

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)
	2014	2013	
	\$'000	\$'000	%
Revenue	49,087	34,702	41.5
Cost of sales	<u>(14,229)</u>	<u>(9,373)</u>	51.8
Gross profit	34,858	25,329	37.6
Other operating income	1,273	28	>100.0
Gain on disposal of associate	–	2,729	n.m
Selling and marketing expenses	(12,155)	(7,801)	55.8
Administrative expenses	(14,966)	(10,197)	46.8
Share of results of associates	(2,350)	2,753	n.m.
Fair value gain on investment properties	110	1,134	(90.3)
Fair value changes on financial asset designated as fair value through profit or loss	18,716	–	n.m
Gain on transfer of investment in associate to financial asset designated as fair value through profit or loss	6,297	–	n.m
Negative goodwill on acquisition of associate	–	138	n.m
Finance income	288	492	(41.5)
Finance costs	<u>(217)</u>	<u>(46)</u>	>100.0
Profit before income tax	31,854	14,559	>100.0
Income tax expense	<u>(1,474)</u>	<u>(1,075)</u>	37.1
Profit for the year	<u>30,380</u>	<u>13,484</u>	>100.0

n.m denotes not meaningful

Full Year Unaudited Financial Statement for the Year Ended 30 June 2014

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)

	Group		+ / (-) Increase/ (Decrease)
	12 months ended 30 June		
	2014	2013	
	\$'000	\$'000	%
Other comprehensive income for the year, net of tax:			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Reclassification adjustment on transfer of investment in associate to financial asset designated at fair value through profit or loss	(341)	–	n.m
Foreign currency translation	(246)	(419)	(41.3)
Total comprehensive income for the year	<u>29,793</u>	<u>13,065</u>	>100.0
Profit for the year attributable to:			
- Shareholders of the company	30,521	13,484	>100.0
- Non-controlling interest	(141)	–	n.m
	<u>30,380</u>	<u>13,484</u>	>100.0
Total comprehensive income for the year attributable to:			
- Shareholders of the company	29,845	13,065	>100.0
- Non-controlling interest	(52)	–	n.m
	<u>29,793</u>	<u>13,065</u>	>100.0

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

	Group		
	12 months ended 30		
	June		
	2014	2013	
	\$'000	\$'000	
Depreciation of property, plant and equipment	1,290	726	[1]
Amortisation of intangible asset	218	39	[2]
Allowance for doubtful debts and bad debts written off	169	444	
Foreign exchange gain	(2)	(59)	
Overprovision of tax in prior years	(128)	(7)	

Notes

1. The increase in depreciation was due to the additional laboratory equipment purchased during the year to accommodate the increased sales volume as well as depreciation from the equipment of the subsidiaries and the 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.

2. The increase in amortisation of intangible asset was due to the additional amortisation of customer contracts arising from the acquisition of the subsidiaries and assets in June 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 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
ASSETS				
Non-current assets				
Investment in associate	16,819	27,965	18,220	25,701
Investment in subsidiaries	–	–	21,034	21,304
Financial asset designated at fair value through profit or loss	50,494	–	50,494	–
Property, plant and equipment	8,409	7,606	6,545	6,053
Investment properties	4,830	5,330	4,830	5,330
Intangible assets	1,941	1,785	424	136
Trade receivables	45,961	38,743	39,258	35,823
Other receivables	229	434	18	221
Fixed deposits	–	11,500	–	11,500
	<u>128,683</u>	<u>93,363</u>	<u>140,823</u>	<u>106,068</u>
Current assets				
Cash and cash equivalents	32,643	7,986	28,451	3,492
Short term investments	988	342	–	–
Fixed deposits	11,778	3,500	11,500	3,500
Pledged fixed deposits	348	334	–	–
Trade receivables	12,890	12,121	6,858	8,012
Other receivables	1,054	1,083	397	803
Prepayments	1,678	1,285	733	624
Inventories	645	435	233	156
Amounts owing by subsidiary companies	–	–	6,156	1,476
	<u>62,024</u>	<u>27,086</u>	<u>54,328</u>	<u>18,063</u>
Current liabilities				
Trade and other payables	8,887	7,505	4,615	4,239
Amount payable for acquisition of subsidiaries	–	3,182	–	3,182
Deferred revenue	5,378	5,055	3,123	3,585
Amounts owing to subsidiary companies	–	–	1,917	243
Income tax payable	1,558	1,138	1,296	1,128
Interest-bearing borrowings	4,448	271	4,448	271
	<u>20,271</u>	<u>17,151</u>	<u>15,399</u>	<u>12,648</u>
Net current assets	<u>41,753</u>	<u>9,935</u>	<u>38,929</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)

