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

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

	Group 3 months ended 31 December		+/(-) Increase/ (Decrease)	Group 6 months ended 31 December		+/(-) Increase/ (Decrease)
	2013	**2012**		**2013**	**2012**	
		(restated)*			(restated)*	
	$'000	$'000	%	$'000	$'000	%
Revenue	12,138	9,239	31.4	23,468	17,878	31.3
Cost of sales	(3,785)	(2,577)	46.9	(7,280)	(5,121)	42.2
Gross profit	8,353	6,662	25.4	16,188	12,757	26.9
Other operating income	167	9	>100.0	222	12	>100.0
Gain on disposal of associate	–	2,663	n.m	–	2,663	n.m
Selling and marketing expenses	(3,052)	(2,092)	45.9	(6,254)	(3,780)	65.4
Administration expenses	(3,353)	(2,200)	52.4	(6,330)	(4,017)	57.6
Share of results of associate	86	773	(>100.0)	(2,053)	1,313	n.m
Fair value changes on long-term investment	2,295	–	n.m	5,418	–	n.m
Gain on transfer of investment in associate to long-term investment	–	–	–	6,177	–	n.m
Finance income	52	120	(56.7)	100	246	(59.3)
Finance costs	(47)	–	n.m	(84)	–	n.m
Profit before income tax	4,501	5,935	(24.2)	13,384	9,194	45.6
Income tax expense	(269)	(294)	(8.5)	(481)	(753)	(36.1)
Profit for the financial period	4,232	5,641	(25.0)	12,903	8,441	52.9

n.m denotes not meaningful

* Interest income relating to non-current trade receivables has been reclassified from finance income to revenue for the prior reporting period (2QFY2013) to be consistent with current reporting period (2QFY2014).

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)

Other comprehensive income for the financial period, net of tax:						
Foreign currency translation	(140)	(67)	>100.0	(441)	(570)	(22.6)
Total comprehensive income for the financial period	4,092	5,574	(26.6)	12,462	7,871	58.3
Profit for the financial period attributable to:						
- Owners of the company	4,241	5,641	(24.8)	12,907	8,441	52.9
- Non-controlling interest	(9)	–	n.m	(4)	–	n.m
	4,232	5,641	(25.0)	12,903	8,441	52.9
Total comprehensive income for the financial period attributable to:						
- Owners of the company	4,101	5,574	(26.4)	12,478	7,871	58.5
- Non-controlling interest	(9)	–	n.m	(16)	–	n.m
	4,092	5,574	(26.6)	12,462	7,871	

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

	Group 3 months ended 31 December			Group 6 months ended 31 December	
	2013	**2012**		**2013**	**2012**
	$'000	$'000		$'000	$'000
Depreciation of property, plant and equipment	369	161	[1]	669	321
Amortisation of software	18	4		40	9
Allowance for doubtful debts and bad debts written off	52	65		60	76
Foreign exchange (gain)/loss	(8)	–		(47)	(7)
Other miscellaneous income	167	10	[2]	222	13

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

   The increase in depreciation also relates 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.

2. The increase in other miscellaneous income is due to a grant income of $116,000 from SPRING Singapore which the Company had claimed for certain initiatives. The Company also generated rental income of $20,000 from its investment properties for the half year ended 31 December 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	
	31 December 2013 $'000	30 June 2013 $'000	31 December 2013 $'000	30 June 2013 $'000
ASSETS				
Non-current assets				
Investment in associate	18,682	27,965	18,596	25,701
Investment in subsidiaries	–	–	23,273	21,304
Long-term investment	37,195	–	37,195	–
Property, plant and equipment	7,536	7,606	5,818	6,053
Investment properties	5,330	5,330	5,330	5,330
Intangible asset	1,748	1,785	167	136
Trade receivables	40,648	38,743	36,030	35,823
Other receivables	484	434	270	221
Fixed deposits	11,500	11,500	11,500	11,500
	123,123	93,363	138,179	106,068
Current assets				
Cash and cash equivalents	36,019	7,986	31,762	3,492
Fixed deposits	280	3,500	–	3,500
Pledged fixed deposits	335	334	–	–
Short-term investments	715	342	–	–
Trade receivables	13,338	12,121	7,366	8,012
Other receivables	1,498	1,083	1,019	803
Prepayments	1,412	1,285	660	624
Inventories	487	435	163	156
Amounts owing by subsidiaries	–	–	2,061	1,476
	54,084	27,086	43,031	18,063
Current liabilities				
Trade and other payables	7,809	7,505	2,911	4,239
Amounts payable for acquisition of subsidiaries	–	3,182	–	3,182
Deferred revenue	3,931	5,055	2,484	3,585
Amounts owing to subsidiaries	–	–	601	243
Tax payable	1,094	1,138	1,094	1,128
Interest-bearing borrowings	949	271	949	271
	13,783	17,151	8,039	12,648
Net current assets	40,301	9,935	34,992	5,415

