	166	(189)
Increase in trade and other payables	1,838	664
Increase in deferred revenue	9,442	2,901
Cash generated from operations	9,280	7,726
Interest received	332	57
Interest paid	(46)	(2)
Income tax paid	(934)	(1,748)
Net cash generated from operating activities	8,632	6,033

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

	Group 12 months ended 30 June	
	2013	**2012**
	$'000	$'000
Investing activities		
Purchase of property, plant and equipment	(1,729)	(2,363)
Purchase of investment properties	(4,196)	–
Purchase of intangible assets	(150)	(42)
Investment in convertible bond	–	(1,500)
Redemption of convertible bond	1,500	–
Transfer from/(to) fixed deposits	2,500	(16,190)
Proceeds from disposal of associated company	20,614	–
Acquisition of associated company	(25,701)	–
Purchase of treasury shares	(103)	–
Acquisition of assets (Note A)	(1,568)	–
Acquisition of subsidiaries (Note B)	(1,556)	–
Net cash used in investing activities	(10,389)	(20,095)
Financing activities		
Repayments of finance lease liabilities	(6)	(17)
Pledged fixed deposits	(297)	–
Proceeds from interest-bearing borrowings	3,828	1,837
Repayment of interest-bearing borrowings	(195)	(91)
Proceeds from issue of shares	–	29,700
Share issue cost	–	(3,731)
Dividends paid	(6,513)	(4,654)
Net cash (used in)/generated from financing activities	(3,183)	23,044
Net (decrease)/increase in cash and cash equivalents	(4,940)	8,982
Cash and cash equivalents at the beginning of the financial year	12,945	3,995
Effects of exchange rate changes on the balance of cash	(19)	(32)
Cash and cash equivalents at end of the financial year	7,986	12,945

Notes to Consolidated Statement of Cash Flows

A. Acquisition of assets

	Group 12 months ended 30 June	
	2013	**2012**
	$'000	$'000
Trade receivables	1,842	–
Property, plant and equipment	37	
Deferred revenue	(311)	–
Cash outflow on acquisition	1,568	–

B. Acquisition of subsidiaries

	Group 12 months ended 30 June	
	2013	**2012**
	$'000	$'000
Property, plant and equipment	518	–
Trade receivables	6,270	–
Other receivables and prepayments	844	–
Inventories	184	–
Cash and cash equivalents	176	–
Pledged fixed deposits	37	–
Short term investments	342	–
Trade and other payables	(2,844)	–
Deferred revenue	(2,297)	–
Non-controlling interests	130	–
Provisional goodwill on acquisition	1,554	–
Purchase consideration	4,914	–
Less: Amount payable to seller	(3,182)	–
Less: Cash and cash equivalents acquired	(176)	–
Cash outflow on acquisition, net of cash acquired	1,556	–

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	Non controlling interest $'000	Total $'000
Balance at 1 July 2011	25,677	16,933	568	534	(2,184)	(974)	–	40,554
Profit for the financial year	–	6,926	–	–	–	–	–	6,926
Other comprehensive income for the financial year	–	–	–	–	–	462	–	462
Total comprehensive income for the financial year, net of tax	–	6,926	–	–	–	462	–	7,388
Issuance of shares pursuant to the IPO	29,700	–	–	–	–	–	–	29,700
IPO expenses taken to equity	(1,829)	–	–	–	–	–	–	(1,829)
Dividends	–	(4,654)	–	–	–	–	–	(4,654)
Balance at 30 June 2012	53,548	19,205	568	534	(2,184)	(512)	–	71,159

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 financial year	–	4,860	–	4,860
Other comprehensive income for the financial year	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	4,860	–	4,860
Issuance of shares pursuant to the IPO	29,700	–	–	29,700
IPO expenses taken to equity	(1,829)	–	–	(1,829)
Dividends	–	(4,654)	–	(4,654)
Balance at 30 June 2012	53,548	15,517	422	69,487

