

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 30		
	September		Increase/ (Decrease)
	2017	2016	%
	\$'000	\$'000	
Revenue	16,589	14,653	13.2
Cost of sales	<u>(5,577)</u>	<u>(5,155)</u>	8.2
Gross profit	11,012	9,498	15.9
Other operating income	164	236	(30.5)
Selling and marketing expenses	(5,273)	(4,855)	8.6
Administrative expenses	(5,285)	(4,658)	13.5
Finance income	370	654	(43.4)
Finance costs	<u>(63)</u>	<u>(76)</u>	(17.1)
Profit before income tax from operations *	925	799	15.8
Finance costs	<u>–</u>	<u>(995)</u>	n.m.
Profit/(loss) before income tax	925	(196)	n.m.
Income tax expense	<u>(298)</u>	<u>(363)</u>	(17.9)
Profit/(loss) for the financial period	<u>627</u>	<u>(559)</u>	n.m.
Other comprehensive loss for the financial period, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation [^]	<u>(414)</u>	<u>(200)</u>	n.m.
Total comprehensive income/(loss) for the financial period	<u>213</u>	<u>(759)</u>	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 3 months ended 30 September		+ / (-) Increase/ (Decrease)
	2017	2016	
	\$'000	\$'000	%
Profit/(loss) for the financial period attributable to:			
- Shareholders of the company	649	(574)	n.m.
- Non-controlling interest	(22)	15	n.m.
	627	(559)	n.m.
Total comprehensive income/(loss) for the financial period attributable to:			
- Shareholders of the company	235	(761)	n.m.
- Non-controlling interest	(22)	2	n.m.
	213	(759)	n.m.

n.m. denotes not meaningful

*In order to provide more clarity to readers, the Group has presented separately its finance costs relating to the fixed rate notes under the Group's S\$500 million Multicurrency Debt Issuance Programme (the "Notes") from its profit before income tax from operations.

^Foreign currency translation classified as other comprehensive loss, presented in the foreign currency translation reserve in equity, represents the exchange differences arising from:

- translation of assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, to Singapore dollars at exchange rates at the reporting date.
- translation of income and expenses of foreign operations to Singapore dollars at exchange rates at the dates of the transactions.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

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

	Group		
	3 months ended 30		
	September		
	2017	2016	
	\$'000	\$'000	
Depreciation of property, plant and equipment	448	438	
Amortisation of intangibles	272	306	
Allowance for doubtful debts and bad debts written off, net	9	10	
Foreign exchange loss/(gain)	229	(53)	[1]
Other miscellaneous income	164	236	[2]

Notes

1. The increase in foreign exchange loss was mainly due to the weakening of the US\$ against the S\$ for the Group's cash and cash equivalents denominated in US\$.
2. The decrease in other miscellaneous income was mainly due to a grant from Spring Singapore ("SPRING") of approximately S\$126,000 in the three months ended 30 September 2016 ("1QFY2017") for employee training and development. There was no such grant income in the three months ended 30 September 2017 ("1QFY2018").

This decrease was partially offset by an increase in fair value gains on short term investments of approximately S\$81,000 in 1QFY2017 compared to 1QFY2018.

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 September 2017	30 June 2017	30 September 2017	30 June 2017
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,703	13,062	6,623	6,732
Investment properties	8,260	8,256	2,880	2,880
Intangible assets	13,279	13,513	1,505	1,552
Investment in subsidiaries	–	–	58,710	58,710
Long term investments	6,132	6,176	4,200	4,200
Trade receivables	63,916	63,090	45,853	45,802
Other receivables	4,210	4,211	4,210	4,211
	<u>108,500</u>	<u>108,308</u>	<u>123,981</u>	<u>124,087</u>
Current assets				
Inventories	1,384	1,279	484	376
Prepayments	1,439	1,760	737	836
Trade receivables	24,638	24,459	10,241	9,450
Other receivables	2,108	2,102	631	527
Amounts owing by subsidiaries	–	–	14,935	14,533
Short term investments	27,732	22,261	–	–
Fixed deposits	11,670	11,778	10,761	10,747
Pledged fixed deposits	226	258	–	–
Cash and cash equivalents	14,476	26,527	11,077	18,404
	<u>83,673</u>	<u>90,424</u>	<u>48,866</u>	<u>54,873</u>
Current liabilities				
Trade and other payables	11,438	11,247	3,767	3,197
Amounts owing to subsidiaries	–	–	18,089	16,733
Interest-bearing borrowings	2,133	2,118	2,133	2,118
Insurance contract liabilities	1,248	1,272	64	64
Deferred revenue	16,015	16,296	3,529	3,688
Tax payable	1,541	1,244	–	–
	<u>32,375</u>	<u>32,177</u>	<u>27,582</u>	<u>25,800</u>
Net current assets	<u>51,298</u>	<u>58,247</u>	<u>21,284</u>	<u>29,073</u>