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

	Group As at		Company As at	
	31 December 2013	**30 June 2013**	**31 December 2013**	**30 June 2013**
	$'000	$'000	$'000	$'000
Non-current liabilities				
Other payables	82	160	–	–
Deferred revenue	20,836	19,457	13,812	13,360
Amounts owing to subsidiary	–	–	21,359	21,335
Deferred tax liabilities	193	192	177	177
Interest-bearing borrowings	12,026	5,926	12,026	5,926
	33,137	25,735	47,374	40,798
Net assets	130,287	77,563	125,797	70,685
Capital and reserves				
Share capital	96,892	53,548	96,892	53,548
Treasury shares	(103)	(103)	(103)	(103)
Accumulated profits	36,410	26,176	28,586	16,818
Other reserves	(2,851)	(2,013)	422	422
Non-controlling interests	(61)	(45)	–	–
Total equity	130,287	77,563	125,797	70,685

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

	As at 31 December 2013 $'000	As at 30 June 2013 $'000
Amount repayable in one year or less, or on demand		
- Loan I –secured	269	271
- Loan II – secured	–	–
- Loan III – secured	680	–
Amount repayable after one year		
- Loan I –secured	5,806	5,926
- Loan II – secured	3,500	–
- Loan III – secured	2,720	–
	12,975	6,197

Loan I, Loan II and Loan III are secured by:

a) First legal mortgage of the Company's Property;

b) The assignment of the rights, title and interest with respect to the Property; and

c) Charge over all receivables of the Company.

Loan I is drawn-down in different tranches and repayable in 240 monthly instalments. It will be repaid in full in June 2031.

Loan II is drawn-down in different tranches and repayable in 3 yearly instalments. It will be repaid in full in August 2017.

Loan III is a 5 year term loan with yearly principal repayments. It will be repaid in full in November 2018.

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 December		Group 6 months ended 31 December	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Operating activities				
Profit before income tax	4,501	5,935	13,384	9,194
Adjustments for:				
Depreciation	369	161	669	321
Amortisation	51	4	106	9
Allowance for doubtful debts	25	–	25	–
Loss on disposal of property, plant and equipment	–	1	–	1
Interest income	(52)	(120)	(100)	(246)
Interest expense	47	–	84	–
Gain on disposal of associate	–	(2,663)	–	(2,663)
Share of results of associate	(86)	(773)	2,053	(1,313)
Fair value changes on long-term investment	(2,295)	–	(5,418)	–
Gain on transfer of investment in associate to long-term investment	–	–	(6,177)	–
Unrealised exchange gain	(333)	–	(594)	–
Operating cash flows before movements in working capital	2,227	2,545	4,032	5,303
Increase in trade receivables	(2,134)	(171)	(3,146)	(513)
Decrease /(increase) in other receivables, deposits and prepayments	202	9	(515)	(347)
(Increase)/decrease in inventories	(46)	(29)	(52)	82
Increase/(decrease) in trade payables	4	13	(434)	(97)
Increase in other payables	659	680	644	321
Increase in deferred revenue	612	342	256	481
Cash generated from operations	1,524	3,389	785	5,230
Interest received	9	45	22	96
Interest paid	(47)	–	(84)	–
Income tax paid	(515)	(348)	(515)	(613)
Net cash generated from operating activities	971	3,086	208	4,713

