

**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**

	<b>Group 3 months ended 30 September</b>		<b>+ / (-) Increase/ (Decrease)</b>
	<b>2013</b>	<b>2012 (restated)*</b>	
	\$'000	\$'000	%
<b>Revenue</b>	11,330	8,639	31.1
Cost of sales	(3,495)	(2,544)	37.4
<b>Gross profit</b>	7,835	6,095	28.5
Other operating income	55	3	>100.0
Selling and marketing expenses	(3,202)	(1,688)	89.7
Administration expenses	(2,977)	(1,817)	63.8
Share of results of associate	(2,139)	540	n.m
Fair value changes on long-term investment	3,123	–	n.m
Gain on transfer of investment in associate to long-term investment	6,177	–	n.m
Finance income	48	126	(61.9)
Finance costs	(37)	–	n.m
<b>Profit before income tax</b>	8,883	3,259	>100.0
Income tax expense	(212)	(459)	(53.8)
<b>Profit for the financial period</b>	8,671	2,800	>100.0
<b>Other comprehensive income for the financial period, net of tax:</b>			
Foreign currency translation	(301)	(503)	(40.2)
<b>Total comprehensive income for the financial period</b>	8,370	2,297	>100.0

n.m denotes not meaningful

\* Interest income relating to non-current trade receivables has been reclassified from finance income to revenue for prior period (1QFY2013) to be consistent with current period (1QFY2014).

*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)(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 (cont'd)**

**Profit for the financial period attributable to:**

- Owners of the company	8,666	2,800
- Non-controlling interest	5	-
	<u>8,671</u>	<u>2,800</u>

**Total comprehensive income for the financial period attributable to:**

- Owners of the company	8,377	2,297
- Non-controlling interest	(7)	-
	<u>8,370</u>	<u>2,297</u>

<b>Total comprehensive income for the financial period</b>	<u>8,370</u>	<u>2,297</u>
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**1(a)(ii) Notes to the income statement**

	<b>Group</b>		
	<b>3 months ended 30</b>		
	<b>September</b>		
	<b>2013</b>	<b>2012</b>	
	\$'000	\$'000	
Depreciation of property, plant and equipment	300	160	[1]
Amortisation of software	22	5	
Bad debts written off	8	11	
Foreign exchange gain	(39)	(7)	
Other miscellaneous income	55	3	

**Notes**

- 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 depreciation from the equipment of the subsidiaries and assets which the group acquired in June 2013.

The additional depreciation also relate to the Group's 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 September 2013 \$'000	30 June 2013 \$'000	30 September 2013 \$'000	30 June 2013 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in associate	–	27,965	–	25,701
Investment in subsidiaries	–	–	23,273	21,304
Long-term investment	34,900	–	34,900	–
Property, plant and equipment	7,654	7,606	5,914	6,053
Investment properties	5,330	5,330	5,330	5,330
Intangible assets	1,803	1,785	188	136
Trade receivables	40,019	38,743	35,106	35,823
Other receivables	458	434	246	221
Fixed deposits	11,500	11,500	11,500	11,500
	<u>101,664</u>	<u>93,363</u>	<u>116,457</u>	<u>106,068</u>
<b>Current assets</b>				
Cash and cash equivalents	8,172	7,986	3,611	3,492
Fixed deposit	–	3,500	–	3,500
Pledged fixed deposits	331	334	–	–
Short term investments	571	342	–	–
Trade receivables	11,857	12,121	7,303	8,012
Other receivables	1,634	1,083	1,547	803
Prepayments	1,440	1,285	841	624
Inventories	440	435	163	156
Amounts owing by subsidiaries	–	–	1,547	1,476
	<u>24,445</u>	<u>27,086</u>	<u>15,012</u>	<u>18,063</u>
<b>Current liabilities</b>				
Trade and other payables	7,104	7,505	3,174	4,239
Amounts payable for acquisition of subsidiaries	1,574	3,182	1,574	3,182
Deferred revenue	4,628	5,055	2,610	3,585
Amounts owing to subsidiaries	–	–	345	243
Tax payable	1,342	1,138	1,332	1,128
Interest-bearing borrowings	269	271	269	271
	<u>14,917</u>	<u>17,151</u>	<u>9,304</u>	<u>12,648</u>
<b>Net current assets</b>	<u>9,528</u>	<u>9,935</u>	<u>5,708</u>	<u>5,415</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)**