	Group As at		Company As at	
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Non-current liabilities				
Other payables	81	160	–	–
Deferred revenue	20,473	19,457	12,160	13,360
Deferred tax liabilities	188	192	226	177
Interest-bearing borrowings	8,402	5,926	8,402	5,926
Amounts owing to subsidiary company	–	–	21,035	21,335
	<u>29,144</u>	<u>25,735</u>	<u>41,823</u>	<u>40,798</u>
Net assets	<u>141,292</u>	<u>77,563</u>	<u>137,929</u>	<u>70,685</u>
Capital and reserves				
Share capital	96,657	53,548	96,657	53,548
Treasury shares	(3,898)	(103)	(3,898)	(103)
Accumulated profits	51,359	26,176	44,703	16,818
Reserves	(2,644)	(2,013)	467	422
Non-controlling interests	(182)	(45)	–	–
Total equity	<u>141,292</u>	<u>77,563</u>	<u>137,929</u>	<u>70,685</u>

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

	30 June 2014	As at 30 June 2013
	\$'000	\$'000
Amount repayable in one year or less, or on demand		
- Loan I – secured	268	271
- Loan II – secured	3,500	–
- Loan III – secured	680	–
Amount repayable after one year		
- Loan I – secured	5,682	5,926
- Loan II – secured	–	–
- Loan III – secured	2,720	–
	12,850	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 a revolving loan facility and is payable on demand.

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	
	12 months ended 30	
	June	
	2014	2013
	\$'000	\$'000
Operating activities		
Profit before income tax	31,854	14,559
Adjustments for:		
Depreciation of property, plant and equipment	1,290	726
Amortisation of intangibles asset	218	39
(Gain)/loss on disposal of property, plant and equipment	(12)	34
Interest income	(288)	(492)
Interest expense	217	46
Share-based compensation expense	45	–
Allowance for doubtful debts and bad debts written off	169	444
Gain on disposal of associate	–	(2,729)
Share of results of associate	2,350	(2,753)
Unrealised share of other income from associate	318	–
Negative goodwill on acquisition of associate	–	(138)
Fair value gain on investment properties	(110)	(1,134)
Fair value changes on financial asset designated as fair value through profit or loss	(18,716)	–
Gain on transfer of investment in associate to financial asset designated as fair value through profit or loss	(6,297)	–
Unrealised exchange (gain)/loss	(226)	9
Operating cash flows before movements in working capital	10,812	8,611
Increase in trade receivables	(8,156)	(10,350)
Decrease/(increase) in other receivables, deposits and prepayments	13	(394)
(Increase)/decrease in inventories	(210)	166
Decrease in trade payables	(587)	(90)
Increase in other payables	1,954	1,928
Increase in deferred revenue	1,293	9,442
Cash generated from operations	5,119	9,313
Interest received	115	332
Interest paid	(217)	(46)
Income tax paid	(1,264)	(934)
Net cash generated from operating activities	3,753	8,665

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	
	2014	2013
	\$'000	\$'000
Investing activities		
Purchase of property, plant and equipment	(1,627)	(1,762)
Purchase of investment properties	–	(4,196)
Purchase of intangible assets	(305)	(150)
Redemption of convertible bond	–	1,500
Proceeds from disposal of associate	–	20,614
Acquisition of associate	(8,125)	(25,701)
Dividends from associate	917	–
Transfer to short-term investments	(646)	–
Transfer from fixed deposits	3,222	2,500
Purchase of treasury shares	(3,795)	(103)
Acquisition of assets (Note A)	–	(1,568)
Acquisition of subsidiaries (Note B)	(3,158)	(1,556)
Net cash used in investing activities	<u>(13,517)</u>	<u>(10,422)</u>
Financing activities		
Repayments of finance lease liabilities	–	(6)
Transfer to pledged fixed deposits	(15)	(297)
Proceeds from interest-bearing borrowings	6,900	3,828
Repayment of interest-bearing borrowings	(247)	(195)
Proceeds from issue of shares	33,547	–
Share issuance expense	(439)	–
Dividends paid	(5,338)	(6,513)
Net cash generated from/(used in) financing activities	<u>34,408</u>	<u>(3,183)</u>
Net increase/(decrease) in cash and cash equivalents	24,644	(4,940)
Cash and cash equivalents at the beginning of the financial year	7,986	12,945
Effects of exchange rate changes on the balance of cash	<u>13</u>	<u>(19)</u>
Cash and cash equivalents at end of the financial year	<u><u>32,643</u></u>	<u><u>7,986</u></u>

