CORPORATE PRESENTATION

October 2014
INTRODUCTION

- A Consumer Healthcare Company, listed on the Mainboard of SGX-ST.
Company overview

The first cord blood bank to be set up in Singapore and amongst the first in Asia, Cordlife has more than 13 years of cord blood banking experience as well as a successful track record of cord blood releases for transplants and therapeutic applications.

3 products and services offering

Core product: Cord Blood Banking
- Collection at birth, processing, testing, cryopreservation and storage of stem cells from the umbilical cord blood

Umbilical Cord Lining Banking
- Collection, processing, testing, cryopreservation and storage of the umbilical cord lining

MetaScreen Metabolic Screening
- Catered for newborns, MetaScreen detects as many as 110 metabolic disorders
- Non-invasive and advanced technology testing on urine samples

7 key markets

Source: United Nations, Department of Economic and Social Affairs
Cordlife occupies dominant positions in markets where industry concentration is high, and is well-positioned to capture growth in the Asian consumer healthcare sector.

Birth rates vs private health care expenditure per capita


Source: Deloitte & Touche Financial Advisory Services Limited report, October 2014
Note: Industry concentration is defined by the total market share of top 3 players
* Cordlife’s market share represented by China Cord Blood Corporation’s market share
Our Vision

Top 3 private cord blood bank player in each key market

- Market share leadership in each jurisdiction
- Strong recurring cashflows from high penetration rates in each market
- Higher profit margins from economies of scale
- Multiple product offerings utilizing the same platform

Where are we now?

Increase penetration

Strategic acquisitions / partnerships

New product offerings

No.1 consumer healthcare player in Asia

Investments and marketing expenses necessary to:

- Increase penetration rates
- Capitalise on first mover advantage

Introducing MetaScreen New Born Screening
Newborn scoring details for all conditions in 1 to 300 babies per year
OPERATIONAL HIGHLIGHTS

– A Consumer Healthcare Company, listed on the Mainboard of SGX-ST.
Our Competitive Strengths

Consistent revenue growth since IPO* as we increase penetration and make inroads into new markets

Revenue growth

*Cordlife was listed on the Mainboard of SGX-ST on 29 March 2012.
Operational overview – existing products

Cord Blood Banking client deliveries (Y-o-Y comparison)

Markets of key subsidiaries

Investment markets

Umbilical Cord Lining Banking client deliveries (Y-o-Y comparison)

Total cord blood banking revenues in FY2014: 90.0% of total revenues

Total umbilical cord lining banking revenues in FY2014: 9.0% of total revenues

* Cord blood and umbilical cord lining banking are bundled for clients in India.
Note: Malaysia is represented through Cordlife’s 31.8% ownership in StemLife Berhad and China through Cordlife’s 10.0% ownership in China Cord Blood Corporation
New product offerings

In-roads made thus far from 2 new product offerings will enhance strategy going forward

**Umbilical Cord Lining Banking**

- Boost recurring income streams

**MetaScreen Metabolic Testing**

- One-time fee generates larger cashflows

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**What is it?**

- **Umbilical Cord Lining Banking**
  - Option to bank a section of the actual tissue that makes up the umbilical cord have shown immense potential in aiding the repair of injured tissues and organs and the treatment of various diseases
  - Components of umbilical cord tissue:

- **MetaScreen Metabolic Testing**
  - Non-invasive, comprehensive metabolic screening test that can detect up to 110 inborn errors of metabolism using urine samples of newborns
  - Benefits include early diagnosis and intervention and reduced financial burden from potential long-term complications

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**Progress made**

- **Umbilical Cord Lining Banking**
  - Room for increase in penetration rates in a relatively new product
  - Higher gross margin product than cord blood banking
  - Immediate plans to expand coverage to all remaining markets

- **MetaScreen Metabolic Testing**
  - Launched in Philippines (2014), Hong Kong (2014) and India (2013). Launched on Cordlife’s existing platform
  - First in Cordlife’s pipeline of new product and service offerings whilst transitioning into a multi-product healthcare company catering to the mother and child segment
  - Larger addressable market than cord blood / cord lining, as the service can be offered at birth or after birth / during childhood

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*The storage and banking of umbilical cord lining services provided is currently not licensed by the Ministry of Health, Singapore and this service is provided on a research / clinical trial basis*
Inorganic growth opportunity: Malaysia

Exciting prospects in Malaysia

- Acquired 19.9% stake in StemLife
- Acquired additional 11.9% stake in StemLife
- April 2014: Licensing agreement with StemLife to explore and develop umbilical cord tissue related new services based on cellular technology in Malaysia