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

	Group As at		Company As at	
	30 September 2017 \$'000	30 June 2017 \$'000	30 September 2017 \$'000	30 June 2017 \$'000
Non-current liabilities				
Other payables	207	200	–	4
Interest-bearing borrowings	5,368	6,613	5,368	6,613
Deferred revenue	31,213	30,521	14,172	13,565
Deferred tax liabilities	3,842	3,891	15	15
	<u>40,630</u>	<u>41,225</u>	<u>19,555</u>	<u>20,197</u>
Net assets	<u>119,168</u>	<u>125,330</u>	<u>125,710</u>	<u>132,963</u>
Capital and reserves				
Share capital	96,708	96,666	96,708	96,666
Treasury shares	(16,392)	(9,766)	(16,392)	(9,766)
Accumulated profits	52,737	52,088	44,389	45,267
Other reserves	(14,032)	(13,827)	1,005	796
	<u>119,021</u>	<u>125,161</u>	<u>125,710</u>	<u>132,963</u>
Non-controlling interests	147	169	–	–
Total equity	<u>119,168</u>	<u>125,330</u>	<u>125,710</u>	<u>132,963</u>

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

	30 September 2017 \$'000	As at 30 June 2017 \$'000
Amount repayable in one year or less, or on demand		
- Loan I – secured	286	271
- Loan III – secured	680	680
- Loan IV – secured	1,167	1,167
Amount repayable after one year		
- Loan I – secured	4,688	4,767
- Loan III – secured	680	680
- Loan IV – secured	–	1,166
	7,501	8,731

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.

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 30 September	
	2017	2016
	\$'000	\$'000
Cash flows from operating activities:		
Profit/(loss) before income tax	925	(196)
Adjustments for:		
Depreciation of property, plant and equipment	448	438
Amortisation of intangible assets	272	306
Impairment loss on trade receivables and bad debts written off, net	9	10
Interest income	(370)	(654)
Interest expense	63	1,071
Share-based compensation expense	300	65
Unrealised exchange gain	(490)	(232)
	<u>1,157</u>	<u>808</u>
Operating cash flows before changes in working capital		
<u>Changes in working capital</u>		
Increase in trade receivables	(1,014)	(940)
Decrease in other receivables, deposits and prepayments	396	168
Increase in inventories	(105)	(69)
Increase in trade and other payables	173	87
Increase in deferred revenue	412	1,035
	<u>1,019</u>	<u>1,089</u>
Cash generated from operations		
Interest received	294	328
Interest paid	(63)	(75)
Income tax paid	(24)	-
	<u>1,226</u>	<u>1,342</u>
Net cash flows generated from operating activities		
Cash flows from investing activities:		
Purchase of property, plant and equipment	(202)	(137)
Purchase of intangible assets	(94)	(64)
Placement of short term investments	(5,643)	(2,418)
Transfer from/(to) term deposits, net	79	(249)
	<u>(5,860)</u>	<u>(2,868)</u>
Net cash flows used in investing activities		

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 30 September	
	2017	2016
	\$'000	\$'000
Cash flows from financing activities:		
Transfer from pledged fixed deposits	28	–
Purchase of treasury shares	(6,675)	–
Repayment of interest-bearing borrowings	<u>(1,230)</u>	<u>(1,214)</u>
Net cash used in financing activities	<u>(7,877)</u>	<u>(1,214)</u>
Net decrease in cash and cash equivalents	(12,511)	(2,740)
Cash and cash equivalents at the beginning of the financial period	26,527	69,701
Effects of exchange rate changes on the balance of cash	<u>460</u>	<u>185</u>
Cash and cash equivalents at end of the financial period	<u><u>14,476</u></u>	<u><u>67,146</u></u>

Cash and cash equivalents

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



CORDLIFE GROUP LIMITED

First Quarter Unaudited Financial Statements for the Period Ended 30 September 2017

