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CORDLIFE GROUP LIMITED

Third Quarter Unaudited Financial Statement for the Period Ended 31 March 2016

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 March		+/(-) Increase/ (Decrease)	Group 9 months ended 31 March		+/(-) Increase/ (Decrease)
	2016	**2015**		**2016**	**2015**	
	$'000	$'000	%	$'000	$'000	%
Revenue	14,938	14,274	4.7	44,026	41,793	5.3
Cost of sales	(5,184)	(4,479)	15.7	(14,879)	(13,537)	9.9
Gross profit	9,754	9,795	(0.4)	29,147	28,256	3.2
Other operating income	315	157	n.m.	581	567	2.5
Selling and marketing expenses	(4,797)	(4,354)	10.2	(13,745)	(13,516)	1.7
Administrative expenses	(4,351)	(3,465)	25.6	(12,725)	(10,526)	20.9
Finance income	518	102	n.m.	792	301	n.m.
Finance costs	(67)	(49)	36.7	(192)	(125)	53.6
Profit before income tax from operations*	1,372	2,186	(37.2)	3,858	4,957	(22.2)
Share of results of associate	–	(9)	n.m.	(76)	(276)	(72.5)
Fair value changes on financial asset designated at fair value through profit or loss	–	7,607	n.m.	4,548	851	n.m.
Fair value changes on derivative	–	3,663	n.m.	2,519	(1,017)	n.m.
Exchange differences	–	4,574	n.m.	6,014	6,724	(10.6)
Gain on sale of shares	–	–	n.m.	151	–	n.m.
Gain on sale of convertible note	–	–	n.m.	5,012	–	n.m.
Remeasurement loss on previously held equity interest in subsidiary	–	–	n.m.	(1,594)	–	n.m.
Other expenses	(1,909)	–	n.m.	(1,909)	–	n.m.
Finance income	–	2,433	n.m.	3,815	3,923	(2.8)
Finance costs	(1,147)	(1,721)	(33.4)	(6,364)	(2,869)	n.m.
(Loss)/profit before income tax	(1,684)	18,733	n.m.	15,974	12,293	29.9
Income tax expense	(366)	(347)	5.5	(848)	(797)	6.4
(Loss)/profit for the financial period	(2,050)	18,386	n.m.	15,126	11,496	31.6

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 3 months ended 31 March			Group 9 months ended 31 March		
	2016 $'000	**2015** $'000	**+/(-) Increase/ (Decrease)** %	**2016** $'000	**2015** $'000	**+/(-) Increase/ (Decrease)** %
Other comprehensive income/(loss) for the financial period, net of tax: *Items that may be reclassified subsequently to profit or loss*						
Share of foreign currency translation of associate	–	3	n.m.	(180)	8	n.m.
Foreign currency translation	178	(69)	n.m.	(99)	(558)	(82.3)
Total comprehensive (loss)/income for the financial period	(1,872)	18,320	n.m.	14,847	10,946	35.6
(Loss)/income for the financial period attributable to:						
- Shareholders of the company	(2,043)	18,142	n.m.	14,833	11,655	27.3
- Non-controlling interests	(7)	244	n.m.	293	(159)	n.m.
	(2,050)	18,386	n.m.	15,126	11,496	31.6
Total comprehensive (loss)/income for the financial period attributable to:						
- Shareholders of the company	(1,928)	18,056	n.m.	14,513	11,042	31.4
- Non-controlling interests	56	264	(78.8)	334	(96)	n.m.
	(1,872)	18,320	n.m.	14,847	10,946	35.6

n.m. denotes not meaningful

*In order to provide more clarity to readers, the Group has presented separately its share of results of associate, remeasurement loss on previously held equity interest in subsidiary, other expenses, fair value changes, gain on sales and exchange differences, finance income and finance costs that relate to the convertible note, loan to third party and fixed rate note from its (loss)/profit before income tax from operations.

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

	Group 3 months ended 31 March			Group 9 months ended 31 March		
	2016	**2015**		**2016**	**2015**	
	$'000	$'000		$'000	$'000	
Depreciation of property, plant and equipment	506	285	[1]	1,331	1,072	
Amortisation of software	175	56		290	171	
Allowance for / (reversal of) doubtful debts and bad debts written off	22	(6)		53	(1)	
Foreign exchange (gain)/loss	(83)	123		(69)	81	
Other miscellaneous income	(315)	(157)	[2]	(581)	(567)	
Waiver of upfront fee previously classified as finance income	–	–		615	–	[3]

Notes

1. The increase in depreciation was due to the additional laboratory equipment purchased for Cordlife Sciences India to accommodate the increased sales volume and depreciation expenses incurred by StemLife Berhad ("StemLife") which became a subsidiary of the Group in December 2015.

2. The increase in other miscellaneous income is mainly due to grants income from Spring Singapore of approximately S$186,000 for the Group's initiatives in training of employee and investing in infrastructure relating to information technology.

3. On 25 August 2014, 10 September 2014 and 17 October 2014, the Company announced that it had entered into a facility agreement (the "Facility Agreement") with Magnum Opus International Holdings Limited ("Magnum") pursuant to which the Company had lent Magnum funds in an aggregate amount of US$45,834,000 (the "Magnum Loan").

   On 28 December 2015, the Company announced that an amount of US$44,695,887 of the Magnum Loan has been prepaid ahead of the final repayment date stipulated in the Facility Agreement. In exchange for the aforementioned prepayment, the Company agreed to waive the upfront fee owed by Magnum to the Company under the Facility Agreement (and accrued interest thereon) being US$1,565,897. The upfront fee was previously amortised and the amortised amount was recognised as finance income. As a consequence of the waiver, the amount of upfront fee amortised to date amounting to $615,000 was reversed to the income statement.

