CORDLIFE GROUP LIMITED

Twelve Months Unaudited Financial Statements for the Period Ended 30 June 2018

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3, Q4), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

Change of financial year end

On 8 June 2018, the Company announced a change in its financial year end from June 30 to December 31, to enable it to align its financial year end to meet the overall reporting and consolidation calendar of its controlling shareholder. With this change, the Company's current financial year, which began on 1 July 2017, will cover an 18-month period ending 31 December 2018.

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 June		+/(-) Increase/ (Decrease)	Group 12 months ended 30 June		+/(-) Increase/ (Decrease)
	2018	2017		2018	2017	
	$'000	$'000	%	$'000	$'000	%
Revenue	17,625	15,857	11.1	68,309	59,962	13.9
Cost of sales	(5,685)	(5,301)	7.2	(22,547)	(21,136)	6.7
Gross profit	11,940	10,556	13.1	45,762	38,826	17.9
Other operating income	290	215	34.9	944	874	8.0
Selling and marketing expenses	(5,314)	(4,929)	7.8	(20,966)	(19,622)	6.8
Administrative expenses	(6,126)	(5,030)	21.8	(22,512)	(19,534)	15.2
Finance income	240	380	(36.8)	1,251	1,858	(32.7)
Finance costs	(44)	(63)	(30.2)	(248)	(225)	10.2
Profit before income tax from operations *	986	1,129	(12.7)	4,231	2,177	94.4
Fair value gain/(loss) on investment properties	95	(168)	n.m.	95	(168)	n.m.
Note repurchase expense	–	–	n.m.	–	(2,149)	n.m.
Finance costs	–	–	n.m.	–	(1,781)	n.m.
Profit/(loss) before income tax	1,081	961	12.5	4,326	(1,921)	n.m.
Income tax expense	(56)	(286)	(80.4)	(1,142)	(675)	69.2
Profit/(loss) for the financial period	1,025	675	51.9	3,184	(2,596)	n.m.
Other comprehensive income/(loss) for the financial period, net of tax:						
Items that may be reclassified subsequently to profit or loss						
Fair value gain arising from revaluation of available-for-sale financial asset	17	–	n.m.	53	–	n.m.
Foreign currency translation^	(584)	315	n.m.	(82)	(900)	n.m.
Total comprehensive income/(loss) for the financial period	458	990	(53.7)	3,155	(3,496)	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 June			Group 12 months ended 30 June		
	2018 $'000	**2017** $'000	**+/(-) Increase/ (Decrease)** %	**2018** $'000	**2017** $'000	**+/(-) Increase/ (Decrease)** %
Profit/(loss) for the financial period attributable to:						
- Shareholders of the company	1,044	678	54.0	3,272	(2,572)	n.m.
- Non-controlling interest	(19)	(3)	>100.0	(88)	(24)	>100.0
	1,025	675	51.9	3,184	(2,596)	n.m.
Total comprehensive income/(loss) for the financial period attributable to:						
- Shareholders of the company	479	991	(51.7)	3,250	(3,438)	n.m.
- Non-controlling interest	(21)	(1)	>100.0	(95)	(58)	63.8
	458	990	(53.7)	3,155	(3,496)	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") and note repurchase expenses from its profit before income tax from operations.

^Foreign currency translation classified as other comprehensive income/(loss) and 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; and
- 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 June			Group 12 months ended 30 June		
	2018	**2017**		**2018**	**2017**	
	$'000	$'000		$'000	$'000	
Depreciation of property, plant and equipment	426	474		1,758	1,839	
Amortisation of intangibles	254	373	[1]	1,049	1,290	[1]
Impairment loss on trade receivables and bad debts written off, net	263	642	[2]	557	885	[2]
Foreign exchange loss/(gain)	415	78	[3]	632	(19)	[3]
Other operating income	(290)	(215)	[4]	(944)	(874)	
Under-provision of tax in respect of prior years	–	220	[5]	–	113	[5]

Notes

1. The amortisation expense was lower in the three months ended 30 June 2018 (“4Q2018”) and the twelve months ended 30 June 2018 (“12M2018”) as compared to the three months ended 30 June 2017 (”4Q2017”) and the twelve months ended 30 June 2017 (“12M2017”) mainly due to the amortisation of license fee by the Group’s Malaysia subsidiary in 4Q2017 and 12M2017 that did not recur in 4Q2018 and 12M2018 as the license fee has been fully amortised by May 2017.

2. The decrease in allowance for doubtful debts and bad debts written off in 4Q2018 and 12M2018 as compared to 4Q2017 and 12M2017 was mainly due to a decrease in doubtful debts provided for in India, a result of its increased collection efforts.