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 December		Group 6 months ended 31 December	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Investing activities				
Purchase of property, plant and equipment	(311)	(1,060)	(656)	(4,184)
Purchase of intangible assets	–	(4)	(69)	(8)
Proceeds from disposal of associated company	–	20,614	–	20,614
Acquisition of associated company	(8,196)	(25,701)	(8,196)	(25,701)
Purchase of treasury shares	–	(103)	–	(103)
Short-term investment	(144)	–	(373)	–
Transfer to term deposits	(280)	–	3,220	–
Payment for acquisition of subsidiaries	(1,568)	–	(3,158)	–
Net cash used in investing activities	(10,499)	(6,254)	(9,232)	(9,382)
Financing activities				
Repayments of finance lease liabilities	–	(3)	–	(7)
Transfer from/(to) pledged fixed deposits	–	–	–	(284)
Proceeds from interest-bearing borrowings	6,900	–	6,900	3,021
Repayment of interest-bearing borrowings	(61)	(58)	(122)	(77)
Dividends	(2,673)	(4,188)	(2,673)	(4,188)
Proceeds from issue of shares	33,547	–	33,547	–
Share issue cost	(603)	–	(603)	–
Net cash generated from/ (used in) financing activities	37,110	(4,249)	37,049	(1,535)
Net increase/(decrease) in cash and cash equivalents	27,582	(7,417)	28,025	(6,204)
Cash and cash equivalents at the beginning of the financial period	8,172	14,180	7,986	12,945
Effects of exchange rate changes on the balance of cash	265	61	8	83
Cash and cash equivalents at end of the financial period	36,019	6,824	36,019	6,824

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	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	–	–	8,441	–	–	–	–	8,441
Other comprehensive income	–	–	–	–	–	–	(570)	(570)
Total comprehensive income for the financial year, net of tax	–	–	8,441	–	–	–	(570)	7,871
Purchase of own shares and held as treasury shares	–	(103)	–	–	–	–	–	(103)
Dividends	–	–	(4,188)	–	–	–	–	(4,188)
Balance at 31 December 2012	53,548	(103)	23,458	568	534	(2,184)	(1,082)	74,739

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

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

1(d)(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 2013	53,548	(103)	26,176	568	534	(2,184)	(931)	(45)	77,563
Profit for the period	–	–	12,907	–	–	–	–	(4)	12,903
Other comprehensive income									
- Net effect of foreign currency translation	–	–	–	–	–	–	(585)	(12)	(597)
- Share of other comprehensive income of associate	–	–	–	–	–	–	156	–	156
Total comprehensive income for the financial period, net of tax	–	–	12,907	–	–	–	(429)	(16)	12,462
Transfer of investment in associate to long-term investment	–	–	–	–	–	–	(409)	–	(409)
Issuance of shares as consideration for acquisition	10,400	–	–	–	–	–	–	–	10,400
Issuance of shares pursuant to private placement	33,547	–	–	–	–	–	–	–	33,547
Placement expenses taken to equity	(603)	–	–	–	–	–	–	–	(603)
Dividends	–	–	(2,673)	–	–	–	–	–	(2,673)
Balance at 31 December 2013	96,892	(103)	36,410	568	534	(2,184)	(1,769)	(61)	130,287

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 2013	53,548	(103)	16,818	422	70,685
Profit for the period	–	–	14,441	–	14,441
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the financial period, net of tax	–	–	14,441	–	14,441
Issuance of shares as consideration for acquisition	10,400	–	–	–	10,400
Issuance of shares pursuant to private placement	33,548	–	–	–	33,548
Placement expenses taken to equity	(604)	–	–	–	(604)
Dividends	–	–	(2,673)	–	(2,673)
Balance at 31 December 2013	96,892	(103)	28,586	422	125,797

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.

Company	Number of shares	Share capital (S$)
As at 30 June 2013	232,487,354	53,547,971
Issue of new shares as consideration for acquisition[1]	8,000,000	10,400,000
Issue of new shares from private placement[2]	26,838,000	32,943,750[3]
As at 31 December 2013	**267,325,354**	**96,891,721**

[1] The allotment and issuance of 8,000,000 new shares in the Company's share capital is pursuant to the acquisition by the Company of 19.92% of the issued and paid-up share capital of StemLife Berhad ("Stemlife"). For further information, please refer to the announcements released by the Company on 4 September 2013, 26 September 2013 and 4 October 2013.