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 March 2016	**30 June 2015**	**31 March 2016**	**30 June 2015**
	$'000	$'000	$'000	$'000
ASSETS				
Non-current assets				
Investment in associate	–	13,543	–	13,543
Investment in subsidiaries	–	–	56,192	21,034
Financial asset designated at fair value through profit or loss	–	60,858	–	60,858
Available-for-sale asset	4,200	–	4,200	–
Derivative asset	–	37,971	–	37,971
Property, plant and equipment	13,015	9,564	6,802	7,098
Investment properties	7,457	3,795	3,795	3,795
Intangible assets	17,956	2,546	1,649	1,164
Deferred tax asset	248	–	–	–
Trade receivables	59,888	54,606	45,243	43,458
Other receivables	4,213	98,513	4,213	98,513
	106,977	281,396	122,094	287,434
Current assets				
Cash and cash equivalents	102,688	15,738	90,178	11,668
Fixed deposits	21,448	12,256	19,390	11,949
Pledged fixed deposits	325	320	–	–
Short term investments	15,314	1,234	–	–
Trade receivables	20,110	15,256	7,879	7,278
Other receivables	2,436	4,210	628	2,724
Prepayments	2,719	1,702	1,793	961
Inventories	834	851	331	347
Amounts owing by subsidiaries	–	–	13,473	11,368
	165,874	51,567	133,672	46,295
Current liabilities				
Trade and other payables	12,563	11,597	4,952	7,027
Deferred revenue	27,784	3,989	2,565	1,994
Amounts owing to subsidiaries	–	–	15,047	25,090
Tax payable	830	1,103	145	463
Interest-bearing borrowings	2,124	4,486	2,124	4,486
	43,301	21,175	24,833	39,060
Net current assets	122,573	30,392	108,839	7,235

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 March 2016 $'000	**30 June 2015** $'000	**31 March 2016** $'000	**30 June 2015** $'000
Non-current liabilities				
Other payables	–	1,306	–	1,306
Deferred revenue	24,355	23,627	12,736	13,111
Deferred tax liabilities	99	91	105	105
Interest-bearing borrowings	8,815	7,355	8,815	7,355
Notes payable	67,251	117,463	67,251	117,463
	100,520	149,842	88,907	139,340
Net assets	129,030	161,946	142,026	155,329
Capital and reserves				
Share capital	96,672	96,657	96,672	96,657
Treasury shares	(9,828)	(9,901)	(9,828)	(9,901)
Accumulated profits	57,164	78,633	54,613	67,998
Other reserves	(15,759)	(2,983)	569	575
	128,249	162,406	142,026	155,329
Non-controlling interests	781	(460)	–	–
Total equity	129,030	161,946	142,026	155,329

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

	As at	
	31 March 2016	**30 June 2015**
	$'000	$'000
Amount repayable in one year or less, or on demand		
- Loan I – secured	277	306
- Loan II – secured	1,167	3,500
- Loan III – secured	680	680
Amount repayable after one year		
- Loan I – secured	5,122	5,315
- Loan II – secured	2,333	–
- Loan III – secured	1,360	2,040
- Notes payable	67,251	117,463
	78,190	129,304

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

a) First legal mortgage of the leasehold properties and investment properties (the "Properties") of Cordlife Group Limited (the "Company");

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

c) Charge over all current 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 3 year term loan with yearly principal repayments. It will be repaid in full in July 2018.

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

On 29 October 2014, the Group issued S$120 million in aggregate principal amount of 4.9% fixed rate notes due 2017 (the "Notes") under its S$500 million Multicurrency Debt Issuance Programme.

On 16 December 2015, 6 January 2016 and 28 January 2016, the Group announced that it had repurchased S$51,750,000 in principal amount of the Notes (the "Repurchased Notes"). Following the settlement, the Repurchased Notes were cancelled on 6 April 2016, and the remaining outstanding aggregate principal amount of the Notes following the cancellation of the Repurchased Notes would be S$68,250,000.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company from time to time outstanding. The Notes are redeemable only upon maturity on 28 October 2017.

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 March		Group 9 months ended 31 March	
	2016	**2015**	**2016**	**2015**
	$'000	$'000	$'000	$'000
Operating activities				
(Loss)/profit before income tax	(1,684)	18,733	15,974	12,293
Adjustments for:				
Depreciation	506	285	1,331	1,072
Amortisation	175	56	290	171
Allowance for /(reversal of) doubtful debts	22	(6)	53	(1)
Gain on disposal of property, plant and equipment	(8)	–	(8)	(54)
Interest income	(518)	(2,535)	(4,607)	(4,224)
Interest expense	1,214	1,770	6,556	2,994
Share-based compensation expense	28	27	82	81
Share of results of associate	–	9	76	276
Unrealised share of other income from associate	–	(1)	(44)	(80)
Fair value changes on financial asset designated at fair value through profit or loss	–	(7,607)	(4,548)	(851)
Fair value changes on derivative	–	(3,663)	(2,519)	1,017
Gain on sale of shares	–	–	(151)	–
Gain on sale of convertible note	–	–	(5,012)	–
Remeasurement loss on previously held equity interest in subsidiary	–	–	1,594	–
Unrealised exchange loss/(gain)	75	(4,591)	(6,647)	(7,175)
Operating cash flows before movements in working capital	(190)	2,477	2,420	5,519
Increase in trade receivables	(2,164)	(3,284)	(7,424)	(8,599)
Decrease/(increase) in other receivables, deposits and prepayments	565	(492)	(914)	(1,584)
Decrease/(increase) in inventories	69	17	149	(119)
(Decrease)/increase in trade and other payables	(502)	942	(414)	2,210
Increase in deferred revenue	2,007	900	3,145	1,422
Cash (used in)/generated from operations	(215)	560	(3,038)	(1,151)
Interest received	193	102	467	334
Interest paid	(67)	(49)	(192)	(125)
Income tax paid	(587)	(792)	(1,272)	(1,548)
Net cash used in operating activities	(676)	(179)	(4,035)	(2,490)

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 March		Group 9 months ended 31 March	
	2016	**2015**	**2016**	**2015**
	$'000	$'000	$'000	$'000
Investing activities				
Purchase of property, plant and equipment	(409)	(402)	(3,898)	(1,477)
Purchase of intangible assets	(256)	(33)	(754)	(661)
Proceeds from disposal of investment property	–	–	–	754
(Placement)/redemption of short term investment	(856)	(44)	(1,269)	675
Acquisition of subsidiary, net of cash	(3,338)	–	(14,549)	–
Acquisition of convertible bond, net of transaction costs	(4,200)	–	(4,200)	(57,303)
Acquisition of available-for-sale asset	(4,200)	–	(4,200)	–
Interest received on loan receivable and convertible note	–	–	5,245	–
Proceeds from disposal of shares, net of transaction costs	–	–	65,688	–
Proceeds from disposal of convertible note, net of transaction costs	–	–	87,225	–
Proceeds from loan repayment	–	–	62,596	–
Transfer to term deposits	(7,920)	(948)	(6,373)	(1,058)
Net cash (used in)/generated from investing activities	(21,179)	(1,427)	185,511	(59,070)
Financing activities				
Transfer (to)/from pledged fixed deposits	–	(12)	(4)	22
Repayment of interest-bearing borrowings	(73)	(81)	(903)	(931)
Loan to external party, net of transaction cost	–	–	–	(57,683)
Dividends	–	–	(36,302)	(2,593)
Proceeds from issue of notes, net of transaction costs	–	–	–	116,797
Interest paid on Notes	(816)	–	(4,071)	–
Purchase of treasury shares	–	–	–	(6,003)
Repurchase of Notes	(4,854)	–	(52,889)	–
Net cash (used in)/generated from financing activities	(5,743)	(93)	(94,169)	49,609