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 interest \$'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
Profit for the financial period	-	-	(574)	-	-	-	-	-	15	(559)
Other comprehensive (loss)/profit for the financial period, net of tax										
- Foreign currency translation	-	-	-	-	-	-	-	(187)	(13)	(200)
Total comprehensive (loss)/profit for the financial period, net of tax	-	-	(574)	-	-	-	-	(187)	2	(759)
<u>Contributions by and distributions to owners</u>										
Grant of share awards to employees	-	-	-	65	-	-	-	-	-	65
Total contributions by and distributions to owners	-	-	-	65	-	-	-	-	-	65
Balance at 30 September 2016	96,672	(9,828)	54,086	232	568	534	(9,387)	(2,884)	2,068	132,061



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CORDLIFE GROUP LIMITED

First Quarter Unaudited Financial Statements for the Period Ended 30 September 2017

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 profit for the financial period	–	–	(1,192)	–	–	(1,192)
<u>Contributions by and distributions to owners</u>						
Grant of share awards to employees	–	–	–	–	65	65
Total contributions by and distributions to owners	–	–	–	–	65	65
Balance at 30 September 2016	96,672	(9,828)	49,587	422	232	137,085



CORDLIFE GROUP LIMITED

First Quarter Unaudited Financial Statements for the Period Ended 30 September 2017

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

Group	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Merger reserve \$'000	Acquisition reserve \$'000	Foreign currency translation account \$'000	Non-controlling interest \$'000	Total \$'000
Balance at 1 July 2017	96,666	(9,766)	52,088	374	568	534	(11,740)	(3,563)	169	125,330
Profit for the financial period	–	–	649	–	–	–	–	–	(22)	627
Other comprehensive loss for the financial period, net of tax										
- Foreign currency translation	–	–	–	–	–	–	–	(414)	–	(414)
Total comprehensive profit/(loss) for the financial period, net of tax	–	–	649	–	–	–	–	(414)	(22)	213
<u>Contributions by and distributions to owners</u>										
Purchase of treasury shares	–	(6,675)	–	–	–	–	–	–	–	(6,675)
Grant of share awards to employees	–	–	–	300	–	–	–	–	–	300
Reissuance of treasury shares pursuant to equity compensation plan	42	49	–	(91)	–	–	–	–	–	–
Total contributions by and distributions to owners	42	(6,626)	–	209	–	–	–	–	–	(6,375)
Balance at 30 September 2017	96,708	(16,392)	52,737	583	568	534	(11,740)	(3,977)	147	119,168



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CORDLIFE GROUP LIMITED

First Quarter Unaudited Financial Statements for the Period Ended 30 September 2017

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 2017	96,666	(9,766)	45,267	422	374	132,963
Loss for the financial period, representing total comprehensive profit for the financial period	–	–	(878)	–	–	(878)
<u>Contributions by and distributions to owners</u>						
Purchase of treasury shares	–	(6,675)	–	–	–	(6,675)
Grant of share awards to employees	–	–	–	–	300	300
Reissuance of treasury shares pursuant to equity compensation plan	42	49	–	–	(91)	–
Total contributions by and distributions to owners	42	(6,626)	–	–	209	(6,375)
Balance at 30 September 2017	96,708	(16,392)	44,389	422	583	125,710

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 of the issuer, 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 (\$)
As at 30 June 2017	259,409,504	96,665,612
Purchase of treasury shares	(7,000,000)	–
Treasury shares reissued pursuant to equity compensation plan	45,400	42,425
As at 30 September 2017	<u>252,454,904</u>	<u>96,708,037</u>

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 September 2017 No. of shares	30 June 2017 No. of shares
Total number of issued shares	267,525,354	267,525,354
Less: Treasury shares	(15,070,450)	(8,115,850)
Total number of issued shares excluding treasury shares	<u>252,454,904</u>	<u>259,409,504</u>

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 2 August 2017, 45,400 treasury shares were utilised for the issue of 45,400 shares under the Cordlife Share Grant Plan.

2. Whether the figures have been audited, or reviewed and in accordance with which standard

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 statements 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 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 Standards ("FRS") and Interpretations of FRS ("INT FRS") which became effective for the financial year ("FY") beginning 1 July 2017.

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 reporting periods in prior years.

