CORDLIFE GROUP LIMITED

one chance, one choice.

Full Year Unaudited Financial Statements for the Year Ended 30 June 2017

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)
	2017	**2016**	
	$'000	$'000	%
Revenue	59,962	59,627	0.6
Cost of sales	(21,136)	(20,166)	4.8
Gross profit	38,826	39,461	(1.6)
Other operating income	874	981	(10.9)
Selling and marketing expenses	(19,622)	(19,012)	3.2
Administrative expenses	(19,534)	(19,767)	(1.2)
Finance income	1,858	1,531	21.4
Finance costs	(225)	(267)	(15.7)
Profit before income tax from operations*	2,177	2,927	(25.6)
Share of results of associate	–	(76)	n.m.
Fair value loss on investment properties	(168)	(220)	(23.6)
Fair value changes on financial asset designated at fair value through profit or loss	–	4,548	n.m.
Fair value changes on derivative asset	–	2,519	n.m.
Exchange differences	–	6,014	n.m.
Gain on sale of financial asset designated at fair value through profit or loss	–	151	n.m.
Gain on sale of convertible note	–	5,012	n.m.
Remeasurement loss on previously held equity interest in subsidiary	–	(1,594)	n.m.
Note repurchase expense	(2,149)	(2,025)	6.1
Other expenses	–	(2,409)	n.m.
Finance income	–	3,815	n.m.
Finance costs	(1,781)	(5,322)	(66.5)
(Loss)/profit before income tax	(1,921)	13,340	n.m.
Income tax	(675)	(760)	(11.2)
(Loss)/profit for the year	(2,596)	12,580	n.m.

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 12 months ended 30 June		+/(-) Increase/ (Decrease)
	2017	**2016**	
	$'000	$'000	%
Other comprehensive (loss)/income for the year, net of tax:			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation	(900)	(399)	>100.0
Share of foreign currency translation of associate	–	(180)	n.m.
Total comprehensive (loss)/income for the year	(3,496)	12,001	n.m.
(Loss)/income for the year attributable to:			
- Shareholders of the company	(2,572)	12,329	n.m.
- Non-controlling interests	(24)	251	n.m.
	(2,596)	12,580	n.m.
Total comprehensive (loss)/income for the year attributable to:			
- Shareholders of the company	(3,438)	11,686	n.m.
- Non-controlling interests	(58)	315	n.m.
	(3,496)	12,001	n.m.

n.m. denotes not meaningful

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

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

	Group 12 months ended 30 June		
	2017	**2016**	
	$'000	$'000	
Depreciation of property, plant and equipment	1,839	1,784	[1]
Amortisation of intangibles	1,290	731	[2]
Allowance for doubtful debts and bad debts written off, net	885	386	[3]
Foreign exchange (gain)/loss	(19)	115	
Other operating income	(874)	(981)	[4]
Waiver of upfront fee previously classified as finance incomes	–	615	[5]
Under-provision of tax in respect of prior years	113	149	[6]

Notes

1. The increase in depreciation in the financial year ended 30 June 2017 ('FY2017") compared to the financial year ended 30 June 2016 ("FY2016") was mainly due to depreciation of the property, plant and equipment of StemLife Berhad ("StemLife"), which became a subsidiary of Cordlife Group Limited (the "Company", and together with its subsidiaries, the "Group") in December 2015.

2. The increase in amortisation of intangibles in FY2017 compared to FY2016 was partly due to the amortisation of intangibles of Stemlife, which became a subsidiary of the Group in December 2015, as well as amortisation of an enterprise resource planning software for Singapore.

3. The increase in allowance for doubtful debts and bad debts written off in FY2017 compared to FY2016 was mainly due to additional allowance for doubtful debts recognised in India due to the increasing client base there.

4. Other operating income decreased by approximately S$107,000 mainly due to decrease in grant income from Spring Singapore by approximately S$100,000 for the Group's investments in information technology infrastructure.

5. 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 had 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 S$615,000 was reversed to the income statement in FY2016. There was no such waiver of upfront fee in FY2017.

6. Under-provision of tax in respect of prior years of S$113,000 recorded in FY2017 comprise an under-provision of deferred tax of S$220,000, offset by over-provision of corporate income tax of S$277,000 in respect of FY2016 for Singapore, as well as an under-provision of tax in respect of FY2016 of S$170,000 for the Indonesian subsidiary.