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 March		Group 9 months ended 31 March	
	2016	**2015**	**2016**	**2015**
	$'000	$'000	$'000	$'000
Net (decrease)/increase in cash and cash equivalents	(27,598)	(1,699)	87,307	(11,951)
Cash and cash equivalents at the beginning of the financial period	130,567	22,248	15,738	32,643
Effects of exchange rate changes on the balance of cash	(281)	54	(357)	(89)
Cash and cash equivalents at end of the financial period	102,688	20,603	102,688	20,603

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with a maturity of three months or less.

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	Share-based compensation reserve $'000	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation account $'000	Non-controlling interests $'000	Total $'000
Balance at 1 July 2014	96,657	(3,898)	51,359	45	568	534	(2,184)	(1,607)	(182)	141,292
Profit/(loss) for the financial period	–	–	11,655	–	–	–	–	–	(159)	11,496
Other comprehensive loss/(income) for the period, net of tax										
- Net effect of foreign currency translation	–	–	–	–	–	–	–	(621)	63	(558)
- Share of other comprehensive income	–	–	–	–	–	–	–	8	–	8
Total comprehensive income/(loss) for the financial period, net of tax	–	–	11,655	–	–	–	–	(613)	(96)	10,946
<u>Contributions by and distributions to owners</u>										
Purchase of treasury shares	–	(6,003)	–	–	–	–	–	–	–	(6,003)
Grant of share awards to employees	–	–	–	81	–	–	–	–	–	81
Dividends	–	–	(2,593)	–	–	–	–	–	–	(2,593)
Total contributions by and distributions to owners	–	(6,003)	(2,593)	81	–	–	–	–	–	(8,515)
Balance at 31 March 2015	96,657	(9,901)	60,421	126	568	534	(2,184)	(2,220)	(278)	143,723

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	**Share-based compensation reserve** $'000	**Total** $'000
Balance at 1 July 2014	96,657	(3,898)	44,703	422	45	137,929
Profit/(loss) for the period, representing total comprehensive income for the period	–	–	9,265	–	–	9,265
<u>Contributions by and distributions to owners</u>						
Purchase of treasury shares	–	(6,003)	–	–	–	(6,003)
Grant of share awards to employees	–	–	–	–	81	81
Dividends	–	–	(2,593)	–	–	(2,593)
Total contributions by and distributions to owners	–	(6,003)	(2,593)	–	81	(8,515)
Balance at 31 March 2015	96,657	(9,901)	51,375	422	126	138,679

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	Other reserve $'000	Foreign currency translation account $'000	Non-controlling interest $'000	Total $'000
Balance at 1 July 2015	96,657	(9,901)	78,633	153	568	534	(2,184)	–	(2,054)	(460)	161,946
Profit for the financial period	–	–	14,833	–	–	–	–	–	–	293	15,126
Other comprehensive (loss)/profit for the financial period, net of tax											
- Foreign currency translation	–	–	–	–	–	–	–	–	(140)	41	(99)
- Share of other comprehensive loss of associate	–	–	–	–	–	–	–	–	(180)	–	(180)
Total comprehensive income/(loss) for the period, net of tax	–	–	14,833	–	–	–	–	–	(320)	334	14,847
Contributions by and distributions to owners											
Grant of share awards to employees	–	–	–	82	–	–	–	–	–	–	82
Treasury shares re-issued pursuant to equity compensation plan	15	73	–	(88)	–	–	–	–	–	–	–
Dividends	–	–	(36,302)	–	–	–	–	–	–	–	(36,302)
Total contributions by and distributions to owners	15	73	(36,302)	(6)	–	–	–	–	–	–	(36,220)
Acquisition of subsidiary	–	–	–	–	–	–	–	–	–	3,968	3,968
Acquisition of non-controlling interests in subsidiaries*	–	–	–	–	–	–	–	(12,450)	–	(3,061)	(15,511)
Balance at 31 March 2016	96,672	(9,828)	57,164	147	568	534	(2,184)	(12,450)	(2,374)	781	129,030

*On 12 October 2015, the Group announced that its wholly-owned subsidiary, CS Cell Technologies Pte. Ltd acquired 585,778 ordinary shares in Cordlife Sciences (India) Pvt. Ltd from Strassenburg Pharmaceuticals Limited, representing approximately 15% of all the issued ordinary shares of Cordlife India for INR40,000,000 (approximately S$891,000). As a result of the acquisition, the carrying value of the non-controlling interest being approximately S$(85,000) was reversed, and the difference between the consideration and the carrying value of the non-controlling interest, being S$976,000 was recognised in other reserve.

On 12 November 2015, the Group announced that it had, through Maybank Investment Bank Berhad, served a notice of conditional mandatory take-over offer (the "Offer") on the board of directors of StemLife to acquire all the remaining ordinary shares of RM0.10 each in the capital of StemLife not already owned by the Company. The Group obtained control of StemLife on 7 December 2015 with an interest in StemLife of approximately 50.03%. Subsequent to gaining control, the Group continued to receive acceptances to the offer and acquired shares in StemLife up to the close of the Offer on 2 February 2016. At the close of offer, the Group obtained 39.85% interest from the non-controlling interests in StemLife to arrive at a total interest in StemLife of approximately 89.88%. As a result of the further 39.85% interest acquired, the carrying value of the non-controlling interest being approximately S$3,146,000 was reversed and the difference between the consideration and the carrying value of the non-controlling interest, being S$11,474,000 was recognised in other reserves.