**StemLife**
- First stem cell banking and therapeutics company in Malaysia
- Fully licensed cord blood banking facility with the Ministry of Health Malaysia
- First Malaysian cord blood banking company providing umbilical cord blood-derived stem cells for bone marrow transplantation in paediatric leukemia and adult stems cells for use in treatment of blood-related disorders, foot ulcers as well as sports and trauma injuries

**Transaction rationale**
- Capitalising on growth opportunities in Malaysia driven by rising affluence and health awareness
- Cost synergies through potential utilisation of Malaysian facilities by Singapore customers
- Enhancing revenues and margins
Inorganic growth opportunity: China

Leveraging platform in China for expansion and growth

**Key China milestones**

- Cordlife acquires approximately 10.0% of CCBC
- Extends strategic alliance with CordLabs Asia for the provision of human postnatal umbilical cord lining storage services in China
- Cordlife reinforcing commitment to long term CCBC partnership via potential acquisition of CCBC Convertible Note

**Recent transaction update**

**China Cord Blood Corporation (NYSE: CO US)**

- China’s largest cord blood banking operator
- Exclusive license to provide cord blood storage services in Beijing, Guangdong and Zhejiang
- Approximately 24.0% stake in Shandong Cord Blood Bank
- Cord lining storage services available in Beijing but to be extended to Zhejiang and Guangdong in the near future

**Acquisition of China Cord Blood Corporation Convertible Note**

- Cordlife able to raise its interest in CCBC from 10.0% to 17.8%
- Magnum Opus International Holdings Limited (controlled by Mr Yuen Kam, Chairman of CCBC, and management of CCBC) also acquired an equal amount of convertible note in dollar terms which is funded through a facility agreement between Cordlife and Magnum
- Steady source of income from recurring annual coupon payments of US$1.75m
Cordlife’s stake in CCBC

- Acquired approximately 10.0% of CCBC and disposed 10.0% indirect equity stake in Guangzhou Tianhe Nuoya in November 2012
- Between 12 Nov 2012 and 30 Jun 2014, Cordlife has realised an Annualised IRR of 50.2% on the US$20.8 million invested in CCBC

Note: The US$20.8 million reflects the investment cost of Cordlife’s 10.0% stake in CCBC in November 2012, while values of US$20.6 million and US$40.4 million reflect the value of a 10.0% stake in CCBC based on the prevailing market capitalisation of CCBC on the respective dates.
INDUSTRY OUTLOOK

cordlife – A Consumer Healthcare Company, listed on the Mainboard of SGX-ST.
China, India, Indonesia, and the Philippines are the most attractive cord blood banking markets in the region.

Cord blood banking in selected markets

- **Mainland China**: 1: US$142
- **India**: 1: US$41
- **Indonesia**: 1: US$65
- **Philippines**: 1: US$74
- **Singapore**: 1: US$1,514
- **Hong Kong**: 1: US$830

The bubble size is proportional to the cord blood banking market size in 2018.

Industry outlook: Singapore and Hong Kong

Higher penetration rate amongst countries where Cordlife operates

**Singapore #1 market share**

- **Growing customer base**
  - Incentive programs such as Baby Bonus Scheme that provide cash incentive and additional benefits
  - Emerging demand of medical tourism

- **Increasing public acknowledgement**
  - Increasing cases of successful transplants and extensive press coverage by mass media

- **Competition**
  - Tougher competition could lead to a drop in average price and improving quality of service offerings, which would potentially uplift the market penetration

**Hong Kong #2 market share**

- **Zero quota for mainland parents**
  - Prior to strict regulation in 2013, births from mainland mothers accounted for 35.0 – 40.0% of total new births

- **Increased public awareness and affordability**
  - Efforts to raise awareness through:
    - TV commercials and magazine ads
    - Pregnancy community and sessions, lab visit
    - Baby care fair / conventions
  - Steadily rising disposable income and partnership with credit card issuers to provide purchase-on-credit options

- **Acknowledgement from OB/GYN**
  - Sales force of private banks covers an increasing number of private clinics, leading to more OB/GYNs recommending the service

- **Competition**
  - Fierce competition among four private banks drives down average price of service

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**Source:** Deloitte & Touche Financial Advisory Services Limited report, October 2014. (1) refers to Private Health Expenditure per capita (USD, 2012)
Industry outlook: China and India

Huge potential from large number of new births and population size

**China**

### Growing customer base
- Ease of one child policy – 1 – 2 mn additional new births in urban areas per year
- Recent ban on mainland mothers giving birth in HK bring back ~35k affluent customers per year

### Increasing affluence
- Increasingly affluent population
- Middle class who are more health conscious and have less financial constraints

### Emerging Private Healthcare Service
- Emergence of private hospitals that provide high-end maternity care services

### Loosening of restrictions on service access
- Guangdong and Zhejiang (2 of China’s largest provinces that are highly regulated) are loosening the restrictions on service access