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 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
	$'000	$'000	$'000	$'000
ASSETS				
Non-current assets				
Investment in subsidiaries	–	–	58,710	54,386
Available-for-sale asset	4,200	4,200	4,200	4,200
Property, plant and equipment	13,062	13,290	6,732	6,654
Investment properties	8,256	9,152	2,880	3,590
Intangible assets	13,513	14,686	1,552	1,969
Deferred tax assets	–	220	–	220
Trade receivables	63,090	60,510	45,802	45,535
Other receivables	4,211	4,317	4,211	4,212
Fixed deposits	1,976	–	–	–
	108,308	106,375	124,087	120,766
Current assets				
Cash and cash equivalents	26,527	69,701	18,404	59,769
Fixed deposits	11,778	53,399	10,747	47,567
Pledged fixed deposits	258	324	–	–
Short-term investments	22,261	14,970	–	–
Trade receivables	24,459	21,010	9,450	8,663
Other receivables	2,102	2,014	527	765
Prepayments	1,760	1,720	836	739
Inventories	1,279	1,057	376	429
Amounts owing by subsidiaries	–	–	14,533	14,022
	90,424	164,195	54,873	131,954
Current liabilities				
Trade and other payables	11,247	13,521	3,197	5,722
Insurance contract liabilities	1,272	1,056	64	–
Deferred revenue	16,296	15,502	3,688	2,565
Amounts owing to subsidiaries	–	–	16,733	15,052
Tax payable	1,244	592	–	–
Interest-bearing borrowings	2,118	2,124	2,118	2,124
	32,177	32,795	25,800	25,463
Net current assets	58,247	131,400	29,073	106,491

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 2017 $'000	**30 June 2016** $'000	**30 June 2017** $'000	**30 June 2016** $'000
Non-current liabilities				
Other payables	200	86	4	–
Deferred revenue	30,521	24,716	13,565	12,795
Deferred tax liabilities	3,891	4,073	15	105
Interest-bearing borrowings	6,613	8,742	6,613	8,742
Notes payable	–	67,403	–	67,403
	41,225	105,020	20,197	89,045
Net assets	125,330	132,755	132,963	138,212
Capital and reserves				
Share capital	96,666	96,672	96,666	96,672
Treasury shares	(9,766)	(9,828)	(9,766)	(9,828)
Accumulated profits	52,088	54,660	45,267	50,779
Other reserves	(13,827)	(10,815)	796	589
	125,161	130,689	132,963	138,212
Non-controlling interests	169	2,066	–	–
Total equity	125,330	132,755	132,963	138,212

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

	As at	
	30 June 2017	**30 June 2016**
	$'000	$'000
Amount repayable in one year or less, or on demand		
- Loan I – secured	271	277
- Loan III – secured	680	680
- Loan IV – secured	1,167	1,167
Amount repayable after one year		
- Loan I – secured	4,767	5,049
- Loan III – secured	680	1,360
- Loan IV – secured	1,166	2,333
- Notes payable	–	67,403
	8,731	78,269

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

Loan IV is a 3 year term loan with yearly principal repayments. It will be repaid in full in July 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.

On 9 December 2016, the Group fully redeemed and cancelled the remaining aggregate outstanding S$68,250,000 in principal amount of the Notes.

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	
	2017	**2016**
	$'000	$'000
Operating activities		
(Loss)/profit before income tax	(1,921)	13,340
Adjustments for:		
Depreciation of property, plant and equipment	1,839	1,784
Amortisation of intangible assets	1,290	731
Impairment loss on trade receivables and bad debts written off	885	386
(Gain)/loss on disposal of property, plant and equipment	(2)	4
Loss on disposal of intangible assets	56	–
Interest income	(1,858)	(5,346)
Interest expense	2,007	5,589
Note repurchase expense	2,149	2,025
Share-based compensation expense	262	102
Share of results of associate	–	76
Unrealised share of other income from associate	–	(44)
Fair value loss on investment properties	168	220
Fair value changes on financial asset designated at fair value through profit or loss	–	(4,548)
Fair value changes on derivative asset	–	(2,519)
Remeasurement loss on previously held equity interest in subsidiary	–	1,594
Gain on sale of financial asset designated at fair value through profit or loss	–	(151)
Gain on sale of convertible note	–	(5,012)
Unrealised exchange gain	(873)	(7,082)
Operating cash flows before changes in working capital	4,002	1,149
Increase in trade receivables	(6,914)	(9,279)
(Increase)/decrease in other receivables, deposits and prepayments	(24)	405
Increase in inventories	(222)	(74)
(Decrease)/increase in trade payables and other payables	(699)	869
Increase in deferred revenue	6,598	2,900
Cash generated from/(used in) operations	2,741	(4,030)
Interest received	1,858	1,204
Interest paid	(225)	(267)
Income tax paid	(349)	(1,260)
Net cash generated from/(used in) operating activities	4,025	(4,353)