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	**Share-based compensation reserve** $'000	**Total** $'000
Balance at 1 July 2015	96,657	(9,901)	67,998	422	153	155,329
Profit for the period, representing total comprehensive income for the period	–	–	22,917	–	–	22,917
Contributions by and distributions to owners						
Grant of share awards to employees	–	–	–	–	82	82
Treasury shares re-issued pursuant to equity compensation plan	15	73	–	–	(88)	–
Dividends	–	–	(36,302)	–	–	(36,302)
Total contributions by and distributions to owners	15	73	(36,302)	–	(6)	(36,220)
Balance at 31 March 2016	96,672	(9,828)	54,613	422	147	142,026

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 2015	259,297,354	96,656,721
Treasury shares re-issued pursuant to equity compensation plan	61,000	15,532
As at 31 March 2016	259,358,354	96,672,253

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 March 2016 No. of shares	**30 June 2015 No. of shares**
Total number of issued shares	267,525,354	267,525,354
Less: Treasury shares	(8,167,000)	(8,228,000)
Total number of issued shares excluding treasury shares	259,358,354	259,297,354

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

On 6 January 2016, 61,000 treasury shares were utilised for issue of 61,000 shares under the Cordlife Share Grant Plan.

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 financial year beginning 1 July 2015.

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 March		Group 9 months ended 31 March	
Basic Earnings Per Share	**2016**	**2015**	**2016**	**2015**
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:				
(Loss)/profit attributable to shareholders of the Company (S$ '000)	(2,043)	18,142	14,833	11,655
Weighted average number of shares in issue during the period ('000)	259,416	259,297	259,316	260,291
Basic (loss)/earnings per share based on weighted average number of ordinary shares (cents)	(0.79)	7.00	5.72	4.48
Diluted Earnings Per Share				
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:				
(Loss)/profit attributable to shareholders of the Company (S$ '000)	(2,043)	18,142	14,833	11,655
Weighted average number of shares in issue during the period ('000)	259,416	259,614	259,758	260,497
Diluted (loss)/earnings per share based on weighted average number of ordinary shares (cents)	(0.79)	6.99	5.71	4.47

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 (cont'd)

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.

Potential ordinary shares shall be treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share.

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 March 2016 (cents)	30 June 2015 (cents)	31 March 2016 (cents)	30 June 2015 (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	49.75	62.46	54.76	59.90

The number of shares in issue and used in calculating the net asset value per share as at 31 March 2016 and 30 June 2015 are 259,358,354 and 259,297,354 respectively.

The decrease in net asset value per ordinary share of the Group is due mainly to the payment of the final and special interim dividend of 1 cent per share on 6 November 2015 and 13 cents per share on 3 December 2015 respectively. The decrease is also partly due to the acquisition of non-controlling interests in Cordlife Sciences (India) Pvt. Ltd and StemLife, where the difference between the consideration and the carrying value of the non-controlling interests amounting to a total of S$12,450,000 was recognised in other reserves.

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 9 MONTHS ENDED 31 MARCH 2016 ("9M2016") AGAINST 9 MONTHS ENDED 31 MARCH 2015 ("9M2015")

Income Statement

Revenue

Revenue increased by 5.3% or S$2.2 million from S$41.8 million in 9M2015 to S$44.0 million in 9M2016. The increase in revenue was mainly due to an increase in the number of client deliveries, from approximately 16,700 in 9M2015 to 17,000 in 9M2016. The Group consolidated StemLife as a subsidiary on 7 December 2015 when it obtained control. Increase in client deliveries in 9M2016 is partly due to StemLife's contribution. StemLife also accounted for S$1.9 million of the increase in revenue.

Cost of sales

Cost of sales increased by 9.9% or S$1.3 million in 9M2016 compared to 9M2015. The increase in cost of sales was in line with the increase in client deliveries from 9M2015 to 9M2016. The newly consolidated subsidiary, StemLife, accounted for $1.0 million of the increase in cost of sales.

Gross profit and gross profit margin

Gross profit increased by 3.2% or S$891,000 in 9M2016 compared to 9M2015 due to the increase in new client deliveries.

Gross profit margin decreased from 67.6% in 9M2015 to 66.2% in 9M2016. The drop in gross profit margin is mainly due to lower margin attributable to the newly consolidated subsidiary, StemLife.

Other operating income

Other operating income increased by 2.5% or approximately S$14,000 in 9M2016 compared to 9M2015 partly due to grant income from Spring Singapore of approximately S$186,000 for the Group's initiatives in employee training and development and investments in information technology infrastructure (9M2015: grant income of S$54,000). The increase is offset by the gain on disposal of investment property of approximately S$54,000 and its related rental income in 9M2015. There was no such income in 9M2016.

Selling and marketing expenses

Selling and marketing expenses increased by 1.7% or S$229,000 in 9M2016 compared to 9M2015.

This is due to an increase in expenditure in Indonesia and Philippines of approximately S$736,000 as part of the Group's expansion into more cities and increased marketing efforts in raising market awareness of its diagnostic services. In Singapore and Hong Kong, selling and marketing expenses increased by approximately S$1.1 million due to increase in headcount and implementation of more educational marketing activities to further promote customer awareness. The increase is also partly attributable to the newly consolidated subsidiary, StemLife, accounting for S$416,000 of marketing spend.

This was offset by a decrease in advertising spend in India of approximately S$1.9 million. In 9M2015, approximately S$1.2 million was spent on television commercials aired in the Indian market for the first time as part of a through-the-line integrated marketing plan. There was no expense incurred in relation to television advertisement in 9M2016.

Administrative expenses

Administrative expenses increased by 20.9% or S$2.2 million in 9M2016 compared to 9M2015, partly due to S$407,000 of legal and professional fees incurred in 9M2016 for the take-over offer of StemLife. There were no such expenses incurred in 9M2015.

In order to ensure quality of our services with a growing customer base and the expansion of the diagnostic strategic business unit, staff-related costs increased by approximately S$0.7 million. This was attributable to increased headcount and more investment in training and development to augment the long-term effectiveness and efficiency of the employees.

There was also an increase in travel expenses of S$234,000 for business development and oversight activities as the regional operations continue to expand. In 9M2016, there was also an increase of S$164,000 in consultancy fees relating to hiring costs and board effectiveness review. There was no such review in 9M2015.

StemLife accounted for approximately S$0.8 million of the increase.

Finance income

Finance income increased by S$209,000 due to the increase in placement of fixed deposits with reputable banks and financial institutions in line with the Group's cash management policy. The newly consolidated subsidiary, StemLife, accounted for S$282,000 of the increase in finance income.