[2] The allotment and issuance of 26,838,000 new shares in the Company's share capital is pursuant to the private placement comprising (a) placement via a placement agent and (b) placement via direct subscription from investors. For further information, please refer to the announcements released by the Company on 2 October 2013, 11 October and 14 October 2013.

[3] The proceeds from the issuance of new shares pursuant to the private placement are net of share issued costs of S$603,750.

As at 31 December 2013, the Company held 200,000 (30 June 2013: 200,000) treasury shares against 267,325,354 (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

	As at	
	31 December 2013 No. of shares	**30 June 2013 No. of shares**
Total number of issued shares excluding treasury shares	267,325,354	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 financial 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 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 the prior year's reporting period.

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

	Group 3 months ended 31 December		Group 6 months ended 31 December	
	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)	4,232	5,641	12,903	8,441
Weighted average number of shares in issue during the period ('000)	263,093	232,603	248,142	232,644
Basic and diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	1.61	2.43	5.20	3.63

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 were the same as the Group did not have any potential dilutive instruments for the respective financial periods.

The EPS for 2Q2014 is computed using profit which includes the fair value changes on long-term investment of $2,295,000 divided by the weighted average number of shares of approximately 263,093,000.

The EPS for 2Q2013 is computed using profit which includes the gain on disposal of associate of $2,663,000 divided by weighted average number of shares of approximately 232,603,000.

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 December 2013 (cents)	30 June 2013 (cents)	31 December 2013 (cents)	30 June 2013 (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	48.74	33.36	47.06	30.40

The number of shares in issue and used in calculating the net asset value per share as at 31 December 2013 and 30 June 2013 is 267,325,354 and 232,487,354 respectively.

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

COMPARING 6 MONTHS ENDED 31 DECEMBER 2013 ("HY2014") AGAINST 6 MONTHS ENDED 31 DECEMBER 2012 ("HY2013")

Income Statement

<u>Revenue</u>

Revenue increased by 31.3% or S$5.6 million from S$17.9 million in HY2013 to S$23.5 million in HY2014. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 4,500 in HY2013 to 7,400 in HY2014. This was contributed by the client deliveries from the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

The increase is offset by a drop in revenue for the Group's Hong Kong subsidiary. This was due to a moratorium by the Hong Kong government on mainland Chinese mothers giving birth at private hospitals in Hong Kong starting 2013.

<u>Cost of sales</u>

Cost of sales increased by 42.2% or S$2.2 million, in line with our increase in revenue. The increase in cost of sales was largely due to the higher costs incurred by the Group's entities in India, the Philippines and Indonesia.

Gross profit and gross profit margin

Gross profit increased by 26.9% or S$3.4 million due to the increase in new client deliveries.

Gross profit margin decreased marginally from 71.4% in HY2013 to 69.0% in HY2014. The drop in gross profit margin was attributable to the lower margins contributed by the Group's entities in India, the Philippines and Indonesia as a result of the competitive environment which these entities operate in.

Other operating income

Other operating income increased by S$210,000. This is due to a grant income of S$116,000 from SPRING Singapore for certain initiatives undertaken by the Company. The Company also received S$ 20,000 of rental income from its investment properties for HY2014. There was no such grant income and rental income in HY2013.

Gain on disposal of associate company

During HY2013, the Group disposed of its 10% indirect stake in China Stem Cells (South) Company Limited ("CSCS") resulting in a gain of approximately S$2.7 million. There is no such gain in HY2014.

Selling and marketing expenses

Selling and marketing expenses increased by 65.4% or S$2.5 million in HY2014. This increase was contributed by the inclusion of the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013. Excluding these, selling and marketing expenses increased by 9.0% or S$ 0.3 million in HY2014.

The increase was mainly due to an increase in various educational and marketing activities to further promote public and customers' awareness of our products and services.

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 S$187,000 in HY2014, of which S$48,000 was incurred in 2Q2014. There were no such costs in HY2013.

Administrative expenses

Administrative expenses increased by 57.6% or S$2.3 million in HY2014. 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 S$218,000 in HY2014, of which S$69,000 was incurred in 2Q2014. There were no such costs in HY2013.