3. Foreign exchange loss increased by S$651,000 from a gain of S$19,000 in 12M2017 to a loss of S$632,000 in 12M2018. This was partly contributed by the weakening of US$ against S$ in the 12M2018, resulting in the Group recognising a foreign exchange loss from the revaluation of the Group’s cash and cash equivalents denominated in US$ of approximately S$285,000 in 12M2018, compared to a gain of S$53,000 in 12M2017.

   On 3 January 2018, the Group announced the acquisition of Healthbaby Biotech (Hong Kong) Co., Limited (“Healthbaby”), with a part of the consideration being an assumption of a HK$ denominated debt owed by the seller, Stemgen Biotech Holding Limited (“Stemgen”) to Healthbaby (the “HK$ debt”). Foreign exchange loss of S$333,000 from the revaluation of the loan was recognised in 12M2018 and 4Q2018 as HK$ strengthened against S$ from January 2018 to June 2018. There was no such foreign exchange loss in 12M2017 and 4Q2017.

4. The increase in other operating income for 4Q2018 compared to 4Q2017 of approximately S$75,000 was mainly due to an increase in fair value gains on the short-term investments of S$72,000.

5. In 4Q2017, the Group recorded an under-provision of deferred tax in respect of prior years of S$220,000 for Singapore. There was no such under-provision of deferred tax in 4Q2018.

   Under-provision of tax in respect of prior years of S$113,000 recorded in 12M2017 comprised an under-provision of deferred tax of S$220,000, offset by an 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. There was no such over/under-provision in 12M2018.

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 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
	$'000	$'000	$'000	$'000
ASSETS				
Non-current assets				
Property, plant and equipment	13,143	13,062	6,291	6,732
Investment properties	8,642	8,256	2,975	2,880
Intangible assets	42,763	13,513	1,188	1,552
Deferred tax assets	96	–	–	–
Investment in subsidiaries	–	–	91,821	58,710
Long-term investments	6,279	6,176	4,200	4,200
Trade receivables	65,343	63,090	45,803	45,802
Other receivables	9	4,211	9	4,211
	136,275	108,308	152,287	124,087
Current assets				
Inventories	1,255	1,279	72	376
Prepayments	2,116	1,760	615	836
Trade receivables	27,166	24,459	10,378	9,450
Other receivables	6,659	2,102	4,661	527
Amounts owing by subsidiaries	–	–	18,763	14,533
Short-term investments	28,973	22,261	–	–
Fixed deposits	2,727	11,778	–	10,747
Pledged fixed deposits	182	258	–	–
Cash and cash equivalents	12,882	26,527	7,815	18,404
	81,960	90,424	42,304	54,873
Current liabilities				
Trade and other payables	14,215	11,247	4,724	3,197
Amounts owing to subsidiaries	–	–	43,386	16,733
Interest-bearing borrowings	971	2,118	971	2,118
Insurance contract liabilities	1,274	1,272	64	64
Deferred revenue	16,252	16,296	3,714	3,688
Tax payable	1,805	1,244	–	–
	34,517	32,177	52,859	25,800
Net current assets/(liabilities)	47,443	58,247	(10,555)	29,073

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 2018 $'000	**30 June 2017** $'000	**30 June 2018** $'000	**30 June 2017** $'000
Non-current liabilities				
Other payables	345	200	–	4
Interest-bearing borrowings	4,466	6,613	4,466	6,613
Deferred revenue	53,534	30,521	15,379	13,565
Deferred tax liabilities	3,882	3,891	15	15
	62,227	41,225	19,860	20,197
Net assets	121,491	125,330	121,872	132,963
Capital and reserves				
Share capital	96,628	96,666	96,628	96,666
Treasury shares	(16,104)	(9,766)	(16,104)	(9,766)
Accumulated profits	54,098	52,088	39,908	45,267
Other reserves	(13,205)	(13,827)	1,440	796
	121,417	125,161	121,872	132,963
Non-controlling interests	74	169	–	–
Total equity	121,491	125,330	121,872	132,963