Finance costs

Finance costs increased by 53.6% or S$67,000 mainly attributable to the increased floating interest rate charged on the Group's bank borrowings.

Profit before income tax from operations

As a result of the foregoing, our profit before income tax from operations in 9M2016 is lower than 9M2015 at S$3.9 million.

Share of results in associate

Our share of loss in associate was approximately S$76,000 for 9M2016 as compared to a loss of S$276,000 for 9M2015.

Fair value changes on financial asset designated at fair value through profit or loss

On 14 September 2015, the Group obtained shareholders' approval in an Extraordinary General Meeting in relation to the sale of shares and a convertible note issued by CCBC (the "Disposal") to Golden Meditech Holdings Limited ("Meditech").

The Group had agreed to sell to Meditech 7,314,015 ordinary shares of par value US$0.0001 per share (the "Sale Shares") in CCBC and a 7% senior unsecured convertible note due 3 October 2017 issued by CCBC to the Company in the principal amount of US$25,000,000 (the "Convertible Note").

On 30 October 2015 and 13 November 2015, the Company announced that the disposal of the Sale Shares and the Convertible Note had been completed respectively.

The Group recorded fair value gain on its investment in CCBC designated at fair value through profit or loss of S$4.5 million in 9M2016 (9M2015: S$0.9 million). The fair value changes are computed based on the changes in CCBC's last traded price as at 30 June 2015 of US$6.16 (approximately S$8.32 at US$1:S$1.3508) and 30 October 2015, being the date of disposal of the Sale Shares, of US$6.37 (approximately S$8.94 at US$1:S$1.4038) for 9M2016 (9M2015: 30 June 2014 of US$5.52 (approximately S$6.90 at US$1:S$1.2506) and 31 March 2015 of US$5.11 (approximately S$7.02 at US$1:S$1.3738)). The fair value changes are recognised directly in the profit or loss.

Fair value changes on derivative

On 10 November 2014, each of the Company and Magnum completed the acquisition of a 7% senior convertible note due 3 October 2017 issued by CCBC to Meditech in the principal amount of US$25 million each (respectively, the "CGL Acquisition" and the "Magnum Acquisition"). The Company and Magnum also entered into a facility agreement pursuant to which the Company will lend Magnum funds in an aggregate amount of up to US$46,500,000 (the "Magnum Loan").

As the Convertible Note provided the Company the option to convert the Convertible Note to shares in CCBC, the Company is required to separately compute the fair value changes on the conversion option component and recognise these changes in profit or loss. Fair value changes on the conversion option is mainly affected by the time to maturity of the note, the share price of CCBC as at the reporting date compared to the date of acquisition and the value of the note as a function of the cash inflow from the note at the redemption date.

On 13 November 2015, the Company announced that it had completed the disposal of the Convertible Note.

The Group recorded fair value gain on derivative up to the date of disposal on 13 November 2015 of approximately S$2,519,000 for 9M2016 (9M2015: fair value loss of S$1,017,000).

Exchange differences

Due to strengthening of the US$ against the S$, unrealised foreign exchange gain of approximately S$6.0 million was recognised on the Magnum Loan and the Convertible Note for 9M2016 (9M2015: S$6.7 million).

Gain on sale of shares

In 9M2016, the Group recognised the gain on the sale of the Sale Shares of S$151,000 (9M2015: $Nil). The gain on the sale was computed based on difference between the Disposal price per Sale Share of US$6.40 (approximately S$8.98 at US$1:S$1.4038) and CCBC's last traded share price as at the date of disposal on 30 October 2015 of US$6.37 (approximately S$8.94 at US$1:S$1.4038).

Gain on sale of convertible note

Upon completion of the Disposal of the Convertible Note on 13 November 2015, the Group recognised the gain on the sale of the Convertible Note of S$5,012,000 in 9M2016 (9M2015: $Nil).

Remeasurement loss on previously held equity interest in subsidiary

The Group recognised a loss of S$1,594,000 as a result of measuring at fair value its 31.81% equity interest in StemLife held before the business combination. There was no such disposal in 9M2015.

Other expenses

Other expenses of S$1.9 million recorded in 9M2016 comprise one-time employee bonuses paid in respect of the realised gains on sale of the Sale Shares and the Convertible Note. There was no such one-time employee bonus in 9M2015.

Finance income (non-operation)

Finance income of approximately S$3,815,000 was recognised for 9M2016 (9M2015: S$3,923,000) on the Magnum Loan and the Convertible Note. In 9M2015, interest income was accrued on the Magnum Loan and the Convertible Note from 10 November 2014, being the date of acquisition and the date of entering into the Convertible Note and the Magnum Loan respectively. In 9M2016, interest income was accrued on the Magnum Loan and the Convertible Note from the beginning of the financial year up to the date of repayment and Disposal respectively.

Finance costs (non-operation)

Finance costs of approximately S$6,364,000 were recognised on the Notes for 9M2016 (9M2015: S$2,869,000). In 9M2015, the Company incurred finance expense on the Notes from the date of issue on 29 October 2014 to 31 March 2015. In 9M2016, the Company incurred finance expense on the Notes from the beginning of the financial year to 31 March 2016. On 16 December 2015, 6 January 2016 and 28 January 2016, the Group also announced that it had repurchased S$51,750,000 in principal amount of the Notes, which resulted in an increase in finance expenses of S$2,025,000. The Notes were repurchased at market value which was at a premium to the principal amount.

Tax

In 9M2016, the share of results of associate was reported net of tax and fair value changes on financial asset designated at fair value through profit or loss, fair value changes on derivative, gain on sale of shares, gain on sale of convertible note, remeasurement loss on previously held equity interest in subsidiary, other expenses, finance income not from operations and exchange differences were not taxable. In 9M2015, share of results of associate was reported net of tax and fair value changes on financial asset designated at fair value through profit or loss, fair value changes on derivative, finance income not from operations and exchange differences were not taxable. In 9M2016 and 9M2015, finance costs not from operations were not deductible for tax purposes.

Adjusting for these non-taxable and non-deductible items, the effective tax rate for 9M2016 was 22.0%, compared to an effective tax rate for 9M2015 of 16.1%. The increase in effective tax rate in 9M2016 was mainly due to the deferred tax asset not recognised on tax losses.