	<b>Group As at</b>		<b>Company As at</b>	
	<b>30 September 2013 \$'000</b>	<b>30 June 2013 \$'000</b>	<b>30 September 2013 \$'000</b>	<b>30 June 2013 \$'000</b>
<b>Non-current liabilities</b>				
Other payables	82	160	–	–
Deferred revenue	19,527	19,457	13,452	13,360
Amounts owing to subsidiary	–	–	21,148	21,335
Deferred tax liabilities	192	192	177	177
Interest-bearing borrowings	5,867	5,926	5,867	5,926
	<u>25,668</u>	<u>25,735</u>	<u>40,644</u>	<u>40,798</u>
<b>Net assets</b>	<u>85,524</u>	<u>77,563</u>	<u>81,521</u>	<u>70,685</u>
<b>Capital and reserves</b>				
Share capital	53,548	53,548	53,548	53,548
Treasury shares	(103)	(103)	(103)	(103)
Accumulated profits	34,842	26,176	27,654	16,818
Other reserves	(2,711)	(2,013)	422	422
Non-controlling interests	(52)	(45)	–	–
<b>Total equity</b>	<u>85,524</u>	<u>77,563</u>	<u>81,521</u>	<u>70,685</u>

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

	<b>30 September 2013 \$'000</b>	<b>As at 30 June 2013 \$'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
- secured	269	271
<b>Amount repayable after one year</b>		
- secured	5,867	5,926
	6,136	6,197

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**

	<b>Group</b>	
	<b>3 months ended 30</b>	
	<b>September</b>	
	<b>2013</b>	<b>2012</b>
	\$'000	\$'000
<b>Operating activities</b>		
Profit before income tax	8,883	3,259
Adjustments for:		
Depreciation	300	160
Amortisation	55	5
Interest income	(48)	(127)
Interest expense	37	–
Share of results of associate	2,139	(540)
Fair value changes on long-term investment	(3,123)	–
Gain on transfer of investment in associate to long-term investment	(6,177)	–
Unrealised exchange gain	(243)	–
	<u>1,823</u>	<u>2,757</u>
<b>Operating cash flows before movements in working capital</b>		
Increase in trade receivables	(1,011)	(341)
Increase in other receivables, deposits and prepayments	(730)	(432)
(Increase)/ decrease in inventories	(6)	111
Decrease in trade payables	(438)	(110)
Decrease in other payables	(56)	(361)
(Decrease)/ increase in deferred revenue	(356)	139
	<u>(774)</u>	<u>1,763</u>
<b>Cash (used in)/ generated from operations</b>		
Interest received	48	127
Interest paid	(37)	–
Income tax paid	–	(265)
	<u>(763)</u>	<u>1,625</u>
<b>Net cash (used in)/ generated from operating activities</b>		
<b>Investing activities</b>		
Purchase of property, plant and equipment	(345)	(3,125)
Purchase of intangible assets	(69)	(3)
Short-term investment	(229)	–
Transfer from/(to) term deposits	3,500	–
Payment for acquisition of subsidiaries	(1,590)	–
	<u>1,267</u>	<u>(3,128)</u>
<b>Net cash generated from/ (used in) investing activities</b>		

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)**

	<b>Group</b>	
	<b>3 months ended 30</b>	
	<b>September</b>	
	<b>2013</b>	<b>2012</b>
	\$'000	\$'000
<b>Financing activities</b>		
Repayments of finance lease liabilities	–	(4)
Pledged fixed deposit	–	(286)
Proceeds from interest-bearing borrowings	–	3,022
Repayment of interest-bearing borrowings	(61)	(19)
<b>Net cash (used in)/ generated from financing activities</b>	<u>(61)</u>	<u>2,713</u>
<b>Net increase in cash and cash equivalents</b>	443	1,210
<b>Cash and cash equivalents at the beginning of the financial period</b>	7,986	12,945
Effects of exchange rate changes on the balance of cash	(257)	25
<b>Cash and cash equivalents at end of the financial period</b>	<u>8,172</u>	<u>14,180</u>