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	
	2017	**2016**
	$'000	$'000
Investing activities		
Purchase of property, plant and equipment	(943)	(4,086)
Purchase of intangible assets	(728)	(1,326)
Proceeds from disposal of property, plant and equipment	–	60
Proceeds from disposal of intangible assets	–	178
Placement of short term investment	(7,550)	(1,276)
Acquisition of subsidiary, net of cash	–	983
Acquisition of convertible bond, net of transaction cost	–	(4,200)
Acquisition of available-for-sale asset	–	(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 repayment of loan and interest from external party	–	62,596
Transfer from/(to) fixed deposits, net	39,733	(38,296)
Net cash generated from investing activities	30,512	168,591
Financing activities		
Transfer to pledged fixed deposits	–	(4)
Repayment of interest-bearing borrowings	(2,134)	(976)
Acquisition of non-controlling interest in subsidiary	(3,972)	(15,315)
Dividends paid	–	(36,302)
Interest paid on Notes	(2,053)	(4,902)
Repurchase of Notes	(69,826)	(52,889)
Net cash used in financing activities	(77,985)	(110,388)
Net (decrease)/increase in cash and cash equivalents	(43,448)	53,850
Cash and cash equivalents at the beginning of the financial year	69,701	15,738
Effects of exchange rate changes on the balance of cash and cash equivalents	274	113
Cash and cash equivalents at end of the financial year	26,527	69,701

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 2015	96,657	(9,901)	78,633	153	568	534	(2,184)	(2,054)	(460)	161,946
Profit for the financial period	–	–	12,329	–	–	–	–	–	251	12,580
Other comprehensive (loss)/profit for the financial period, net of tax										
- Foreign currency translation	–	–	–	–	–	–	–	(463)	64	(399)
- Share of other comprehensive loss of associate	–	–	–	–	–	–	–	(180)	–	(180)
Total comprehensive income/(loss) for the period, net of tax	–	–	12,329	–	–	–	–	(643)	315	12,001
Contributions by and distributions to owners										
Grant of share awards to employees	–	–	–	102	–	–	–	–	–	102
Reissuance of treasury shares pursuant to equity compensation plan	15	73	–	(88)	–	–	–	–	–	–
Dividends	–	–	(36,302)	–	–	–	–	–	–	(36,302)
Total contributions by and distributions to owners	15	73	(36,302)	14	–	–	–	–	–	(36,200)
Acquisition of subsidiary	–	–	–	–	–	–	–	–	10,504	10,504
Acquisition of non-controlling interests in subsidiaries*	–	–	–	–	–	–	(7,203)	–	(8,293)	(15,496)
Balance at 30 June 2016	96,672	(9,828)	54,660	167	568	534	(9,387)	(2,697)	2,066	132,755

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)

*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 ("Cordlife India") 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 reserves.

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 the 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$8,378,000 was reversed and the difference between the consideration and the carrying value of the non-controlling interest, being S$6,227,000 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	–	–	19,083	–	–	19,083
Contributions by and distributions to owners						
Grant of share awards to employees	–	–	–	–	102	102
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)	–	14	(36,200)
Balance at 30 June 2016	96,672	(9,828)	50,779	422	167	138,212

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 interests $'000	Total $'000
Balance at 1 July 2016	96,672	(9,828)	54,660	167	568	534	(9,387)	(2,697)	2,066	132,755
Loss for the financial period	–	–	(2,572)	–	–	–	–	–	(24)	(2,596)
Other comprehensive loss for the financial period, net of tax										
- Foreign currency translation	–	–	–	–	–	–	–	(866)	(34)	(900)
Total comprehensive loss for the period, net of tax	–	–	(2,572)	–	–	–	–	(866)	(58)	(3,496)
Contributions by and distributions to owners										
Grant of share awards to employees	–	–	–	263	–	–	–	–	–	263
Treasury shares re-issued pursuant to equity compensation plan	(6)	62	–	(56)	–	–	–	–	–	–
Total contributions by and distributions to owners	(6)	62	–	207	–	–	–	–	–	263
Acquisition of subsidiary	–	–	–	–	–	–	–	–	–	–
Acquisition of non-controlling interests in subsidiaries*	–	–	–	–	–	–	(2,353)	–	(1,839)	(4,192)
Balance at 30 June 2017	96,666	(9,766)	52,088	374	568	534	(11,740)	(3,563)	169	125,330

*On 10 November 2016 and 17 November 2016, the Group announced that it had, through Maybank Investment Bank Berhad, served a notice of a voluntary take-over offer (the "VGO") to acquire all the remaining ordinary shares of RM0.10 each in the capital of Stemlife not already owned by the Company, representing approximately 10.12% of the issued and paid-up capital of Stemlife at RM0.575 per Stemlife share. As at 30 June 2017, the Group obtained a further 9.15% interest from the non-controlling interest in Stemlife to arrive at a total interest in Stemlife of approximately 99.03%. As a result of the further 9.15% interest acquired, the carrying value of the non-controlling interest being approximately S$1,839,000 was reversed and the difference between the consideration and the carrying value of the non-controlling interest, being S$2,353,000, was recognised in acquisition reserve.