COMPARING 3 MONTHS ENDED 31 MARCH 2016 (“3Q2016”) AGAINST 3 MONTHS ENDED 31 MARCH 2015 (“3Q2015”)

Income Statement

Revenue

Revenue increased by 4.7% or S$664,000 from S$14.3 million in 3Q2015 to S$14.9 million in 3Q2016. The increase in revenue was mainly due to increase in the number of client deliveries, from approximately 5,400 in 3Q2015 to 5,800 in 3Q2016. StemLife accounted for S$1.4 million of the increase in revenue.

Cost of sales

Cost of sales increased by 15.7% or S$705,000 in 3Q2016 compared to 3Q2015, in line with increase in client deliveries. StemLife accounted for S$751,000 of the total cost of sales.

Gross profit and gross profit margin

Gross profit decreased by 0.4% or S$41,000 in 3Q2016 compared to 3Q2015.

Gross profit margin decreased from 68.6% in 3Q2015 to 65.3% in 3Q2016 mainly due to lower margin contributed by the newly consolidated subsidiary, StemLife.

Other operating income

Other operating income increased S$158,000 in 3Q2016 compared to 3Q2015. The increase is mainly due to grants income from Spring Singapore of approximately S$186,000 for the Group's initiatives in employee training and development and investments in information technology infrastructure in 3Q2016. There was no such grant income in 3Q2015.

Selling and marketing expenses

Selling and marketing expenses increased by 10.2% or S$443,000 in 3Q2016 compared to 3Q2015.

This is due to an increase in expenditure in Indonesia and Philippines of approximately S$160,000 as part of the Group's expansion into more cities and the increased marketing efforts in raising market awareness of its diagnostic services. In Singapore and Hong Kong, selling and marketing expenses increased by approximately S$439,000 due to increase in headcount and implementation of more educational marketing activities to further promote customer awareness. The increase is also partly attributable to the newly consolidated subsidiary, StemLife, accounting for S$334,000 of marketing spend.

This was offset by a decrease in advertising spend in India of approximately S$0.5 million. In 3Q2015, approximately S$0.7 million was spent on television commercials aired in the Indian market for the first time as part of a through-the-line integrated marketing plan. There was no expense incurred in relation to television advertisement in 3Q2016.

Administrative expenses

Administrative expenses increased by 25.6% or S$886,000 in 3Q2016 compared to 3Q2015, partly due to S$106,000 of legal and professional fees incurred in 3Q2016 for the take-over offer for StemLife. There were no such expenses incurred in 3Q2015.

In order to ensure quality of our services with a growing customer base and the expansion of the diagnostic strategic business unit, staff-related costs increased by approximately S$355,000. This was attributable to increased headcount and more investment in training and development to augment the long-term effectiveness and efficiency of the employees.

The increase is also partly contributed by the newly consolidated subsidiary, StemLife, of approximately S$0.5 million.

Finance income

Finance income increased by S$207,000 due to the increase in placement of fixed deposits with reputable banks and financial institutions in line with the Group's cash management policy. The newly consolidated subsidiary, StemLife, accounted for S$209,000 of the increase in finance income.

Finance costs

Finance costs increased by 36.7% or S$18,000 mainly attributable to the increased floating interest rate charged on the Group's bank borrowings.

Profit before income tax from operations

As a result of the foregoing, our profit before income tax from operations for 3Q2016 is lower than 3Q2015 at S$1.4 million.

Share of results in associate

Our share of loss in associate, which relates to StemLife, was approximately S$9,000 for 3Q2015. There was no such share of loss in 3Q2016 as StemLife has been consolidated as a subsidiary from 7 December 2015 onwards.

Fair value changes on financial asset designated at fair value through profit or loss

On 14 September 2015, the Group obtained shareholders' approval in an Extraordinary General Meeting in relation to the sale of shares and a convertible note issued by CCBC (the "Disposal") to Golden Meditech Holdings Limited ("Meditech").

The Group had agreed to sell to Meditech 7,314,015 ordinary shares of par value US$0.0001 per share (the "Sale Shares") in CCBC and a 7% senior unsecured convertible note due 3 October 2017 issued by CCBC to the Company in the principal amount of US$25,000,000 (the "Convertible Note").

On 30 October 2015 and 13 November 2015, the Company announced that the disposal of the Sale Shares and the Convertible Note had been completed respectively.

The Group recorded fair value gain on its investment in CCBC designated at fair value through profit or loss of S$7.6 million in 3Q2015. The fair value changes are computed based on the changes in CCBC's last traded price as at 31 December 2014 of US$4.52 (approximately S$5.98 at US$1:S$1.3230) and 31 March 2015 of US$5.11 (approximately S$7.02 at US$1:S$1.3738) for 3Q2015. The fair value changes are recognised directly in the profit or loss. Subsequent to the disposal of the Sale Shares on 30 October 2015, there was no such fair value gain in 3Q2016.

Fair value changes on derivative

On 10 November 2014, each of the Company and Magnum completed the acquisition of a 7% senior convertible note due 3 October 2017 issued by CCBC to Meditech in the principal amount of US$25 million each (respectively, the "CGL Acquisition" and the "Magnum Acquisition"). The Company and Magnum also entered into a facility agreement pursuant to which the Company will lend Magnum funds in an aggregate amount of up to US$46,500,000 (the "Magnum Loan").

As the Convertible Note provided the Company the option to convert the Convertible Note to shares in CCBC, the Company is required to separately compute the fair value changes on the conversion option component and recognise these changes in profit or loss. Fair value changes on the conversion option is mainly affected by the time to maturity of the note, the share price of CCBC as at the reporting date compared to the date of acquisition and the value of the note as a function of the cash inflow from the note at the redemption date.

On 13 November 2015, the Company announced that it had completed the disposal of the Convertible Note.

The Group recorded fair value gain on derivative for 3Q2015 of approximately S$3,663,000. Subsequent to the disposal of the Convertible Note on 13 November 2015, there was no such fair value gain in 3Q2016.

Exchange differences

Due to strengthening of the US$ against the S$, unrealised foreign exchange gain of approximately S$4,574,000 was recognised on the Magnum Loan and the Convertible Note for 3Q2015. There was no such foreign exchange gain for 3Q2016.

Other expenses

Other expenses of S$1.9 million recorded in 3Q2016 comprise one-time employee bonuses paid in respect of the realised gains on sale of the Sale Shares and the Convertible Note. There was no such one-time employee bonus in 3Q2015.