Notes to Consolidated Statement of Cash Flows

A. Acquisition of assets

	Group	
	12 months ended 30	
	June	
	2014	2013
	\$'000	\$'000
Trade receivables	–	1,842
Property, plant and equipment	–	37
Deferred revenue	–	(311)
	<hr/>	<hr/>
Cash outflow on acquisition	–	1,568

B. Acquisition of subsidiaries

	Group	
	12 months ended 30	
	June	
	2014	2013
	\$'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	–	45
Provisional goodwill on acquisition	–	1,639
	<hr/>	<hr/>
Purchase consideration	–	4,914
Less: Amount payable to seller*	–	(3,182)
Less: Cash and cash equivalents acquired	–	(176)
	<hr/>	<hr/>
Cash outflow on acquisition, net of cash acquired	–	1,556

* The Company paid S\$3,158,000 during the year for the acquisition of the subsidiaries. There were realised exchange differences of S\$24,000 arising from the payment.



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Full Year Unaudited Financial Statement for the Year Ended 30 June 2014

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	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 year									
- Net effect of foreign currency translation	–	–	–	–	–	–	(646)	–	(646)
- Share of other comprehensive income of associate	–	–	–	–	–	–	227	–	227
Total comprehensive income for the year, net of tax	–	–	13,484	–	–	–	(419)	–	13,065
Purchase of treasury shares	–	(103)	–	–	–	–	–	–	(103)
Acquisition of subsidiaries	–	–	–	–	–	–	–	(45)	(45)
Dividends	–	–	(6,513)	–	–	–	–	–	(6,513)
Balance at 30 June 2013	53,548	(103)	26,176	568	534	(2,184)	(931)	(45)	77,563



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CORDLIFE GROUP LIMITED

Full Year Unaudited Financial Statement for the Year Ended 30 June 2014

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 year	–	–	–	–	–
Total comprehensive income for the 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



CORDLIFE GROUP LIMITED

Full Year Unaudited Financial Statement for the Year Ended 30 June 2014

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	Share-based compensation reserve \$'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)	(130)	77,478
Profit for the year	–	–	30,521	–	–	–	–	–	(141)	30,380
Other comprehensive income for the year										
- Net effect of foreign currency translation	–	–	–	–	–	–	–	(423)	89	(334)
- Share of other comprehensive income of associate	–	–	–	–	–	–	–	88	–	88
- Transfer of investment in associate to financial asset designated at fair value through profit or loss	–	–	–	–	–	–	–	(341)	–	(341)
Total comprehensive income for the year, net of tax	–	–	30,521	–	–	–	–	(676)	(52)	29,793
Issuance of shares as consideration for acquisition of associate	10,000	–	–	–	–	–	–	–	–	10,000
Issuance of shares pursuant to private placement	33,548	–	–	–	–	–	–	–	–	33,548
Share issuance expense	(439)	–	–	–	–	–	–	–	–	(439)
Dividends	–	–	(5,338)	–	–	–	–	–	–	(5,338)
Purchase of treasury shares	–	(3,795)	–	–	–	–	–	–	–	(3,795)
Issuance of performance share grants	–	–	–	45	–	–	–	–	–	45
Balance at 30 June 2014	96,657	(3,898)	51,359	45	568	534	(2,184)	(1,607)	(182)	141,292



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Full Year Unaudited Financial Statement for the Year Ended 30 June 2014