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 2016	96,672	(9,828)	50,779	422	167	138,212
Loss for the financial period, representing total comprehensive income for the period	–	–	(5,512)	–	–	(5,512)
<u>Contributions by and distributions to owners</u>						
Grant of share awards to employees	–	–	–	–	263	263
Treasury shares re-issued pursuant to equity compensation plan	(6)	62	–	–	(56)	–
Total contributions by and distributions to owners	(6)	62	–	–	207	263
Balance at 30 June 2017	96,666	(9,766)	45,267	422	374	132,963

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 2016	259,358,354	96,672,253
Treasury shares re-issued pursuant to equity compensation plan	51,150	(6,641)
As at 30 June 2017	259,409,504	96,665,612

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 2017 No. of shares	**30 June 2016 No. of shares**
Total number of issued shares	267,525,354	267,525,354
Less: Treasury shares	(8,115,850)	(8,167,000)
Total number of issued shares excluding treasury shares	259,409,504	259,358,354

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 8 March 2017, 51,150 treasury shares were utilised for the issue of 51,150 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 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 financial year beginning 1 July 2016.

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 (Loss)/Earnings Per Share	**2017**	**2016**
(Loss)/earnings per ordinary share of the group for the financial year based on net (loss)/profit attributable to shareholders of the Company:		
(Loss)/profit attributable to shareholders of the Company (S$ '000)	(2,572)	12,329
Weighted average number of shares in issue during the period ('000)	259,374	259,327
Basic (loss)/earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	(0.99)	4.75
Diluted (Loss)/Earnings Per Share		
(Loss)/earnings per ordinary share of the group for the financial year based on net (loss)/profit attributable to shareholders of the Company:		
(Loss)/profit attributable to shareholders of the Company (S$ '000)	(2,572)	12,329
Weighted average number of shares in issue during the period ('000)	259,374	259,819
Diluted (loss)/earnings per share ("EPS") based on weighted average number of ordinary shares (cents)	(0.99)	4.75

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	
	30 June 2017 (cents)	30 June 2016 (cents)	30 June 2017 (cents)	30 June 2016 (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	48.31	51.19	51.26	53.29

The number of shares in issue used in calculating the net asset value per share as at 30 June 2017 and 30 June 2016 was 259,409,504 and 259,358,354 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 2017 ("FY2017") AGAINST 12 MONTHS 2016 ("FY2016")

Income Statement

Stemlife's financial results for FY2017 have been included in the Group's financial results for the full 12 months, while Stemlife's financial results for the period of December 2015 to June 2016 were included in the Group's financial results for FY2016 as Stemlife became a subsidiary of the Group in December 2015.

Revenue

Revenue increased by 0.6% or S$0.3 million from S$59.6 million in FY2016 to S$59.9 million in FY2017 mainly due to the inclusion of contributions from Stemlife, which became a subsidiary of the Group in December 2015. Client deliveries increased by 9.8% from approximately 22,950 in FY2016 to approximately 25,200 in FY2017, which was also largely contributed by Stemlife. In FY2017, Stemlife's deliveries included cord tissue banking which is the banking of Wharton's jelly of the umbilical cord. This service offering has a lower price point and was only offered from April 2016 in FY2016.

Revenue from diagnostic services increased by S$364,000 in FY2017 compared to FY2016.

The increase was partly offset by lower revenue contributions from Singapore and Hong Kong as a result of lower deliveries due to increased competition in these markets.

Cost of sales

Cost of sales increased by 4.8% or S$1.0 million in FY2017 compared to FY2016. The rise in cost of sales was due to the increase in client deliveries of 9.8% from FY2016 to FY2017. The increase in cost of sales was lower than the increase in deliveries due to the lower cost of processing of cord tissue banking.

Gross profit and gross profit margin

Gross profit decreased by 1.6% or S$0.6 million in FY2017 compared to FY2016. Gross profit margin decreased from 66.2% in FY2016 to 64.8% in FY2017.

The overall decline in margins was partly due to lower margins from Stemlife, which became a subsidiary of the Group in December 2015, as well as lower deliveries in Singapore and Hong Kong, which typically contribute to higher margins within the Group. The decline was also due to the Group's new offering of cord tissue banking, which is a lower-priced option with a lower margin to cater to the mass market segment. In addition, while diagnostics services contributed higher revenues in FY2017 compared to FY2016, it commanded lower margins than banking services, which further reduced the gross profit margin of the Group.

Other operating income

Other operating income declined by approximately S$107,000 mainly due to a decrease in grant income from Spring Singapore of approximately S$100,000 from S$231,000 in FY2016 to S$131,000 in FY2017 for the Group's investments in information technology infrastructure.

Selling and marketing expenses

Selling and marketing expenses increased by 3.2% or S$0.6 million in FY2017 compared to FY2016.

The increase was mainly due to the inclusion of selling and marketing expenses of Stemlife, which became a subsidiary of the Group in December 2015. Stemlife accounted for an increase in selling and marketing expenses of S$0.8 million. There was also a respective increase of S$0.8 million and S$0.4 million in selling and marketing expenses in the Group's India and Indonesia subsidiaries, due to bigger sales and marketing teams to capture more market share. The India subsidiary also increased its investments in digital marketing in order to raise awareness and education among potential clients.