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

	As at	
	30 June 2018	**30 June 2017**
	$'000	$'000
Amount repayable in one year or less, or on demand		
- Loan I – secured	291	271
- Loan III – secured	680	680
- Loan IV – secured	–	1,167
Amount repayable after one year		
- Loan I – secured	4,466	4,767
- Loan III – secured	–	680
- Loan IV – secured	–	1,166
	5,437	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 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 was repaid in full in June 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 June		Group 12 months ended 30 June	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Cash flows from operating activities:				
Profit/(loss) before income tax	1,081	961	4,326	(1,921)
Adjustments for:				
Depreciation of property, plant and equipment	426	474	1,758	1,839
Amortisation of intangible assets	254	373	1,049	1,290
Gain on disposal of property, plant and equipment	(1)	–	(2)	(2)
Loss on disposal of intangible assets	–	56	–	56
Impairment loss on trade receivables and bad debts written off, net	263	642	557	885
Interest income	(240)	(380)	(1,251)	(1,858)
Interest expense	44	63	248	2,007
Investment income	(151)	–	(151)	–
Share-based compensation expense	175	65	943	262
Note repurchase expense	–	–	–	2,149
Fair value (gain)/loss on investment properties	(95)	168	(95)	168
Unrealised exchange (gain)/loss	(402)	407	(2)	(873)
Operating cash flows before changes in working capital	1,354	2,829	7,380	4,002
<u>Changes in working capital</u>				
Increase in trade receivables	(983)	(3,024)	(4,791)	(6,914)
(Increase)/decrease in other receivables, deposits and prepayments	(151)	414	(56)	(24)
Decrease/(increase) in inventories	202	(55)	74	(222)
Increase/(decrease) in trade and other payables	964	412	1,829	(699)
Increase in deferred revenue	1,803	1,777	4,394	6,598
Cash generated from operations	3,189	2,353	8,830	2,741
Interest received	124	380	1,375	1,858
Interest paid	(44)	(62)	(248)	(225)
Income tax paid	(341)	(562)	(991)	(349)
Net cash flows generated from operating activities	2,928	2,109	8,966	4,025
Cash flows from investing activities:				
Purchase of property, plant and equipment	(917)	(110)	(1,634)	(943)
Purchase of intangible assets	(205)	(148)	(599)	(728)
Acquisition of subsidiary, net of cash	–	–	(8,813)	–
Placement of short term investments	1,265	(600)	(6,198)	(7,550)
Transfer (to)/from term deposits	(1,556)	2,728	8,963	39,733
Net cash flows (used in)/generated from investing activities	(1,413)	1,870	(8,281)	30,512

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 June		Group 12 months ended 30 June	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Cash flows from financing activities:				
Transfer (to)/from pledged fixed deposits	(2)	–	26	–
Purchase of treasury shares	–	–	(6,675)	–
Repayment of interest-bearing borrowings	(1,247)	(70)	(6,031)	(2,134)
Acquisition of non-controlling interest in subsidiary	–	32	–	(3,972)
Dividends paid	–	–	(1,262)	–
Interest paid on Notes	–	–	–	(2,053)
Repurchase of Notes	–	–	–	(69,826)
Net cash flows used in financing activities	(1,249)	(38)	(13,942)	(77,985)
Net increase/(decrease) in cash and cash equivalents	266	3,941	(13,257)	(43,448)
Cash and cash equivalents at the beginning of the financial period	12,439	22,766	26,527	69,701
Effects of exchange rate changes on the balance of cash	177	(180)	(388)	274
Cash and cash equivalents at end of the financial period	12,882	26,527	12,882	26,527

<u>Cash and cash equivalents</u>

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 reserve $'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
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 non-controlling interest in subsidiary*	–	–	–	–	–	–	(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

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

*On 12 October 2015, the Company 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 Company 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

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

Group	**Share capital** $'000	**Treasury shares** $'000	**Accumulated profits** $'000	**Share-based compensation reserve** $'000	**Capital reserve** $'000	**Merger reserve** $'000	**Acquisition reserve** $'000	**Other Reserve** $'000	**Foreign currency translation reserve** $'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/(loss) for the financial period	–	–	3,272	–	–	–	–	–	–	(88)	3,184
Other comprehensive income for the financial period, net of tax											
- Foreign currency translation	–	–	–	–	–	–	–	–	(75)	(7)	(82)
- Fair value gain arising from revaluation of available-for-sale financial asset	–	–	–	–	–	–	–	53	–	–	53
Total comprehensive profit/(loss) for the financial period, net of tax	–	–	3,272	–	–	–	–	53	(75)	(95)	3,155
<u>Contributions by and distributions to owners</u>											
Purchase of treasury shares	–	(6,675)	–	–	–	–	–	–	–	–	(6,675)
Grant of share awards to employees	–	–	–	943	–	–	–	–	–	–	943
Dividends	–	–	(1,262)	–	–	–	–	–	–	–	(1,262)
Reissuance of treasury shares pursuant to equity compensation plan	(38)	337	–	(299)	–	–	–	–	–	–	–
Total contributions by and distributions to owners	(38)	(6,338)	(1,262)	644	–	–	–	–	–	–	(6,994)
Balance at 30 June 2018	96,628	(16,104)	54,098	1,018	568	534	(11,740)	53	(3,638)	74	121,491