# CORDLIFE GROUP LIMITED

## First Quarter Unaudited Financial Statements for the Period Ended 30 September 2013

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
<b>Group</b>							
<b>Balance at 1 July 2012</b>	53,548	19,205	568	534	(2,184)	(512)	71,159
Profit for the period	–	2,800	–	–	–	–	2,800
Other comprehensive income	–	–	–	–	–	(503)	(503)
Total comprehensive income for the financial period, net of tax	–	2,800	–	–	–	(503)	2,297
<b>Balance at 30 September 2012</b>	53,548	22,005	568	534	(2,184)	(1,015)	73,456

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





# CORDLIFE GROUP LIMITED

## First Quarter Unaudited Financial Statements for the Period Ended 30 September 2013

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
<b>Balance at 1 July 2013</b>	53,548	(103)	26,176	568	534	(2,184)	(931)	(45)	77,563
Profit for the period	–	–	8,666	–	–	–	–	5	8,671
Other comprehensive income									
- Net effect of foreign currency translation	–	–	–	–	–	–	(445)	(12)	(457)
- Share of other comprehensive income of associate	–	–	–	–	–	–	156	–	156
Total comprehensive income for the financial period, net of tax	–	–	8,666	–	–	–	(289)	(7)	8,370
Transfer of investment in associate to long-term investment	–	–	–	–	–	–	(409)	–	(409)
<b>Balance at 30 September 2013</b>	53,548	(103)	34,842	568	534	(2,184)	(1,629)	(52)	85,524



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## CORDLIFE GROUP LIMITED

First Quarter Unaudited Financial Statements for the Period Ended 30 September 2013

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
<b>Balance at 1 July 2013</b>	53,548	(103)	16,818	422	70,685
Profit for the period	–	–	10,836	–	10,836
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the financial period, net of tax	–	–	10,836	–	10,836
<b>Balance at 30 September 2013</b>	<b>53,548</b>	<b>(103)</b>	<b>27,654</b>	<b>422</b>	<b>81,521</b>

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 30 September 2013, the Company's issued and paid up capital excluding treasury shares comprises 232,487,354 (30 June 2013: 232,487,354) ordinary shares.

As at 30 September 2013, the Company's issued and paid up share capital was \$53,547,971 (30 June 2013: \$53,547,971).

As at 30 September 2013, the Company held 200,000 (30 June 2013: 200,000) treasury shares against 232,487,354 (30 June 2013: 232,487,354) 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**

	<b>As at 30 September 2013 No. of shares</b>	<b>As at 30 June 2013 No. of shares</b>
Total number of issued shares excluding treasury shares	232,487,354	232,487,354

**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 standard**

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

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

Not applicable.

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

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

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

The Group has adopted all new and revised Financial Reporting Standard (FRS) and Interpretations of FRS (INT FRS) which became effective for the financial year beginning 1 July 2013.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior years reporting period.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	<b>Group 3 months ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
<b>Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:</b>		
Profit attributable to shareholders (S\$ '000)	8,671	2,800
Weighted average number of shares in issue during the period ('000)	232,687	232,687
Basic and diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	<u>3.73</u>	<u>1.20</u>

Notes:

There were no potentially dilutive shares.

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

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

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

	Group		Company	
	30 September 2013 (cents)	30 June 2013 (cents)	30 September 2013 (cents)	30 June 2013 (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the period reported on	36.79	33.32	35.06	30.40

The number of shares in issue and used in calculating the net asset value per share as at 30 September 2013 and 30 June 2013 is 232,487,354 shares.

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

**COMPARING 3 MONTHS ENDED 30 SEPTEMBER 2013 ("1QFY2014") AGAINST 3 MONTHS ENDED 30 SEPTEMBER 2012 ("1QFY2013")**

**Income Statement**

Revenue

Revenue increased by 31.1% or S\$2.7 million from S\$8.6 million in 1QFY2013 to S\$11.3 million in 1QFY2014. The increase in revenue was largely due to an increase in the number of client deliveries, from approximately 2,150 in 1QFY2013 to 3,500 in 1QFY2014. This was contributed by the client deliveries from the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

Cost of sales

Cost of sales increased by 37.4% or S\$1.0 million, in line with our increase in revenue.

Gross profit and gross profit margin

Gross profit increased by 28.5% or S\$1.7 million due to the increase in new client deliveries.

Gross profit margin decreased marginally from 70.5% in 1QFY2013 to 69.2% in 1QFY2014.

Other operating income

Other operating income increased by S\$52,000.