This was partly offset by a decrease of S$0.9 million and S$0.3 million in advertising and marketing expenses respectively in Singapore and Hong Kong as operations adopted more efficient marketing strategies by leveraging on technology to reduce cost drivers.

Administrative expenses

Administrative expenses decreased by S$0.2 million or 1.2% from S$19.7 million in FY2016 to S$19.5 million in FY2017.

Stemlife, which became a subsidiary of the Group in December 2015, accounted for an increase in administrative expenses of approximately S$0.9 million. The amortisation of intangibles and an enterprise resource planning software in Singapore also contributed to an increase in amortisation expense of S$0.6 million from S$0.7 million in FY2016 to S$1.3 million in FY2017. There was also an increase in allowance for doubtful debts of S$0.5 million from S$0.4 million in FY2016 to S$0.9 million in FY2017, mainly contributed by the India operations due to its increasing client base. In order to balance collectability against volume growth in India, the India operations are focusing on increasing upfront payments by clients, reducing the instalment terms given to clients, and monitoring the aging of trade receivables late payments.

These were offset by a decrease in travel expenses of S$0.5 million due to an increase in the use of technology for oversight activities for regional operations. In FY2016, there were one-off expenses of S$0.9 million, comprising legal and professional fees of S$0.3 million incurred for legal proceedings brought against Cryoviva Singapore Pte. Ltd. over intellectual property infringement, and a non-recurring service tax of S$0.6 million relating to customer contracts in prior years for Cordlife India. There were no such expenses in FY2017.

There was also a decrease in legal and professional fees incurred in the acquisition of additional interests in Stemlife of S$187,000 from S$407,000 in FY2016 to S$220,000 in FY2017.

Finance income

Finance income increased by 21.4% or S$0.3 million, mainly contributed by Stemlife, which became a subsidiary of the Group in December 2015.

Finance costs

Finance costs decreased by 15.7% or S$42,000, mainly attributable to lower interest-bearing borrowings as the Group made repayments of S$2.1 million during FY2017.

Profit before income tax from operations

As a result of the foregoing, our profit before income tax from operations in FY2017 was lower than FY2016 at S$2.2 million.

Share of results of associate

Our share of loss in associate was S$76,000 for FY2016. There was no share of results of associate in FY2017 as Stemlife was consolidated as a subsidiary in December 2015.

Fair value loss on investment properties

Certain units owned by the Group in A'Posh Bizhub and certain properties acquired from StemLife have been designated as investment properties because these units are allocated to either 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 independent professional valuers to value these investment properties, resulting in a fair value loss of S$168,000 and S$220,000 in FY2017 and FY2016 respectively which are recorded in the income statement.

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

The Group recorded a fair value gain on its investment in China Cord Blood Corporation ("CCBC") designated at fair value through profit or loss of S$4.5 million in FY2016. The fair value changes were 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 investment in shares ("Sale Shares"), of US$6.37 (approximately S$8.94 at US$1:S$1.4038) for FY2016. The fair value changes were recognised directly in the income statement.

The Group disposed of its financial asset designated at fair value through profit or loss on 30 October 2015. As a result, there were no such fair value changes in FY2017.

Fair value changes on derivative asset

On 10 November 2014, the Company and Magnum completed the acquisition of a 7% senior convertible note (the "Convertible Note") due 3 October 2017 issued by CCBC to Golden Meditech Holdings Limited in the principal amount of US$50 million (the "CGL Acquisition"). The Company and Magnum also entered into a facility agreement pursuant to which the Company agreed to lend Magnum funds in an aggregate amount of US$46,500,000.

The Group recorded a fair value gain on derivative for FY2016 of approximately S$2.5 million.

The Group disposed of its Convertible Note on 13 November 2015. As a result, there were no such fair value changes on derivative in FY2017.

Exchange differences

Due to the strengthening of the US$ against the S$, an unrealised foreign exchange gain of approximately S$6.0 million was recognised on the Magnum Loan and the Convertible Note for FY2016. No such exchange differences were recognised for FY2017.

Gain on sale of financial asset designated at fair value through profit or loss

In FY2016, the Group recognised a gain on the sale of the Sale Shares of S$151,000. The gain on the sale was computed based on the 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). No such gain on sale of shares was recognised for FY2017.

Gain on sale of convertible note

Upon completion of the disposal of the Convertible Note on 13 November 2015, the Group recognised a gain on the sale of the Convertible Note of S$5.0 million in FY2016. No such gain on sale of convertible note was recognised in FY2017.

Remeasurement loss on previously held equity interest in subsidiary

The Group recognised a loss of S$1.6 million as a result of measuring at fair value its 31.81% equity interest in Stemlife held before the business combination as at 31 December 2015. No such remeasurement loss was recognised for FY2017.