**India**

### Increasing awareness in target population
- Due to high cost of private cord blood banking, target market is only 0.6 million births per year
- Increased awareness of cord blood banking due to: Increased marketing and better parental counselling in selected private hospitals

### Increasing affordability and access
- Most private cord blood banks are now providing payment options other than one-time lump sum
- Geographical expansion: Cord blood banks have significantly expanded their reach to over 110 cities
- Hospital partnership

### Improving Government Support
- Grant of INR90m to the public cord bank Jeevan to remain operational for another 3 years
- LifeCell plans to set up India’s largest public bank with 10,000 units of storage volume with INR25m investment
- Lifting of 12.4% service tax for cord blood services

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Industry outlook: Philippines and Indonesia

Rapid growth in penetration rates and wealth profiles

**Philippines** #1 market share

| Continuous government promotion | The “Umbilical Cord Blood Collection Act”, which aims to promote cord blood storage nationwide has been introduced |
| Rising public awareness        | Leading players are investing in customer education via a variety of marketing campaigns |
|                               | - Ads on influential media |
|                               | - Celebrity endorsement |
|                               | - Educational events / lectures |
| Improving affordability       | Household income is growing. 55.0% of the household will earn more than US$10K per month by 2018 |
|                               | These households are expected to have enough disposable income to spend on healthcare service such as cord blood storage |

**Indonesia** #1 market share

| Rising public awareness | Leading players are investing in customer education through a variety of marketing campaigns |
|                        | - Ads on influential media |
|                        | - Educational events / lectures |
| Increasing Hospital Partnership | Leading players are partnering up with private and top public hospitals in urban areas to promote cord blood banking services |
| Increasing Acknowledgement from OB-GYN | Physicians are the most important source of professional advisers for expectant mothers thus cord blood banking companies are covering more private banks and top public hospitals |

FINANCIAL HIGHLIGHTS

– A Consumer Healthcare Company, listed on the Mainboard of SGX-ST.
## Financial highlights

FY2014 revenue and net profit increased by 41.5% and 125.3% respectively

<table>
<thead>
<tr>
<th>(S$'mil)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>+(-)% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>34.7</td>
<td>49.1</td>
<td>41.5</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(9.4)</td>
<td>(14.2)</td>
<td>51.8</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>25.3</td>
<td>34.9</td>
<td>37.6</td>
</tr>
<tr>
<td>Net Profit</td>
<td>13.5</td>
<td>30.4</td>
<td>125.3</td>
</tr>
<tr>
<td>Net Profit excl one-off items*</td>
<td>6.7</td>
<td>7.6</td>
<td>13.0</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>5.8</td>
<td>11.9</td>
<td>105.2</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>73.0%</td>
<td>71.0%</td>
<td>-2.0%</td>
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<tr>
<td>Net Profit Margin excl one-off items</td>
<td>19.4%</td>
<td>15.5%</td>
<td>-3.9%</td>
</tr>
</tbody>
</table>

### Note:
Figures might not tally due to rounding of numbers

*One-off items include the Group’s fair value gain on financial asset designated as fair value through profit or loss of S$18.7 million, a gain on transfer of investment in associate to financial asset designated at fair value through profit or loss of S$6.3 million, share of loss in associate of S$2.4 million and fair value gain on investment properties of S$0.1 million in FY2014; and gain on disposal of associate of S$2.7 million, share of gain in associate of S$2.8 million, fair value gain on investment properties of S$1.1 million and negative goodwill of S$0.1 million in FY2013

**Calculation for EPS for the respective financial periods is based on the actual weighted average number of ordinary shares in issue during the respective financial periods.**
FY2014 Financial highlights

- Revenue increased 41.5% year-on-year, driven by rise in number of client deliveries
- Net profit after tax rose 125.3% compared to FY2013 to S$30.4 million
- Excluding one-off items, the Group’s core net profit would have been S$7.6 million for FY2014, representing a 13.0% growth from S$6.7 million for FY2013
- Gross profit margin remained stable at 71.0% in FY2014 as compared to 73.0% in FY2013
- Strong balance sheet with cash and cash equivalents of S$45.4 million and low gearing of 0.1x
- Total dividend of 2.0 cents per ordinary share for FY2014
FY2014 – Factors that affected core profitability

Decrease in FY2014 Sales from Hong Kong subsidiary
Due to a moratorium by the Hong Kong government on mainland Chinese mothers giving birth at private hospitals in Hong Kong commencing in 2013

- Cordlife (via CCBC) positioned to capture migration of customers back to China hospitals

55.8% increase in FY2014 selling and Marketing expenses (S$4.4 million) compared to FY2013 – primarily due to acquisition of subsidiaries in Indonesia, India and Philippines