Selling and marketing expenses

Selling and marketing expenses increased by 89.7% or S\$1.5 million in 1QFY2014. This increase was contributed by the inclusion of the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013. Excluding these, selling and marketing expenses increased by 24.7% or S\$ 0.4 million in 1QFY2014.

The increase was due mainly to an increase in various educational and marketing activities to further promote customers' awareness.

The increase was also attributable to costs incurred during the process of new product development. These include costs of additional head count and costs incurred to introduce and educate our partners on such new products. In addition, there were also selling and marketing expenses incurred in relation to restructuring of the Group's Indian and Philippines subsidiaries subsequent to the acquisition in June 2013. Such one-time costs were incurred in order to align these entities as part of the group. The total new product development and restructuring costs related to selling and marketing expenses amount to \$139,000 in 1QFY2014. There were no such costs in 1QFY2013.

Administrative expenses

Administrative expenses increased by 63.8% or S\$ 1.2 million in 1QFY2014. This increase was contributed by the inclusion of the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

New product development and restructuring costs related to administrative expenses amount to \$149,000 in 1QFY2014. There were no such costs in 1QFY2013.

Share of results in associate

Our share of loss in associate was S\$ 2.1 million for 1QFY2014 as compared to our share of profit of S\$ 0.5 million for 1QFY2013. In 1QFY2013, the Group accounted for our share of profits in China Stem Cells (South) Company Limited ("CSC South"). CSC South was disposed in November 2012. In 1QFY2014, the Group accounted for our share of profits in China Cord Blood Corporation ("CCBC").

Based on our Group's understanding, there was an increase in contribution arising from the growth of CCBC'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. In accordance with Singapore Financial Reporting Standards, 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.

On 27 September 2013, Mr Yee Pinh Jeremy stepped down from the board of directors of CCBC. The Group is of the view that it has lost significant influence over CCBC and no longer regards its investment in CCBC as an associate. The Group ceased to equity account for CCBC's results with effect from 27 September 2013 and the investment in associate was transferred to long-term investment.

#### Tax

The effective tax rate was approximately 2.4% and 14.1% for 1QFY2014 and 1QFY2013 respectively. The effective tax rate for 1QFY2014 was significantly lower because of the fair value gain on long-term investment and the gain from transfer of investment in associate to long-term investment which are not taxable.

#### **Balance sheet**

During the period, the Group transferred its investment in associate to long-term investment. Changes in the fair value of this long-term investment will be recognised in the profit and loss.

The pledged fixed deposit relates to fixed deposit pledged with a bank to secure credit card instalment facility.

Non-current trade receivables represents cord blood and umbilical cord tissue banking service revenues receivable under instalment payment 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.

There is an amount of \$925,000 in other receivables which relates to amounts owing from Life Corporation Limited (previously known as Cordlife Limited). This pertains to receipts which are collected from customers on behalf of the Group.

Interest-bearing borrowings relates to 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**

**Industry prospects**

According to the latest government statistics, the total number of births in Singapore was 42,663 in 2012, representing a 7.4% increase from the 39,654 births in 2011. Total fertility rate improved from 1.20 to 1.29 over the same period<sup>1</sup>. 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<sup>2</sup>. 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 is projected to grow at a Compound Annual Growth Rate (CAGR) of 9% from 2011 to 2015.

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.

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.

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<sup>1</sup> Source: Department of Statistics, Singapore Web Site. [http://www.singstat.gov.sg/statistics/latest\\_data.html#16](http://www.singstat.gov.sg/statistics/latest_data.html#16). Accessed November 4, 2013

<sup>2</sup> Source: The Straits Times, January 21, 2013, "White Paper 'to benefit property, transport'"



**A Focused Growth-Path through Economies of scale and scope**

To derive economies of scale, Cordlife is riding on the growth story of emerging Asian nations by expanding its geographical footprint for cord blood and tissue banking business as well as other newly-introduced products catering to the mother and child segment. Initiatives under this strategy include:

- On November 11, 2013, Cordlife announced that it has signed a non-binding term sheet with CCBC, to jointly explore and develop new services based on cellular technologies. This collaboration will enable the Group to capitalise on economies of scale by expanding its geographical reach via CCBC's local networks.
- On October 4, 2013, the Group announced that it has completed the acquisition of a 19.92% interest in StemLife Berhad ("StemLife"), a company listed on Bursa Malaysia. Through the strategic stake in StemLife, the Group could potentially work with StemLife to cross-sell services and products in Malaysia and Thailand.
- On June 28, 2013, the Group announced that it has completed the acquisition of Australia-listed Life Corporation Limited's ("LCL") (previously known as Cordlife Limited) 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.
- On November 12, 2012, the Group completed the acquisition of 10% of issued shares in NYSE-listed China Cord Blood Corporation ("CCBC") and the disposal of our 10% indirect stake in China Stem Cells (South) Company Limited ("CSCS").