Note repurchase expense

On 16 December 2015, 6 January 2016 and 28 January 2016, the Company announced that it had repurchased S$51,750,000 in principal amount of the Notes, which resulted in note repurchase expenses of S$2.0 million for FY2016. The Notes were repurchased at market value, which was at a premium to the principal amount.

On 13 October 2016, the Group announced the commencement of a consent solicitation exercise (the “Exercise”) in relation to the Notes. The Exercise was to seek approval to include a call option (the “Call Option”) and replace the ratio of EBITDA to interest expense with a new financial covenant requiring the Company to ensure that, for so long as the Notes remain outstanding, unencumbered cash and cash equivalents will not at any time be less than S$75,000,000. This was approved at the meeting of the noteholders on 4 November 2016. The Group incurred fees of S$0.6 million in relation to the Exercise for FY2017.

To reduce its debt-servicing obligations, the Group also exercised the Call Option and redeemed the remaining aggregate outstanding S$68,250,000 in principal amount of the Notes on 9 December 2016 at a premium to the principal amount. This resulted in additional expenses of S$1.5 million for FY2017.

As a result of the foregoing, note repurchase expenses increased from S$2.0 million in FY2016 to S$2.1 million in FY2017.

Other expenses

Other expenses of S$2.4 million recorded in FY2016 comprised one-time employee bonuses paid in respect of the realised gains on sale of the Sale Shares and the Convertible Note, as well as additional directors’ fees for extra work put in and time spent by Non-Executive Directors in relation to the disposal of the Sale Shares and the Convertible Note. There were no such one-time employee bonuses and additional directors’ fees in FY2017.

Finance income (non-operation)

Finance income of approximately S$3.8 million was recognised for FY2016 on the Magnum Loan and the Convertible Note. No such finance income was recognised for FY2017.

Finance costs (non-operation)

Finance costs of approximately S$1.8 million were recognised on the Notes for FY2017 (FY2016: S$5.3 million). The decrease was due to the repurchase of S$51,750,000 in principal amount of the Notes on 16 December 2015, 6 January 2016 and 28 January 2016, and the full redemption of the remaining aggregate outstanding S$68,250,000 in principal amount of the Notes on 9 December 2016.

Tax

In FY2017, non-operational finance costs and note repurchase expenses were not deductible. In FY2016, the share of results of associate was reported net of tax, fair value loss on investment properties, remeasurement loss on previously held equity interest in subsidiary, other expenses, note repurchase expenses and non-operational finance costs were not deductible. In addition, fair value changes on financial asset designated at fair value through profit or loss, fair value changes on derivative asset, gain on sale of financial asset designated at fair value through profit or loss, gain on sale of convertible note, non-operational finance income and exchange differences were not taxable.

Adjusting for these non-taxable items, the effective tax rate for FY2017 was 31.0%, compared to an effective tax rate for FY2016 of 26.0%. The increase in effective tax rate for FY2017 was due to increased profit contribution by subsidiaries in tax regimes with higher tax rates in FY2017 compared to FY2016.

Balance sheet

Cash and cash equivalents, fixed deposits and short-term investments

As at 30 June 2017, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short-term investments of S$62.5 million (30 June 2016: S$138.1 million).

The decrease in cash and cash equivalents was mainly due to net cash used in financing activities of S$78.0 million, which comprised the repurchase of Notes of S$69.8 million, interest payment on Notes of S$2.1 million, repayment of interest-bearing borrowings of S$2.1 million and further acquisition of the non-controlling interest of Stemlife at a consideration of S$4.0 million.

The decrease was partially offset by the net cash generated from operating activities of S$4.0 million and cash generated from investing activities of $30.5 million.

Net cash generated from operating activities comprised mainly operating cash inflows before movements in working capital of S$4.0 million, offset by net working capital outflow of S$1.3 million, net interest received of S$1.6 million and net income tax recovered of S$0.3 million. Cash generated from investing activities comprised mainly transfer from fixed deposits of S$39.7 million, partially offset by placements of short term investment of S$7.6 million and purchase of property, plant and equipment and intangible assets of S$1.7 million.

Net working capital outflow of approximately S$1.3 million was due to the following:

- increase in trade receivables of approximately S$6.9 million;
- increase in inventory of approximately S$222,000;
- decrease in trade and other payables of approximately S$0.7 million; and
- offset by an increase in deferred revenue of approximately S$6.6 million.

Available-for-sale asset

The Group purchased approximately 4.2 million ordinary shares of CellResearch Corporation Pte. Ltd. (“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.

Property, plant and equipment

As at 30 June 2017, the Group recorded S$13.0 million on the balance sheet for property, plant and equipment (30 June 2016: S$13.3 million).

Investment properties

As at 30 June 2017, the Group recorded S$8.3 million on the balance sheet for investment properties (30 June 2016: S$9.2 million).