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	Non controlling interest $'000	Total $'000
Balance at 1 July 2012	53,548	–	19,205	568	534	(2,184)	(512)	–	71,159
Profit for the year	–	–	13,484	–	–	–	–	–	13,484
Other comprehensive income for the financial year									
- Net effect of foreign currency translation	–	–	–	–	–	–	(646)	–	(646)
- Share of other comprehensive income of associate	–	–	–	–	–	–	227	–	227
Total comprehensive income for the financial year, net of tax	–	–	13,484	–	–	–	(419)	–	13,065
Purchase of treasury shares	–	(103)	–	–	–	–	–	–	(103)
Acquisition of subsidiaries	–	–	–	–	–	–	–	(130)	(130)
Dividends	–	–	(6,513)	–	–	–	–	–	(6,513)
Balance at 30 June 2013	53,548	(103)	26,176	568	534	(2,184)	(931)	(130)	77,478

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	–	–	7,814	–	7,814
Other comprehensive income for the financial year	–	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	–	7,814	–	7,814
Purchase of treasury shares	–	(103)	–	–	(103)
Dividends	–	–	(6,513)	–	(6,513)
Balance at 30 June 2013	53,548	(103)	16,818	422	70,685

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 30 June 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 30 June 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 30 June 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	
	30 June 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 current 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 Group's most recently audited annual financial statements.

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

The Group has adopted all new and revised Financial Reporting Standard (FRS) and Interpretations of FRS (INT FRS) which became effective for the 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 12 months ended 30 June	
	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)	13,484	6,926
Weighted average number of shares in issue during the period ('000)	232,592	171,730
Basic and diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	5.80	4.03

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	
	30 June 2013 (cents)	**30 June 2012 (cents)**	**30 June 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 financial period reported on	33.32	30.58	30.40	29.86

The number of shares in issue and used in calculating the net asset value per share as at 30 June 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 12 MONTHS 2013 ("FY2013") AGAINST 12 MONTHS 2012 ("FY2012")

Income Statement

Revenue

Revenue increased by 14.6% or S$4.4 million from S$30.3 million in FY2012 to S$34.7 million in FY2013. The increase in revenue was due mainly to an increase in the number of client deliveries, from approximately 7,200 in FY2012 to 7,700 in FY2013. The increase in client deliveries was due to increased awareness as a result of an increase in educational programmes undertaken by the Group.

Cost of sales

Cost of sales increased by 7.2% or S$0.6 million, in line with our increase in revenue.

Gross profit and gross profit margin

Gross profit increased by 17.6% or S$3.8 million due to the increase in new client deliveries.

Gross profit margin increased slightly from 71% in FY2012 to 73% in FY2013.

Other operating income

Other operating income decreased by 62.7% or S$47,000 due to sale of consumables that did not recur in FY2013.

Gain on disposal of associate

During the financial year ended 30 June 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$2.7million.

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$3.9 million based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2012.

The decrease or difference of approximately S$1.2 million 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, being 12 November 2012; 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 12.9% or S$0.8 million. The increase was due mainly to an increase in various educational and marketing activities to further promote customers' awareness which resulted in an increase in client acquisition.

Administrative expenses

Administrative expenses increased by 11.3% or S$1.0 million. In FY2012, the Group had incurred an amount of S$3.7 million relating to IPO expenses, out of which S$1.8 million was charged to equity and S$1.9 million was taken up in the income statement. Excluding the S$ 1.9 million recorded in the income statement, administrative expenses increased by 40.4% or S$2.9 million from S$7.3 million in FY2012 to S$10.2million in FY2013.

This increase was due mainly to approximately S$1.0 million of one-time non-recurring costs. This consists of S$0.5 million of professional fees, S$0.3 million in travel expenses relating to launch of umbilical cord tissue banking service and S$0.2 million relating to the move to the new office premise.

Excluding the IPO expenses in FY2012 and one-time non-recurring costs in FY2013, administrative expenses increased by 26.6% or S$1.9 million from S$7.3 million in FY2012 to S$9.2million in FY2013.