Finance income (non-operation)

Finance income of approximately S$2,433,000 was recognised for 3Q2015 on the Magnum Loan and the Convertible Note. Subsequent to the disposal of the Covertible Note on 13 November 2015 and the repayment of the Magnum Loan on 28 December 2015, there was no such interest accrued in 3Q2016.

Finance costs (non-operation)

Finance costs of approximately S$1,147,000 were recognised on the Notes for the 3Q2016 (3Q2015: S$1,721,000). On 6 January 2016 and 28 January 2016, the Group also announced that it had repurchased S$4,750,000 in principal amount of the Notes. The finance costs decreased due to the reduction in the outstanding Notes.

Tax

In 3Q2015, share of results of associate was reported net of tax and fair value changes on financial asset designated at fair value through profit or loss, fair value changes on derivative, finance income not from operations and exchange differences were not taxable. In 3Q2016, other expenses and finance costs not from operations, and in 3Q2015, the finance costs not from operations were not deductible for tax purposes.

Adjusting for these non-taxable and non-deductible items, the effective tax rate for 3Q2016 was 26.7%, compared to an effective tax rate for 3Q2015 of 15.9%. The increase in effective tax rate in 3Q2016 was mainly due to the deferred tax asset not recognised on tax losses.

Balance sheet

As at 31 March 2016, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short-term investments of S$139.5 million (30 June 2015: S$29.2 million). The increase in cash and cash equivalents in 9M2016 was mainly due to the proceeds from the Disposal of $152.9 million, the repayment of the Magnum Loan of S$62.6 million and interest received on Magnum Loan and the Convertible Note of S$5.2 million. This is offset by

- dividend payment of approximately S$36.3 million;
- repurchase of Notes of S$52.9 million;
- acquisition of shares in StemLife, net of cash and cash equivalents (excluding short-term investments of approximately S$12.4 million and fixed deposits of S$2.8 million) on the balance sheet of StemLife on 7 December 2015, amounting to approximately S$14.5 million;
- acquisition of convertible bond and equity interest in CellResearch Corporation Pte. Ltd. ("CRC") of S$8.4 million;
- interest payment on Notes of S$4.1 million and
- net cash used in operating activities of approximately S$4.0 million.

Net cash used in operating activities comprised mainly operating cash flows before movements in working capital of S$2.4 million, net working capital outflow of S$5.5 million, net interest received of S$0.3 million and tax payment of S$1.3 million.

Net working capital outflow of approximately S$5.5 million in 9M2016 was due to the following:

- increase in trade receivables of approximately S$7.4 million;
- increase in other receivables, deposits and prepayments of approximately S$0.9 million;
- decrease in trade and other payables of approximately S$0.4 million and
- increase in deferred revenue of approximately S$3.1 million.

Investment in associate

The decrease in investment in associate is due to StemLife being consolidated as a subsidiary of the Group as announced on 7 December 2015.

Financial asset designated at fair value through profit or loss

The Group's interest in CCBC is recognised as a financial asset designated at fair value through profit or loss. On 30 October 2015, the Group announced the completion of its disposal of the Sale Shares in CCBC.

Available-for-sale asset

On 1 February 2016, the Group announced that it had purchased 4.2 million ordinary shares of CRC for S$4.2 million to strengthen the strategic alliance with CRC and to enhance value add of the Group's clinical and quality assurance capacity. The ordinary shares are carried at cost less impairment, if any.

Derivative asset

The conversion option component is classified as a derivative and is carried at a fair value of S$37.9 million as at 30 June 2015. Upon disposal of the Convertible Note, the derivative asset on 31 March 2016 is S$Nil.

Property, plant and equipment

As at 31 March 2016, the Group recorded S$13.0 million on the balance sheet for property, plant and equipment (30 June 2015: S$9.6 million). The increase was mainly due to the acquisition of StemLife, which contributed S$1.0 million of the increase in property, plant and equipment, as well as the acquisition of the property in India which the Group was previously leasing for its operations.

Investment properties

As at 31 March 2016, the Group recorded S$7.5 million of investment properties (30 June 2015: S$3.8 million). The increase was mainly to the acquisition of StemLife, which contributed S$3.7 million of the increase in investment properties.

Intangible assets

Intangible assets comprise customer contracts acquired in business combinations, club memberships and computer software. Intangible assets of approximately S$14.5 million was recognised in 31 March 2016 as a result of the consolidation of StemLife as a subsidiary of the Company. Provisional goodwill, if any, relating to the acquisition has not been recognised separately subject to the finalisation of the purchase price allocation exercise.

Deferred tax asset

As at 31 March 2016, the Group recorded a deferred tax asset of S$248,000 (30 June 2015: $Nil) due to temporary differences.

Trade receivables, non-current

Non-current trade receivables represents cord blood and cord lining banking service revenues receivable under instalment payment plans that have yet to be billed to the customers. Upon billing, the billed amount will be receivable under the same terms as the current trade receivables.

Other receivables, non-current

On 13 November 2015, the Group announced the disposal of the Convertible Note issued by CCBC to the Company. On 28 December 2015, the Group also announced the repayment of the Magnum Loan. In light of the foregoing, the non-current other receivables decreased by S$98.5 million.

On 1 February 2016, the Group announced that it had also subscribed for a Class A Redeemable Convertible Note ("RCN") maturing 3 years from the issue date in the principal amount of S$4.2 million from CRC. The yielding interest is at a rate of three month SIBOR plus 7% per annum payable annually in arrears. The RCN is carried at cost less impairment, if any.

Fixed deposits

Fixed deposits increased mainly due to the increase in placement of fixed deposits with reputable banks and financial institutions in line with the Group's cash management policy.

Short term investments

Short term investments comprise the Group's investments in money market funds. The increase in short term investments of approximately S$14.1 million was mainly due to the consolidation of StemLife as a subsidiary of the Group. StemLife held approximately S$13.0 million in money market funds as at 31 March 2016.

Trade receivables, current

Trade receivables increased by S$4.9 million to S$20.1 million as at 31 March 2016 (30 June 2015: S$15.3 million) mainly due to the acquisition of StemLife, which accounted for S$3.0 million of the increase.

Other receivables, current and prepayments

Other receivables decreased by S$1.8 million to S$2.4 million as at 31 March 2016 (30 June 2015: S$4.2 million) mainly due to the repayment of accrued interest on the Magnum Loan and Convertible Note which were repaid on 28 December 2015 and disposed of on 13 November 2015 respectively.

The increase in prepayments is mainly due to the acquisition of StemLife and prepayments made for services.