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 30 September	
Basic Earnings/(Loss) Per Share	2017	2016
Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:		
Profit/(loss) attributable to shareholders of the Company (S\$ '000)	649	(574)
Weighted average number of shares in issue during the period ('000)	254,059	259,358
Basic earnings/(loss) per share based on weighted average number of ordinary shares (cents)	<u>0.26</u>	<u>(0.22)</u>
Diluted Earnings/(Loss) Per Share		
Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:		
Profit/(loss) attributable to shareholders of the Company (S\$ '000)	649	(574)
Weighted average number of shares in issue during the period ('000)	254,395	259,358
Diluted earnings/(loss) per share based on weighted average number of ordinary shares (cents)	<u>0.26</u>	<u>(0.22)</u>

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 period reported on and (b) immediately preceding financial year**

	Group		Company	
	30 September 2017 (cents)	30 June 2017 (cents)	30 September 2017 (cents)	30 June 2017 (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the period reported on	47.20	48.31	49.80	51.26

The number of shares in issue and used in calculating the net asset value per share as at 30 September 2017 is 252,454,904 (30 June 2017: 259,409,504).

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 1QFY2018 AGAINST 1QFY2017

Income Statement

Revenue

Revenue increased by 13.2% or S\$1.9 million from 1QFY2017 to 1QFY2018 mainly due to an increase in newborn deliveries from 6,300 in 1QFY2017 to 6,700 in 1QFY2018.

The increase in revenue was also partly due to lower discounts given in India and the Philippines in lieu of more value-added services provided to clients in these countries.

Cost of sales

Cost of sales increased by 8.2% or S\$422,000 in 1QFY2018 compared to 1QFY2017. The increase in cost of sales was in line with the increase in client newborn deliveries from 1QFY2017 to 1QFY2018.

Gross profit and gross profit margin

Gross profit increased by 15.9% or S\$1.5 million and gross profit margin increased from 64.8% in 1QFY2017 to 66.3% in 1QFY2018.

The increase in gross profit margin was mainly due to lower discounts given in India and the Philippines in lieu of more value-added services provided to clients there.

Other operating income

Other operating income decreased by approximately S\$72,000 mainly due to a SPRING grant of approximately S\$126,000 in 1QFY2017 for employee training and development and there was no such grant income in 1QFY2018. This decrease was offset by an increase in fair value gains on short term investments of approximately S\$81,000 from 1QFY2017 to 1QFY2018.

Administrative expenses

Administrative expenses increased by S\$627,000 or 13.5% from 1QFY2017 to 1QFY2018 partly due to an increase in foreign exchange loss of S\$282,000, which is mainly contributed by the weakening of the US\$ against the S\$ for the Group's cash and cash equivalents denominated in US\$. There was also an increase in information technology expense and amortisation expense by S\$53,000 and S\$37,000 respectively, as the Group continues to invest in technology and automation to boost efficiency and efficacy.

Share grant expense also increased by S\$234,000 from 1QFY2017 to 1QFY2018 due to additional share grants in 1QFY2018. There were no share grants issued in 1QFY2017.

Finance income

Finance income decreased by 43.4% or S\$0.3 million from 1QFY2017 compared to 1QFY2018 due to lower funds placed in fixed deposits as a result of the redemption in December 2016 of the remaining aggregate outstanding S\$68.25 million in principal amount of the Notes.

Finance expense

Finance costs decreased by 17.1% or S\$13,000 from 1QFY2017 compared to 1QFY2018 mainly due to the repayment of interest-bearing borrowings.

Profit before income tax from operations

As a result of the foregoing, the Group's profit before income tax from operations for 1QFY2018 was higher than 1QFY2017 at S\$0.9 million (1QFY2017: S\$0.8 million).

Finance costs

Finance costs of approximately S\$1.0 million were recognised on the Notes for 1QFY2017. No such finance cost was recorded for 1QFY2018 due to the full redemption of the Notes in December 2016.

Tax

In 1QFY2017, non-operational finance expense were not deductible. Adjusting for these non-deductible items, the effective tax rate for 1QFY2018 was 32.2%, compared to an effective tax rate of 45.4% for 1QFY2017. The higher effective tax rate in 1QFY2017 compared to 1QFY2018 was mainly due to the recording of an under-provision of income tax in FY2016 of S\$167,000 and deferred tax asset not recognised on tax losses incurred by certain entities in the Group during the period. In 1QFY2018, there was no such under-provision of income tax. There was also a reduction in tax losses on which deferred tax asset is not recognised.

Balance sheet

As at 30 September 2017, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short-term investments of S\$53.9 million (30 June 2017: S\$60.6 million). The decrease in cash and cash equivalents was mainly due to net cash used in investing activities of S\$5.9 million, which comprised mainly placement of short term investments of S\$5.6 million. The Company also made repayments on its interest-bearing borrowings of S\$1.2 million and made share repurchases amounting to S\$6.7 million.