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	Share-based compensation reserve \$'000	Capital reserve \$'000	Total \$'000
Balance at 1 July 2013	53,548	(103)	16,818	–	422	70,685
Profit for the year	–	–	33,223	–	–	33,223
Other comprehensive income for the financial year	–	–	–	–	–	–
Total comprehensive income for the financial year, net of tax	–	–	33,223	–	–	33,223
Issuance of shares as consideration for acquisition of associate	10,000	–	–	–	–	10,000
Issuance of shares pursuant to private placement	33,548	–	–	–	–	33,548
Share issuance expense	(439)	–	–	–	–	(439)
Dividends	–	–	(5,338)	–	–	(5,338)
Purchase of treasury shares	–	(3,795)	–	–	–	(3,795)
Issuance of performance share grants	–	–	–	45	–	45
Balance at 30 June 2014	96,657	(3,898)	44,703	45	422	137,929

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
Issuance of shares as consideration for acquisition of associate ^[1]	8,000,000	10,000,000
Issuance of shares pursuant to private placement ^[2]	26,838,000	33,547,500
Share issuance expense	–	(438,750)
Purchase of treasury shares ^[3]	(3,222,000)	–
As at 30 June 2014	264,103,354	96,656,721

[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] As at 30 June 2014, the Company held 3,422,000 (30 June 2013: 200,000) treasury shares against 264,103,354 (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	
	30 June 2014 No. of shares	30 June 2013 No. of shares
Total number of issued shares excluding treasury shares	264,103,354	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 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 year 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 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 12 months ended 30 June	
Basic Earnings Per Share	2014	2013
Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:		
Profit attributable to shareholders of the Company (S\$ '000)	30,521	13,484
Weighted average number of shares in issue during the period ('000)	256,520	232,592
Basic earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	11.90	5.80

Diluted Earnings Per Share

Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:

Profit attributable to shareholders of the Company (S\$ '000)	30,521	13,484
Weighted average number of shares in issue during the period ('000)	256,585	232,592
Diluted earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	11.90	5.80

Notes:

Basic earnings per share are calculated by dividing profit net of tax, attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share are calculated by dividing profit net of tax, attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Full Year Unaudited Financial Statement for the Year Ended 30 June 2014

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 2014 (cents)	30 June 2013 (cents)	30 June 2014 (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 financial year reported on	53.50	33.36	52.23	30.40

The number of shares in issue and used in calculating the net asset value per share as at 30 June 2014 and 30 June 2013 is 264,103,354 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 12 MONTHS 2014 ("FY2014") AGAINST 12 MONTHS 2013 ("FY2013")

Income Statement

Revenue

Revenue increased by 41.5% or S\$14.4 million from S\$34.7 million in FY2013 to S\$49.1 million in FY2014. The increase in revenue was due mainly to an increase in the number of client deliveries, from approximately 7,700 in FY2013 to approximately 15,880 in FY2014. This was contributed by the client deliveries from the Philippines, India and Indonesia, resulting from the acquisition of the subsidiaries and assets in June 2013.

The increase in revenue arising from the client deliveries from the Philippines, Indonesia and India is offset by a drop in revenue from 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 commencing in 2013.

Cost of sales

Cost of sales increased by 51.8% or S\$4.9 million, which was generally in line with the 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 37.6% or S\$9.5 million due to the increase in new client deliveries.

Gross profit margin remained stable above 70% in FY2014 as compared to 73% in FY2013.

Other operating income

Other operating income increased by approximately S\$1.2 million. There is a grant income of \$253,000 from SPRING Singapore which the Company had claimed for certain activities. The Company received S\$58,000 under the Wage Credit Scheme and Productivity and Innovation Credit Scheme from the Inland Revenue Authority of Singapore. The Company also generated rental income of S\$109,000 from its investment properties in FY2014. In addition, the Group recognised upfront fees of S\$680,000 for providing training and know-how transfer services to StemLife under the licensing agreement signed in April 2014.

There were no such grant income, rental income and upfront fees in FY2013.

Gain on disposal of associate

In FY2013, 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 FY2014.

Selling and marketing expenses

Selling and marketing expenses increased by 55.8% or S\$4.4 million in FY2014. This increase was contributed by the Group’s expansion of operations in the Philippines, India and Indonesia. Excluding these and one-off selling and marketing expenses below, selling and marketing expenses decreased by 3.3% or S\$254,000 in FY2014. This is because the Group adopted a more cost efficient marketing strategy in Singapore. The Group also achieved economies of scope by offering both cord blood banking and cord lining banking through the same sales and marketing channels.