Due to the increased number of clients and to ensure that the qualities of our services are not compromised, the Group incurred an increase in headcount and staff cost of S$1.2 million. As part of an initiative to drive governance, the Group also incurred additional compliance costs of S$0.2 million. Additionally, the Group recorded an increase in impairment of accounts receivables of S$0.2 million.

Share of results of associates

Share of results of associates increased by 31.7% or S$0.6 million. This is derived from a 4- month contribution from the Group's 10% indirect shareholding in CSCS and a 8-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 respectively.

The increase in 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 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 30 June 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. As of 30 June 2013, such unremitted earnings that may be subject to the withholding tax amounted to S$1.6 million and the related unrecognised deferred tax liability was S$0.16 million.

Fair value gain on investment properties

Certain units owned by the Group in A'Posh Bizhub have been allocated as investment properties because these units are allocated to be leased to third parties to earn rental income or for capital appreciation. Investment properties are initially recognised at cost and subsequently measured at fair value which reflects the market conditions at the end of the reporting period. The Group engaged an independent professional valuer to value these investment properties, resulting in a fair value gain which is recorded in the income statement.

Finance income

Finance income increased by more than 100% or S$0.3 million due to an increase in 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 , fair value gain on investment properties, negative goodwill on acquisition of associate and share of results in associate which are not taxable.

Balance sheet

The net increase in the carrying value of property, plant and equipment and investment properties of S$6.9 million was attributable mainly to the capital expenditure incurred in FY2013 for the purchase of the Property as well as a fair value gain recorded on the investment properties of $1,134,000 during FY2013.

During the financial year ended 30 June 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. The purchase price allocation exercise relating to this acquisition has been completed, resulting in the recognition of negative goodwill of $138,000.

During the financial year ended 30 June 2013, the Group also completed the acquisition of 100% of CS Cell Technologies Pte. Ltd. and 100% of Cordlife Stem Cell Technology Limited. Provisional goodwill of S$ 1,554,000 relating to these acquisitions have been recognised separately subject to the finalisation of the purchase price allocation exercise, which is currently ongoing.

The decrease in cash and cash equivalents was attributable to payment of dividends, payment for the acquisition of 10% of the issued shares in CCBC and partial payment for the acquisition of 100% of CS Cell Technologies Pte. Ltd. and 100% of Cordlife Stem Cell Technology Limited during the financial year. 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 Property.

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 the 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. 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 a report dated 10 April 2013 (the "Deloitte Report") 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 levels. The private cord blood banking segment's incremental cord blood storage growth is projected at a Compound Annual Growth Rate (CAGR) of 9% from 2011 to 2015.

On 28 June 2013, the Group announced that it has completed the acquisition of Australia-listed Cordlife Limited's cord blood and cord tissue banking businesses and assets in India, the Philippines, Hong Kong and Indonesia (the "CSCT Acquisition") for an aggregate consideration of A$5.5 million. The CSCT Acquisition was first announced by the Company on 17 May 2013. The CSCT Acquisition will enable the Company to enlarge its geographical footprint in Asia, and capitalise on the tremendous growth opportunities in these economies driven by the rising affluence of the middle-class in Asia. Having completed the CSCT Acquisition and thus gaining a foothold in the cord blood and cord tissue banking business in India, the Philippines, Hong Kong and Indonesia, the Group remains on the lookout for strategic acquisitions and partnerships in the region.

According to the Deloitte Report, the 2007–2011 CAGR of annual incremental storage units for private cord blood banks in Indonesia, the Philippines and India are at 38% for Indonesia, and 35% for the Philippines and India respectively. The cord blood and cord tissue banking operations in India, the Philippines and Indonesia have developed rapidly, on the back of the fast-rising middle class in these countries seeking better healthcare options for their children.