This decrease was offset by net cash generated from operating activities of S\$1.2 million comprising mainly operating cash flows before movements in working capital of S\$1.2 million, net working capital outflow of S\$138,000 and net interest received of S\$231,000.

Net working capital outflow of approximately S\$138,000 was due to the following:

- increase in trade receivables of approximately S\$1.0 million;
- decrease in other receivables, deposits and prepayments of approximately S\$396,000;
- increase in inventory of approximately S\$105,000;
- increase in trade and other payables of approximately S\$173,000 and
- increase in deferred revenue of approximately S\$412,000.

Property, plant and equipment

As at 30 September 2017, the Group recorded S\$12.7 million on the balance sheet for property, plant and equipment (30 June 2017: S\$13.1 million).

Investment properties

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

Intangible assets

Intangible assets comprise customer contracts acquired in business combinations and computer software.

Long term investments

Long term investments comprise a S\$4.2 million investment in approximately 4.2 million unquoted ordinary shares of CellResearch Corporation Pte Ltd (“CRC”), and approximately S\$1.9 million of investments in money market funds. The investment in CRC aims to strengthen the strategic alliance with CRC and to add value to the Group’s clinical and quality assurance capacity. The ordinary shares are carried at cost less impairment, if any.

Trade receivables, non-current

Non-current trade receivables represent cord blood, cord lining and cord tissue 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 1 February 2016, the Group announced that it had subscribed for a Class A Redeemable Convertible Note (“RCN”) maturing three 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.

Inventories

As at 30 September 2017, the Group recorded inventories of S\$1.4 million (30 June 2017: \$1.3 million).

Prepayments

Prepayments decreased from S\$1.8 million as at 30 June 2017 to S\$1.4 million as at 30 September 2017 due mainly to unwinding of prepaid marketing expenses for marketing activities carried out during the financial period.

Trade receivables, current

As at 30 September 2017, the Group recorded current trade receivables of S\$24.6 million (30 June 2017: \$24.5 million).

Other receivables, current

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

Trade and other payables, current and non-current

As at 30 September 2017, the Group recorded a current trade and other payables of S\$11.4 million (30 June 2017: \$11.2 million) and non-current other payables of S\$207,000 (30 June 2017: S\$200,000).

Interest-bearing borrowings, current and non-current

Interest-bearing borrowings decreased by S\$1.2 million, from S\$8.7 million as at 30 June 2017 to S\$7.5 million as at 30 September 2017 due to repayments made during the financial period.

Insurance contract liabilities

Insurance contract liabilities represent outstanding claims liability and liability for expected future claims to be incurred as a result of the Group entering into insurance arrangements with customers.

Deferred revenue

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

Income tax payable

As at 30 September 2017, the Group recorded income tax payable of S\$1.5 million (30 June 2017: \$1.2 million).

Deferred tax liabilities

Deferred tax liabilities comprise deferred tax liabilities on temporary differences and on intangible assets recognised on business combination.

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

The Group is actively exploring acquisition and investment opportunities as part of its continuous efforts to augment its market leadership in Asia, where it operates in eight markets. The pursuit of such opportunities comes amid growing public awareness of the benefits of cord blood, cord lining and cord tissue banking services in a number of these markets, where governments are also stepping up efforts to boost birth rates. In Singapore and Hong Kong, for instance, statutory parental leave was recently extended, and young married couples are given priority for access to public housing.

The Group is also looking to expand its diagnostics business, which currently offers non-invasive prenatal testing, urine-based metabolic screening for newborns, and paediatric vision screening for children aged six months to six years. The Group will also continue to actively market its banking and diagnostics services in Asia and work closely with private hospitals, healthcare professionals and relevant stakeholders with the view to enlarging its base of clients.

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

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 knowledge of the Board of Directors of the Company (the "Board"), nothing has come to the attention of the Board which may render the unaudited financial statements of the Company and the Group for the three months ended 30 September 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.

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 per Placement Share by way of private placement (the "Private Placement") to raise aggregate gross proceeds of S\$33,547,500 on 14 October 2013.

The Board wishes to announce that the Group has utilised approximately S\$11.5 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	4.4
Legal and professional fees	0.1
Total	<u>4.5</u>

As at 30 September 2017, the Group has utilised approximately S\$11.5 million of the Private Placement proceeds as follows:

Intended Use of Placement Proceeds	Estimated amount (\$ m)	Estimated percentage of gross proceeds raised from the Private Placement	Amount utilised (\$ 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	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 aforementioned 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 interests 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 Wong Chiang Yin
Executive Director and Chief Executive Officer
10 November 2017