Intangible assets

Intangible assets comprise customer contracts acquired in and goodwill arising from business combinations and computer software and trademarks.

Deferred tax asset

During the year, the Group reversed an over-provision of deferred tax asset in prior year, resulting in a nil deferred tax asset as at 30 June 2017 compared to S$220,000 as at 30 June 2016.

Trade receivables, non-current

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 customers. Upon billing, the billed amount will be receivable under the same terms as the current trade receivables.

Non-current trade receivables increased by S$2.6 million from S$60.5 million as at 30 June 2016 to S$63.1 million as at 30 June 2017. This increase was due to an increased number of clients on instalment payment plans, which is attributable to the deliveries during the year.

Other receivables, non-current

The Group 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 3-month SIBOR plus 7% per annum payable annually in arrears. The RCN is carried at cost less impairment, if any.

Fixed deposits, current and non-current

As of 30 June 2017, the Group recorded fixed deposits of S$13.8 million (30 June 2016: S$53.4 million). The decrease was due to the redemption of fixed deposits to redeem the Notes payable.

Short-term investments

Short-term investments comprise the Group's investments in money market funds. The increase in short-term investments of approximately S$7.3 million was mainly due to the Group placing more short-term investments due to favourable interest rates.

Trade receivables, current

Current trade receivables increased by S$3.5 million to S$24.5 million as at 30 June 2017 (30 June 2016: S$21.0 million), due to an increasing client base, which is attributable to the deliveries during the year.

Other receivables, current

Other receivables include non-trade receivables and interest receivable on the RCN.

Prepayments

Prepayments increased from S$1.7 million as at 30 June 2016 to S$1.8 million as at 30 June 2017.

Inventories

Inventories increased by S$0.2 million to S$1.3 million as at 30 June 2017 (30 June 2016: S$1.1 million). This arose mainly from an increase in inventory balances in Malaysia and India to support increased operations.

Trade and other payables

As at 30 June 2017, the Group recorded current and non-current trade and other payables of S$11.2 million (30 June 2016: S$13.5 million). Trade and other payables comprise mainly trade and non-trade payables to third parties, provisions and accrued expenses. The decrease in trade and other payables from 30 June 2016 to 30 June 2017 of S$2.3 million was partly due to settlement of accrued expenses and non-trade payables during the financial year.

Insurance contract liabilities

As at 30 June 2017, the Group recorded insurance contract liabilities of S$1.3 million (30 June 2016: S$1.1 million). Insurance contract liabilities are recognised for certain insurance risk arising from value-added services provided in the Group's client contracts.

Deferred revenue, current and non-current

Deferred revenue represents revenue received in advance for services to be rendered under cord blood and cord lining banking contracts.

Deferred revenue increased S$6.6 million to S$46.8 million as at 30 June 2017 (30 June 2016: S$40.2 million). The increase is due to an increase in the client base that paid in advance for cord blood and cord lining banking contracts, which is attributable to the deliveries during the year.

Tax payable

Tax payable increased from S$0.6 million as at 30 June 2016 to S$1.2 million as at 30 June 2017 due to increased profit contributions from countries in tax regimes with higher tax rates.

Interest-bearing borrowings, current and non-current

Interest-bearing borrowings decreased by S$2.1 million from S$10.8 million as at 30 June 2016 to S$8.7 million as at 30 June 2017 due to repayments made during the year.

Deferred tax liabilities

As at 30 June 2017, the Group recognised deferred tax liabilities of S$3.9 million (30 June 2016: S$4.1 million) comprising deferred tax liabilities on temporary differences and on intangible assets recognised on business combination.

Notes payable

The Notes are carried at amortised cost using the effective interest rate and are classified as "Notes Payable" on the balance sheet. As at 30 June 2017, all the outstanding Notes were redeemed (30 June 2016: S$67.4 million).

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

Demand for the Group's services in Asia remains encouraging as public awareness of the benefits of cord blood, cord lining and cord tissue banking continues to grow. As one of the leading providers of such services in the region, the Group believes it is well positioned to reach out to even more people given the growing use of stem cells in therapeutics and rising incidences of life-threatening genetic disorders.

The Group's outlook is underpinned by recent industry findings. According to Stratistics Market Research Consulting, the global cord blood banking services market is expected to be worth US$19.32 billion by 2022, up from US$12.50 billion in 2015, with the Asia-Pacific region seen as the fastest-growing market in the world during this period.[1]

Having firmly established itself for a number of years now in several markets across Asia, the Group sees it fit to grow its presence further by venturing into new territories, the latest of which are Myanmar and Vietnam. Progress in both markets has so far been encouraging. The Group officially opened its Myanmar office on 1 August 2017 and will continue to work with healthcare distributor Bio Secure Co Ltd to market its services.

The Group is also looking to expand its suite of non-invasive diagnostics services, which currently comprise prenatal testing, urine-based metabolic screening for newborns, and paediatric vision screening for children aged 6 months to 6 years. While nascent, the diagnostics business is highly scalable and has fast growth potential, evident in the 68.4% increase in revenue to S$896,000 in FY2017 from S$532,000 in FY2016.