The increase in selling and marketing expenses in FY2014 was also attributable to costs incurred for new product development. These include costs of additional head count and costs incurred to introduce and educate the Group’s partners on such new products. In addition, there were also selling and marketing expenses incurred in relation to restructuring of the Group’s subsidiaries in India and the Philippines subsidiaries subsequent to the acquisition in June 2013. Such one off costs were incurred in order to align these entities operations with the Group. The total new product development and restructuring costs related to selling and marketing expenses amounted to S\$204,000 in FY2014. There were no such costs incurred in FY2013.

Administrative expenses

Administrative expenses increased by 46.8% or S\$4.8 million in FY2014. This increase was contributed by the Group’s expansion of operations in the Philippines, India and Indonesia. New product development and restructuring costs related to administrative expenses amounted to S\$440,000 in FY2014. There were no such costs incurred in FY2013.

Share of results of associates

The Group’s share of loss in associate was S\$2.4 million for FY2014 as compared to the Group’s share of profits of S\$2.8 million for FY2013. In FY2013, the Group accounted for its share of profits in CSCS. The Group disposed of its shares in CSCS in November 2012. In FY2014, the Group accounted for its share of profits arising from the Group’s 10% interest in China Cord Blood Corporation (“CCBC”) which was acquired in November 2012.

Based on the 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 financial asset designated as fair value through profit or loss.

During FY2014, the Group also completed the acquisition of 31.81% of the issued shares in StemLife. Consequently, the Group accounted for its share of loss in StemLife amounting to S\$101,000.

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 decreased by 41.5% or S\$0.2 million. In FY2013, the Group received interest on its investment in a convertible bond issued by CS Cell Technologies Pte Ltd. The convertible bond was redeemed on 28 June 2013. There was no such investment in FY2014. The decrease is offset by interest income received from new fixed deposits placed with financial institutions during the year.

Finance expenses

Finance expense increased by more than 100% or S\$0.2 million due to an increase in bank borrowings of S\$12.9 million in FY2014 compared to S\$6.2 million in FY2013.

Tax

The effective tax rate was approximately 4.7% for FY2014 and 7.4% for FY2013. In FY2014, the share of results of associates, fair value gain on investment properties, fair value changes in financial asset designated as fair value through profit or loss and the gain on transfer of investment in associate to financial asset designated as fair value through profit or loss are not taxable. In FY2013, the share of results of associates, fair value gain on investment properties, negative goodwill on acquisition of associate and gain on disposal of associate were not taxable. Adjusting for these non-taxable items, the effective tax rate for FY2014 is 16%, compared to the effective tax rate of 14% for FY2013.

Balance sheet

As at 30 June 2014, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short term investments of S\$45.4 million and a low gearing of 0.09 times. Net asset value per ordinary share increased by 60.4% to 53.50 cents as at 30 June 2014, as compared to 33.36 cents as at 30 June 2013.

The Group's interest in CCBC is recognised as a financial asset designated as fair value through profit or loss. Changes in the fair value of this financial asset are recognised in the profit and loss.

The investment in associate as at 30 June 2014 represents the Group's 31.81% 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\$33,108,750 from the issue of new shares pursuant to a private placement exercise completed on 14 October 2013. The increase in cash is offset by the following:

- payment to shareholders of the Company of the one-tier (tax-exempt) dividend amounting to approximately S\$ 2,673,000 and S\$ 2,665,000 on 15 November 2013 and on 4 April 2014 respectively;
- final payment of S\$ 3,158,000 in September 2013 and December 2013 for the acquisition of Australia-listed Life Corporation Limited's (previously known as Cordlife Limited) cord blood and cord lining banking businesses and assets in India, the Philippines and Indonesia;
- payment of S\$8.1 million in December 2013 for the acquisition of the Group's 31.81% interest in StemLife; which was partially funded by a S\$6.9 million drawdown of term loan, and
- purchase of treasury shares between 12 February 2014 to 28 March 2014 amounting to a total consideration of approximately S\$ 3,795,000.

The Group also generated positive cash flows from operating activities for FY2014. Overall, the Group has a net cash position of S\$32.6 million.

Non-current trade receivables represent cord blood and cord lining 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.