Trade and other payables

Trade and other payables as at 31 March 2016 increased approximately S$1.0 million mainly due to the consolidation of StemLife as a subsidiary, which carries trade and other payables of S$1.8 million as at 31 March 2016.

Deferred revenue, current

Deferred revenue represents revenue received in advance for services to be rendered under cord blood and cord lining banking contracts. Current deferred revenue increased by approximately S$23.8 million from 30 June 2015 to 31 March 2016 due to the consolidation of StemLife as a subsidiary. StemLife holds approximately S$22.6 million of current deferred revenue as at 31 March 2016.

Tax payable

The decrease in tax payable by S$0.3 million from S$1.1 million as at 30 June 2015 to S$0.8 million as at 31 March 2016 is due to lower profit before tax.

Interest-bearing borrowings

Interest-bearing borrowings decreased by $0.9 million from S$11.8 million as at 30 June 2015 to S$10.9 million as at 31 March 2016 due to repayments made during the period.

Notes payable

The Notes are carried at amortised cost using the effective interest rate and are classified as Notes Payable on the balance sheet at S$67.3 million. The decrease in Notes Payable of S$50.2 million was due to total of S$51,750,000 in principal amount of the Notes repurchased announced on 16 December 2015, 6 January 2016 and 28 January 2016.

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

The Group continues to ride on the growth 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.

To this end, the Group had announced on 1 February 2016 that it had strengthened its strategic alliance with CellResearch Corporation Pte. Ltd. ("CRC") via an S$8.4 million investment to further clinical development of CRCs advance wound healing technology with umbilical cord lining.

In addition, the Group is expected to continue to launch other adjacent products and services that cater to the mother and child segment into all the markets this year, and in some cases, leverage on the power of product and service bundling.

While weak economic sentiments in Singapore and the region may dampen healthcare expenditure, the Group remains committed to drive top-line growth as well as develop its market leadership in cord blood and cord lining banking in Asia while continuing with its plans to introduce new consumer healthcare products catering to the mother and child.

Barring any unforeseen circumstances and excluding share of results of associate, fair value changes on financial asset designated at fair value through profit and loss, fair value changes on derivative, non-operating exchange differences, gain on sale of shares and convertible note, remeasurement loss on previously held equity interest in subsidiary, other expenses and any other one-off items, the Group expects its core business to remain profitable for FY2016.

11. Dividends

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

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

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

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

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

Not applicable.

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

Not applicable.

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

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

13. Interested person transactions

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

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the third quarter and 9 months ended 31 March 2016 presented in this announcement, to be false or misleading in any material aspect.

15. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7

16. Disclosure on the use of IPO proceeds

The breakdown of the use of proceeds by the Group for working capital and general corporate purposes is as follows:

	Amount (S$ million)
Amount utilised as working capital and general corporate purposes:	
Salaries, central provident fund contributions and other short-term benefits	1.20
Trade purchases	1.10
Legal and professional fees	0.55
Advertising and marketing expenses	0.90
Administrative expenses	0.70
Business travel expenses	0.20
Income tax and GST	0.20
Establishment of S$500 million Multicurrency Debt Issuance Programme	0.03
Issue of S$120 million 4.9% Fixed Rate Notes due 2017	1.20
Magnum Loan	0.09
CGL Acquisition	0.23
Total	**6.40**

As at 11 May 2016, the Group has utilised approximately S$28.7 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%	16.6	55.9%
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%	1.0	3.4%
Working capital and general corporate purposes	4.7	15.8%	6.4	21.5%
Expenses incurred in connection with the IPO	3.4	11.5%	3.7	12.5%
	29.7	100.0%	28.7	96.7

Note:

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

The Group made an announcement on 30 April 2013, on the Use of Proceeds from Initial Public Offering ("IPO") that the Company had substantially completed renovation of new headquarters and facility at Yishun, A'Posh Bizhub and the actual expenses incurred in connection with the renovation works were approximately S$1.0 million. The balance of approximately S$2.0 million from the S$3.0 million which was originally allocated for the renovation works was re-deployed for working capital and general corporate purposes.

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 and the announcement on Use of Proceeds from Initial Public Offering ("IPO") dated 30 April 2013.

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.

17. Disclosure on the use of placement proceeds

Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the announcements on Private Placement Of An Aggregate Of Up To 26,838,000 New Ordinary Shares In The Capital Of The Company dated 2 October 2013, 11 October 2013 and 14 October 2013.

The Company issued 26,838,000 Placement Shares at issue price of S$1.25 by way of private placement (the "Private Placement") to raise aggregate gross proceeds of S$33,547,500 on 14 October 2013.

The Board of Directors (the "Board") of the Company wishes to announce that the Group has utilised approximately S$9.2 million out of the approximately S$33.5 million raised from the Private Placement.

The breakdown of the total use of proceeds by the Group for general working capital purposes is as follows:

	Amount (S$ million)
Amount utilised as working capital:	
Trade purchases	2.2
Legal and professional fees	0.1
Total	**2.3**

As at 31 March 2016, the Group has utilised approximately S$9.2 million of the Private Placement proceeds as follows:

Intended Use of Placement Proceeds	Estimated amount (S$ m)	Estimated percentage of gross proceeds raised from the Private Placement	Amount utilised (S$ m)	Percentage of gross proceeds raised from the Private Placement
Further, fund and support the Group's operations in connection with its enlarged geographical footprint developed after the Company's initial public offering, including funding of additional strategic investments, joint ventures, acquisitions and/or strategic alliances as and when opportunities materialise and are deemed appropriate by the Board	23.5	70.1%	6.3	18.8%
General working capital	8.6	25.7%	2.3	6.9%
Expenses incurred in connection with the Private Placement	1.4	4.2%	0.6	1.8%
	33.5	100.0%	9.2	27.5%

Note:
The numbers in the table above may not exactly add due to rounding.

The Board is of the view that the above utilisation is in accordance with the intended use disclosed in the Company's announcement dated 2 October 2013.

The Board is also pleased to announce that due to the Company's prudent management of financial resources and negotiations with vendors, there is a balance of approximately S$0.8 million from the approximately S$1.4 million which was originally allocated to pay for expenses incurred in connection with the Private Placement. The Board, after deliberation, deemed it in the best interest of the Company and its shareholders to re-deploy the said balance amount for general working capital purposes.

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

By Order of the Board

Dr Ho Choon Hou
Chairman and Non-Executive Director
11 May 2016