Share of results in associate

Our share of loss in associate was S$2.1 million for HY2014 as compared to our share of profit of S$1.3 million for HY2013. In HY2013, the Group accounted for our share of profits in CSCS. The Group disposed its shares in CSCS in November 2012. In HY2014, 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.

During HY2014, the Group also completed the acquisition of 31.81% of the issued shares in Stemlife Berhad ("Stemlife"). Consequently, the Group accounted for our share of profits in Stemlife amounting to S$86,000.

Tax

The effective tax rate was approximately 3.6% and 8.2% for HY2014 and HY2013 respectively. The effective tax rate for HY2014 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.

COMPARING 3 MONTHS ENDED 31 DECEMBER 2013 ("2Q2014") AGAINST 3 MONTHS ENDED 31 DECEMBER 2012 ("2Q2013")

Income Statement

Revenue

Revenue increased by 31.4% or S$2.9 million from S$9.2 million in 2Q2013 to S$12.1 million in 2Q2014. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 2,300 in 2Q2013 to 3,900 in 2Q2014. This was contributed by the client deliveries from the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

The increase is offset by a drop in revenue for the Group's Hong Kong subsidiary. This was due to a moratorium by the Hong Kong government on mainland Chinese mothers giving birth at private hospitals in Hong Kong starting 2013.

Cost of sales

Cost of sales increased by 46.9 % or S$1.2 million, in line with our increase in revenue. The increase in cost of sales was largely due to the higher costs incurred by the Group's entities in India, the Philippines and Indonesia.

Gross profit and gross profit margin

Gross profit increased by 25.4% or S$1.7 million mainly due to the increase in new client deliveries.

Gross profit margin decreased marginally from 72.1% in 2Q2013 to 68.8% in 2Q2014. The drop in gross profit margin was attributable to the lower margins contributed by the Group's entities in India, the Philippines and Indonesia as a result of the competitive environment which these entities operate in.

Other operating income

Other operating income increased by S$158,000. This is due to a grant income of S$116,000 from SPRING Singapore for certain initiatives undertaken by the Company. The Company also received S$ 17,000 of rental income from its investment properties for 2Q2014. There was no such grant income and rental income in HY2013.

Gain on disposal of associate company

During 2Q2013, the Group disposed of its 10% indirect stake in CSCS resulting in a gain of approximately S$2.7million. There is no such gain in 2Q2014.

Selling and marketing expenses

Selling and marketing expenses increased by 45.9% or S$1.0 million. This increase was contributed by the inclusion of the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013. The selling and marketing expenses incurred by these entities for 2Q2014 was S$1.2 million.

Administrative expenses

Administrative expenses increased by 52.4% or S$1.1 million. This increase was contributed by the inclusion of the Philippines and Indian subsidiaries and Indonesian assets which we acquired in June 2013.

Share of results in associate

Our share of profit in associate was S$0.8 million for 2Q2013. This included our share of profits in CSCS and CCBC. The Group disposed of its share in CSCS in November 2012. The Group acquired 10% equity stake in CCBC in November 2012.

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.

During 2Q2014, the Group also completed the acquisition of 31.81% of the issued shares in Stemlife Berhad ("Stemlife"). Consequently, the Group accounted for our share of profits in Stemlife amounting to S$86,000.

Tax

The effective tax rate was approximately 6.1% and 5.0% for 2Q2014 and 2Q2013 respectively. The effective tax rates for both reporting periods were significantly lower than the corporate tax rate because of the gain on disposal of associate company, 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 HY2014, the Group transferred its investment in CCBC, which was previously recognised as an 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.

During HY2014, the Group also completed the acquisition of 31.81% of the issued shares in Stemlife ("Stemlife Acquisition"). The investment in associate as at 31 December 2013 represents the Group's interest in Stemlife.

The Group has not completed the initial accounting to identify the fair value of the assets and liabilities of Stemlife.