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 39,720 in 2013, representing a 6.9% decrease from the 42,663 births in 2012. Total fertility rate decreased from 1.29 to 1.19 over the same period¹. Given the Singapore government's push to encourage Singaporeans to marry and have children, analysts expect a pick-up in birth rates from 2014, which could benefit the Company². 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 the Company's clients tap into to pay for its services. To mark the Golden Jubilee, the 50th anniversary of Singapore's independence, the National Population and Talent Division announced³ on 27 June 2014 that parents of Singapore's Jubilee babies born in 2015 can look forward to the Jubilee Baby Gift, as a welcome for every Singaporean baby born in 2015. We are cautiously optimistic that the Golden Jubilee will be positive for childbirth rates in Singapore in 2015.

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 lining 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. 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.

¹ Source: Department of Statistics, Singapore Web Site. http://www.singstat.gov.sg/statistics/latest_data.html#16. Accessed May 6, 2014

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

³ Source: Media Release by the National Population and Talent Division, 27 June 2014, <http://www.heybaby.sg/jubilee/files/press-release-final-jbg-items.pdf>

Economies of scale and scope strategy

To derive economies of scale, the Group is riding on the growth story of emerging Asian nations by expanding its geographical footprint for cord blood and umbilical cord lining banking business as well as other newly-introduced products catering to the mother and child segment. Initiatives under this strategy in FY2014 include:

- On 3 March 2014, the Group announced that it has extended its strategic alliance and co-operation with CordLabs Asia Pte. Ltd. ("CAP") and NYSE-listed China Cord Blood Corporation ("CCBC"), in relation to the provision of human postnatal umbilical cord tissue storage services to certain territories in the People's Republic of China (the "PRC").
- On 9 December 2013, the Group announced that it has acquired a further 11.89% interest ("Additional Acquisition") in StemLife, an associated company of the Company listed on the ACE Market of the Bursa Malaysia, for a cash payment of approximately RM17.66 million. Following the Additional Acquisition, the Company holds 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, the Group 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 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 umbilical cord lining banking businesses and assets in India, the Philippines, Hong Kong and Indonesia for an aggregate consideration of A\$5.5 million.

To benefit from economies of scope, the Group is also transitioning into a consumer healthcare company catering to the mother and child segment. In addition to providing cord blood and umbilical cord lining services, the Group is looking to provide other complementary products and services that cater to the mother and child segment. Initiatives under this strategy in FY2014 include:

- On 30 April 2014, the Group announced that the Company had entered into a licensing agreement with StemLife, to jointly explore and develop umbilical cord tissue related new services based on cellular technology in Malaysia.
- 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.

Going forward, 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 FY2015.

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 FY2014 ("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	Final
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 final dividend will be paid on 7 November 2014, 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 27 October 2014 ("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 24 October 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.

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 2014, the Group has utilised approximately S\$19.4 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%	14.5	48.8%
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%	0.2	0.7%
Expenses incurred in connection with the IPO	3.4	11.5%	3.7	12.5%
	29.7	100.0%	19.4	65.3%

Note:

(1) The numbers in the table above may not exactly add due to rounding.

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.

14. 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 year reported on.

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 2014				
Revenue from external customers	4,688	44,399	–	49,087
Total consolidated revenue				49,087
Year ended 30 June 2013				
Revenue from external customers	6,079	28,623	–	34,702
Total consolidated revenue				34,702

Segment results

	2014	2013
	S\$'000	S\$'000
Group		
Segment profit:		
- North Asia	21,977	5,044
- South Asia and Southeast Asia	9,609	8,973
	<hr/>	<hr/>
	31,586	14,017
<i>Unallocated income/expenses:</i>		
Interest income	288	492
Other unallocated *	(20)	(88)
<i>Others</i>		
Negative goodwill on acquisition of associate	-	138
	<hr/>	<hr/>
Profit before income tax expense	31,854	14,559
Income tax expense	(1,474)	(1,075)
	<hr/>	<hr/>
Total net profit for the year	<u>30,380</u>	<u>13,484</u>

* Other unallocated refers to results of subsidiaries not in the principal activity of the provision of cord blood and cord lining 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		
	FY2014	FY2013	+ / (-) Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Revenue reported for first half year	23,468	17,878	31.3
(b) Profit after tax before deducting minority interests reported for the first half year	12,903	8,441	52.9
(c) Revenue reported for second half year	25,619	16,824	52.3
(d) Profit after tax before deducting minority interests reported for the second half year	17,477	5,043	>100%

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 2014 S\$	Full year 2013 S\$
Interim dividend	2,673,254	2,324,873
Final dividend	2,664,503	4,188,372
Total	5,337,757	6,513,245

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
25 August 2014