[1] Source: Department of Statistics, Singapore

[2] Source: White Paper 'to benefit property, transport,' Straits Times, 21 Jan 2013

In China, the penetration rate of private cord blood banking is still low at 2.2% in 2011, 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 to expanding the Group's geographical footprint as part of the Group's horizontal growth plans, the Company is focused on growing vertically in terms of the scope of services provided to clients, and offering complementary services to its clients. In August 2013, the Group officially launched its newest service, umbilical cord tissue banking in the Philippines, through Cordlife Medical Philippines, Inc., a wholly-owned subsidiary of the Group. The new offering in the Philippines allows expectant parents to store their newborn's umbilical cord, and the stem cells it contains, for potential use in future therapeutic applications. Umbilical cord tissue banking is a natural extension of Filipino parents' desire for better healthcare options for their children, as shown by the 2007–2011 CAGR of annual incremental storage units for private cord blood banks of 35% in the Philippines. The Group expects to gain further market share with the launch of the cord tissue banking business in the Philippines market.

While the Group continues to seek opportunities for expansion, the Group still remains focused on delivering the highest quality standards to its clients. In July 2013, the Group's Indian subsidiary, Cordlife Sciences India Pvt. Ltd attained accreditation from AABB, an international, not-for-profit association representing individuals and institutions involved in the field of transfusion medicine and cellular therapies. It has been granted the International Certificate of Accreditation for activities relating to the processing, storage and distribution of cord blood. With this AABB accreditation, the Group is confident of further increasing our share of the private cord blood banking business in the fast growing India market.

The Company is also diversifying into secondary and complementary services as stated at page 154 of the Company's prospectus dated 21 March 2012. In addition to providing cord blood and tissue banking services, the Company is looking to provide other products and services catering to the mother and child segment. The Group is cautiously optimistic that its strong market position and brand equity, coupled with favourable industry factors, will benefit the Group in the next 12 months. Barring any unforeseen circumstances, the Group expects to remain profitable for FY2014.

11. Dividends

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

Any dividend recommended for the current financial period reported on?

The Board has proposed the following dividend subject to the approval of the shareholders at the forthcoming annual general meeting for FY2013 ("AGM").

Name of Dividend	Final
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? Yes

Name of Dividend	Special final
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S$0.018 per ordinary share
Tax Rate	Exempt (1-tier)

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

The final dividend will be paid on 15 November 2013, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

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

Notice is hereby given that, subject to the approval of the shareholders at the forthcoming Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 29 October 2013 ("Book Closure Date") for the purpose of determining members' entitlement to the final 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 28 October 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. Disclosure on the use of IPO proceeds

As at 30 June 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.

14. Interested person transactions

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

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

Segment revenue

	North Asia S$'000	South Asia and Southeast Asia S$'000	Others S$'000	Total S$'000
Year ended 30 June 2013				
Revenue from external customers	6,079	28,623	–	34,702
Total consolidated revenue				34,702
Year ended 30 June 2012 (restated)				
Revenue from external customers	7,109	23,166	–	30,275
Total consolidated revenue				30,275

Segment results

	2013 S$'000	2012 S$'000 (restated)
Group		
Segment profit:		
- North Asia	5,044	2,052
- South Asia and Southeast Asia	8,973	5,589
	14,017	7,641
Unallocated income/expenses:		
Interest income	492	157
Other unallocated *	(88)	(18)
Others		
Negative goodwill on acquisition of associate	138	–
Profit before income tax expense	14,559	7,780
Income tax expense	(1,075)	(854)
Total net profit for the year	13,484	6,926

* Other unallocated refers to results of subsidiaries not in the principal activity of the provision of cord blood banking services.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8.

17. A breakdown of sales as follows:

		Group		
		FY2013	**FY2012**	**+/(-) Increase/ (Decrease)**
		S$'000	S$'000	%
(a)	Revenue reported for first half year	17,878	15,008	19.1
(b)	Profit after tax before deducting minority interests reported for the first half year	8,441	3,782	>100%
(c)	Revenue reported for second half year	16,824	15,267	10.2
(d)	Profit after tax before deducting minority interests reported for the second half year	5,043	3,144	60.4

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

	Full year 2013	**Full year 2012**
	S$	S$
Interim dividend	2,324,873	4,188,372
Final dividend	4,188,372	465,375
Total	6,513,245	4,653,747

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

The company confirms that none of the persons occupying managerial positions in the company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the company.

By Order of the Board

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
26 August 2013