- Investments in growth markets essential in establishing market share leadership positions and to capitalise on first mover advantage in these markets
- Penetration rates targeted to increase over time post initial marketing spend in new growth markets of Philippines, India and Indonesia
- Excluding initial spend in growth markets and marketing expenses that are one-off in nature, selling and Marketing expenses would have decreased by 3.3% compared to FY2013

46.8% increase in FY2014 administrative expenses (S$4.8 million) from expansion of in growth markets compared to FY2013 – potential for economies of scale once critical mass is achieved
Near term income growth drivers

Successful introduction and expansion of new products

- Rollout of umbilical cord lining and MetaScreen Metabolic screening in target countries
- Further new products catering to the mother and child

Investment in CCBC

- Participate in CCBC’s China growth story and upside from:
  - Potential coupon payments from Convertible Note: 7.0% p.a. which amounts to US$1.75m annually
  - Potential dividend income
  - Capital appreciation (Annualized IRR of 50.2% from inception till 30 June 2014)
  - Potential interest from facility granted to Magnum Opus International Holdings Limited
    - Upfront non-refundable fee of approximately US$1.45m
    - 7.0% p.a. semi-annually for first 3 years of loan. 4th and 5th years, interest payable at a rate of 4.6% over the Swap Offer Rate or 7.0% per annum, whichever is higher
- Expansion of products into China via CCBC
Financial Highlights

Healthy balance sheet, pre investment in CCBC Convertible Note and Magnum facility:
- Gearing ratio of 0.1x
- Cash & cash equivalents of S$45.4 million

<table>
<thead>
<tr>
<th>As at June 30, 2014</th>
<th>Pre investment in CCBC Convertible S$’000</th>
<th>Post investment in CCBC Convertible*** S$’000</th>
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<tbody>
<tr>
<td>Cash and cash equivalents*</td>
<td>45,409</td>
<td>45,409</td>
</tr>
<tr>
<td>Total Assets</td>
<td>190,707</td>
<td>303,526</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>49,415</td>
<td>162,234</td>
</tr>
<tr>
<td>Total Equity</td>
<td>141,292</td>
<td>141,292</td>
</tr>
<tr>
<td>Gearing Ratio**</td>
<td>0.1x</td>
<td>0.9x</td>
</tr>
</tbody>
</table>

*Inclusive of S$11.8 million in fixed deposits, S$1.0 million in short term investments and exclusive of pledged fixed deposits of S$0.3 million

**Book value of debt/Total book value of equity

***Assuming CCBC Convertible Note and facility granted to Magnum Opus International Holdings Limited completely funded by debt. Based on an exchange rate of US$1.00: S$1.246
# Financial Highlights

## Strong cash position
- Well-poised for further market penetration and expansion at home and overseas
- Strategic use of cash for accretive investments
- Limited capital expenditure going forward

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow before movement in working capital</td>
<td>8,611</td>
<td>10,812</td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>8,665</td>
<td>3,753</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(10,422)</td>
<td>(13,517)</td>
</tr>
<tr>
<td>Net cash generated from / (used in) financing activities</td>
<td>(3,183)</td>
<td>34,408</td>
</tr>
</tbody>
</table>

*Cash & Cash equivalents at end of period*

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash equivalents at end of period</td>
<td>23,328*</td>
<td>45,409**</td>
</tr>
</tbody>
</table>

*Inclusive of S$15.0 million in fixed deposits, S$0.3 million in short term investments and exclusive of pledged fixed deposits of S$0.3 million as at FY2013

**Inclusive of S$11.8 million in fixed deposits, S$1.0 million in short term investments and exclusive of pledged fixed deposits of S$0.3 million as at FY2014
APPENDIX

cordlife – A Consumer Healthcare Company, listed on the Mainboard of SGX-ST.
Group Structure

Cordlife Group Limited

Malaysia
- StemLife 38.8%
  - Thai StemLife 40.0%

China
- Shanghai Cordlife Biomedical Research 100.0%
- China Cord Blood Corporation 10.0%

Hong Kong
- Cordlife Stem Cell Technology 100.0%
- Cordlife (Hong Kong) 100.0%
- Cordlife Technologies 100.0%
- CS Cell Technologies 100.0%

Singapore
- Cordlife Medical Phils. 99.9%
- Cordlife Sciences (India) 85.0%
- PT. Cordlife Persada 67.0%

Thailand
- Hong Kong Screening Centre 67.0%

Hong Kong
- China Cord Blood Corporation 10.0%
- Cordlife Stem Cell Technology 100.0%
- Cordlife (Hong Kong) 100.0%
- Cordlife Technologies 100.0%
- CS Cell Technologies 100.0%

Philippines
- Hong Kong Screening Centre 67.0%

India
- Cordlife Medical Phils. 99.9%

Indonesia
- Cordlife Sciences (India) 85.0%
- PT. Cordlife Persada 67.0%