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

The increase in cash was due to net proceeds of S$32,943,750 from the issue of new shares from a private placement completed on 14 October 2013. The increase in cash is offset by the following:

- payment of dividends of S$2,673,000 on 15 November 2013,
- final payment for the acquisition of Australia-listed Life Corporation Limited's (previously known as Cordlife Limited ("LCL) cord blood and cord tissue banking businesses and assets in India, the Philippines, Hong Kong and Indonesia of S$ 3,158,000 in September 2013 and December 2013 and
- payment of S$1,300,000 in December 2013 for the acquisition of Stemlife.

The Group also generated positive cash flows from operating activities for HY2014.

Non-current trade receivables represent 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.

The increase in interest-bearing borrowings was a result of additional term loan of S$6.9 million provided by DBS for the purpose of investment in Stemlife.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known significant trends and factors or events that may affect the group in the next reporting period and the next 12 months

Industry prospects

According to the latest government statistics, the total number of births in Singapore was 39,874 in 2013, representing a 6.5% decrease from the 42,663 births in 2012. Total fertility rate decreased from 1.29 to 1.20 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 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.

Economies of scale and scope strategy

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:

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[1] Source: Department of Statistics, Singapore Web Site. http://www.singstat.gov.sg/statistics/latest_data.html#16. Accessed February 4, 2014

[2] 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 9 December 2013, the Group announced that it has acquired a further 11.89% interest ("Additional Acquisition") in StemLife, an associated company of Cordlife which is listed on the ACE Market of Bursa Malaysia, for a cash payment of approximately RM17.66 million. Following the Additional Acquisition, Cordlife will hold approximately 31.81% of the issued and paid-up share capital in StemLife. The Consideration for the Additional Acquisition was satisfied by the Group fully in cash funded through a combination of borrowings and IPO proceeds. Prior to this, the Group announced on 4 October 2013 that it had completed the acquisition of an initial 19.92% interest in StemLife.

- On 11 November 2013, Cordlife announced that it has signed a non-binding term sheet with NYSE-listed China Cord Blood Corporation ("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 28 June 2013, the Group announced that it has completed 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 for an aggregate consideration of A$5.5 million.

- On 12 November 2012, the Group completed the acquisition of 10% of issued shares in CCBC and the disposal of our 10% indirect stake in China Stem Cells (South) Company Limited.

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 17 October 2013, Cordlife announced that it signed a non-binding Memorandum of Understanding with Golden Meditech Holdings Limited ("Golden Meditech") 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 Services (India) Pvt. Ltd., 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. [3]

11. Dividends

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

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

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

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

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

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

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

The interim dividend will be paid on 4 April 2014.

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

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 13 March 2014 ("Book Closure Date") for the purpose of determining members' entitlement to the interim dividend ("Dividend").

Duly completed registrable transfers received by the Company's Share Registrar Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00 Singapore 068898 up to 5.00pm on 12 March 2014 ("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.

[3] The storage and banking of umbilical cord tissue services provided is currently not licensed by the Ministry of Health, Singapore and this service is provided on a research/clinical trial basis.

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

Not applicable.

13. Interested person transactions

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

There were no interested party 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 31 December 2013 presented in this announcement, to be false or misleading in any material aspect.

15. Disclosure on the use of IPO proceeds

Further to paragraph 15 of the announcement made by the Company on 13 November 2013 (First Quarter Unaudited Financial Statements for the Period ended 30 September 2013) in relation to, *inter alia*, the use of the proceeds from the IPO of the Company (the "IPO Proceeds"), the Board of Directors of the Company wishes to provide a further update on the use of the IPO Proceeds.

The Group has utilised a further S$1.6 million in connection with the acquisition of Australia-listed LCL's cord blood and cord tissue banking businesses and assets in India, the Philippines, Hong Kong and Indonesia. For further details, please refer to the announcements released by the Company on 17 May 2013, 28 June 2013, 30 September 2013 and 27 December 2013.

The Group has also utilised S$1.3 million in relation to the acquisition of 31.81% of Stemlife . For further details, please refer to the announcements released by the Company on 4 September 2013, 26 September 2013, 4 October 2013 and 9 December 2013.

As at 31 December 2013, the Group has utilised approximately S$ 17.9 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%	13.2	44.4%
Renovation of proposed 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%	17.9	60.3%

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, 30 September 2013, 4 October 2013, 9 December 2013 and 27 December 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
11 February 2014