To benefit from economies of scope, the Group is also transitioning into a multi-product healthcare company catering to the mother and child segment. In addition to providing cord blood and tissue banking services, the Group is looking to provide other complementary products and services that cater to the mother and child segment. Initiatives under this strategy include:

- On October 17, 2013, Cordlife announced that it signed a non-binding Memorandum of Understanding with Golden Meditech Holdings Limited in respect of a proposed joint venture ("JV") in the Shanghai Free Trade Pilot Zone in October 2013. With the proposed JV, Cordlife will be able to market and distribute its products and services in China through Golden Meditech's local networks.
- In October 2013, the Group's Indian subsidiary Cordlife India introduced an advanced non-invasive metabolic screening service known as MetaScreen. MetaScreen is a comprehensive set of metabolic screening test specially designed for both newborn babies and adults. The service can detect as many as 110 inborn errors of metabolism from urine samples.
- In March 2011, the Group launched umbilical cord tissue banking service in Hong Kong, offering an additional service that allows customers to collect and store their child's umbilical cord tissue, which is a rich source of mesenchymal and epithelial stem cells and may potentially help repair the body in different ways. This new service was also launched in May 2013 in Singapore and August 2013 in the Philippines.

To fund the Group's growth initiatives while concurrently strengthening its shareholder base, Cordlife completed a private placement on October 16, 2013 and raised gross proceeds of \$33.5 million. For the private placement, the Group issued 26.8 million shares at \$1.25 each. Of the total proceeds, \$23.5 million will fund its expansion plans abroad, including investments, joint ventures, acquisitions or strategic alliances, while the rest will be used for general working capital purposes.

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.

**11. Dividends**

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

Any dividend recommended for the current financial period reported on? No

(b) ***Corresponding period of the immediately preceding financial year***

Any dividend declared for the corresponding period of the immediately preceding financial year? No

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

Not applicable.

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

Not applicable.

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

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

**13. Interested person transactions**

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

There were no interested person transactions of \$100,000 or more for the financial period reported on.

**14. Confirmation Pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements of the Company and the Group for the three months ended 30 September 2013 presented in this announcement, to be false or misleading in any material aspect.

**15. Disclosure on the use of IPO proceeds**

Further to the announcement made by the Board of Directors (the "Board") of the Company on 6 September 2013 in relation to the use of proceeds from the IPO of the Company (the "IPO Proceeds"), the Board wishes to provide a further update on the use of the IPO Proceeds.

The Group has utilised a further S\$2.0 million in connection with the acquisition of Australia-listed Life Corporation Limited's (previously known as Cordlife Limited) cord blood and cord tissue banking businesses and assets in India, the Philippines, Hong Kong and Indonesia. Accordingly, as at 30 September 2013, the Group has utilised approximately S\$15.0 million of the proceeds from the IPO of the Company as follows:

<b>Intended Use of IPO Proceeds</b>	<b>Estimated amount S\$ (in millions)</b>	<b>Estimated percentage of gross proceeds raised from the IPO</b>	<b>Amount utilised S\$ (in millions)</b>	<b>Percentage of gross proceeds raised from the IPO</b>
Development and expansion of business and operations in Singapore and overseas	16.6	55.9%	10.3	34.7%
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%	15.0	50.5%

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, 30 April 2013, 26 August 2013, 6 September 2013 and 30 September 2013.

The above utilisation of the Company's IPO Proceeds is in accordance with the intended use stated and percentage allocated in the disclosure on page 25 of the Company's prospectus dated 21 March 2012.

The Company will make further announcements via SGXNET as and when the balance of the IPO Proceeds are materially disbursed in accordance with Rule 704(30) of the Listing Manual of the SGX-ST.

**By Order of the Board**

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