Following the redemption and cancellation of the remaining S$68.25 million fixed-rate notes in December 2016, the Group has significantly reduced its debt obligations and strengthened its balance sheet (the notes were part of the S$120 million raised in October 2014 through a multi-currency debt issuance programme). With its stronger financial position, the Group will actively explore acquisition and investment opportunities as part of efforts to augment its market leadership in the consumer healthcare sector in Asia.

Barring any unforeseen circumstances and excluding any fair value gain or loss on investment properties and any other one-off items, the Group expects its core business to remain profitable for FY2018.

1: Source: "Cord Blood Banking Services – Global Market Outlook (2015-2022)", Stratistics Market Research Consulting

11. Dividends

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

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

The Board has proposed the following dividend subject to the approval of the shareholders at the forthcoming annual general meeting for FY2017 (“AGM”).

Name of Dividend	Final
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S$0.005 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? No

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

The final dividend will be paid on 10 November 2017, 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 2017 (“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 26 October 2017 (“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. Interested person transactions

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

There were no interested person transactions of S$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 financial year ended 30 June 2017 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

Following the announcement made by the Company on 12 February 2016 (entitled "Second Quarter Unaudited Financial Statements for the Period Ended 31 December 2015") disclosing, inter alia, the use of the proceeds from the IPO of the Company (the "IPO Proceeds"), the Board of Directors of the Company wishes to provide an update on the use of the IPO Proceeds.

The Group has utilised a further S$0.3 million on investments in infrastructure relating to information technology.

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 29 August 2017, the Group has fully utilised the IPO Proceeds of S$29.7 million 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%	2.0	6.7%
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%	29.7	100.0%

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 its 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 dated 30 April 2013.

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 an 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 Group has utilised an additional approximately S$800,000 for general working capital purposes and S$101,000 to support the Group's operations in connection with its enlarged geographical footprint.

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	4.4
Legal and professional fees	0.1
Total	**4.5**

As at 29 August 2017, the Group has utilised approximately S$11.5 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%	6.4	19.1%
General working capital	8.6	25.7%	4.5	13.4%
Expenses incurred in connection with the Private Placement	1.4	4.2%	0.6	1.8%
	33.5	100.0%	11.5	34.3%

Note:

The numbers in the table above may not exactly add up 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.

18. 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

	Banking S$'000	Diagnostics S$'000	Total S$'000
Year ended 30 June 2017			
Revenue from external customers	59,066	896	59,962
Year ended 30 June 2016			
Revenue from external customers	59,095	532	59,627

Segment results

	Banking S$'000	Diagnostics S$'000	Total S$'000
Year ended 30 June 2017			
Depreciation and amortisation	(3,089)	(40)	(3,129)
Segment profit	2,163	14	2,177
Fair value loss on investment properties			(168)
Note repurchase expense			(2,149)
Finance costs			(1,781)
Loss before income tax			(1,921)
Income tax			(675)
Loss for the year			(2,596)

	Banking S$'000	Diagnostics S$'000	Total S$'000
Year ended 30 June 2016			
Depreciation and amortisation	(2,476)	(39)	(2,515)
Share of results of associate	(76)	–	(76)
Segment profit/(loss)	1,645	(58)	1,587
Fair value loss on investment properties			(220)
Fair value changes on financial asset designated at fair value through profit or loss			4,548
Fair value changes on derivative asset			2,519
Exchange differences			6,014
Gain on sale of financial asset designated at fair value through profit or loss			151
Gain on sale of convertible note			5,012
Remeasurement loss on previously held equity interest in subsidiary			(1,594)
Other expenses			(2,409)
Finance income			5,346
Finance costs			(5,589)
Note repurchase expense			(2,025)
Profit before income tax			13,340
Income tax			(760)
Profit for the year			12,580

* Others refer to results of subsidiaries which principal activities are not that of the provision of cord blood and umbilical cord lining banking and diagnostics services.

19. 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.

20. A breakdown of sales as follows:

		Group		
		FY2017	**FY2016**	**+/(-) Increase/ (Decrease)**
		S$'000	S$'000	%
(a)	Revenue reported for first half year	29,880	29,088	2.7
(b)	(Loss)/profit after tax before deducting minority interests reported for the first half year	(2,851)	17,176	n.m.
(c)	Revenue reported for second half year	30,082	30,539	(1.5)
(d)	Profit/(loss) after tax before deducting minority interests reported for the second half year	255	(4,596)	n.m.

21. 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 2017	**Full year 2016**
	S$	S$
Interim dividend	–	2,592,974
Special interim dividend	–	33,708,656
Total	–	36,301,630

22. 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

Dr Wong Chiang Yin
Group Chief Executive Officer and Executive Director
29 August 2017