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 loss for the financial period	–	–	(4,097)	–	–	(4,097)
Contributions by and distributions to owners						
Purchase of treasury shares	–	(6,675)	–	–	–	(6,675)
Grant of share awards to employees	–	–	–	–	943	943
Dividends	–	–	(1,262)	–	–	(1,262)
Reissuance of treasury shares pursuant to equity compensation plan	(38)	337	–	–	(299)	–
Total contributions by and distributions to owners	(38)	(6,338)	(1,262)	–	644	(6,994)
Balance at 30 June 2018	96,628	(16,104)	39,908	422	1,018	121,872

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 2017	259,409,504	96,665,612
Purchase of treasury shares	(7,000,000)	–
Treasury shares reissued pursuant to equity compensation plan	309,450	(37,376)
As at 30 June 2018	252,718,954	96,628,236

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 2018 No. of shares	**30 June 2017 No. of shares**
Total number of issued shares	267,525,354	267,525,354
Less: Treasury shares	(14,806,400)	(8,115,850)
Total number of issued shares excluding treasury shares	252,718,954	259,409,504

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

45,400 and 264,050 treasury shares were utilised on 2 August 2017 and 9 November 2017 respectively for the issue of a total of 309,450 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 statements for the current period reported on have been presented using the same accounting policies and methods of computation as presented in the Company'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 June		Group 12 months ended 30 June	
Basic Earnings Per Share	**2018**	**2017**	**2018**	**2017**
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:				
Profit/(loss) attributable to shareholders of the Company (S$ '000)	1,044	678	3,272	(2,572)
Weighted average number of shares in issue during the period ('000)	252,719	259,410	253,028	259,374
Basic earnings/(loss) per share based on weighted average number of ordinary shares (cents)	0.41	0.26	1.29	(0.99)
Diluted Earnings Per Share				
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:				
Profit/(loss) attributable to shareholders of the Company (S$ '000)	1,044	678	3,272	(2,572)
Weighted average number of shares in issue during the period ('000)	254,828	259,807	254,498	259,374
Diluted (loss)/earnings per share based on weighted average number of ordinary shares (cents)	0.41	0.26	1.29	(0.99)

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 June 2018 (cents)	30 June 2017 (cents)	30 June 2018 (cents)	30 June 2017 (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the period reported on	48.07	48.31	48.22	51.26

The number of shares in issue and used in calculating the net asset value per share as at 30 June 2018 is 252,718,954 (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 12 MONTHS ENDED 30 JUNE 2018 ("12M2018") AGAINST 12 MONTHS ENDED 30 JUNE 2017 ("12M2017")

Income Statement

Healthbaby's financial results for 2 January 2018 to 30 June 2018 have been included in the Group's financial results for 12M2018 while the Group's financial results for 12M2017 does not include any results of Healthbaby as it became a subsidiary of the Group on 2 January 2018.

Revenue

Revenue increased by 13.9% or S$8.3 million from 12M2017 to 12M2018, mainly contributed by the Group's operations in Singapore, India, the Philippines and the newly acquired subsidiary, Healthbaby.

The higher revenue contributions from Singapore, India and the Philippines were driven by an increase in deliveries, as well as an increase in contract prices in India and the Philippines, as a result of more value-added services provided to clients in these countries.

The increase in deliveries in these three markets and the addition of six months of deliveries from HealthBaby in 12M2018 was partly offset by a decrease in the number of deliveries in Malaysia. Nonetheless, the total client deliveries for the Group increased from 25,200 for 12M2017 to 25,800 for 12M2018.

Healthbaby accounted for S$3.7 million of the increase in revenue.

Cost of sales

Cost of sales increased by 6.7% or S$1.4 million in 12M2018 compared to 12M2017, mainly attributable to the consolidation of cost of sales of Healthbaby, which became a subsidiary of the Group on 2 January 2018. It was also due to additional value-added services provided to clients in India and the Philippines and the increase in total client deliveries.

The increase was slightly offset by a decrease in cost of sales in Malaysia due to fewer deliveries.

Gross profit and gross profit margin

Gross profit increased by 17.9% or S$6.9 million and gross profit margin increased from 64.8% in 12M2017 to 67.0% in 12M2018.

The increase in gross profit margin was partly due to an increase in client deliveries, and consequently revenue contributions from Singapore, which has a higher margin compared to the other markets. The increase was also attributable to higher contract prices in India and the Philippines.

Administrative expenses

Administrative expenses increased by S$3.0 million or 15.2% from 12M2017 to 12M2018, partly due to the consolidation of Healthbaby's administrative expenses of S$0.6 million and an increase in foreign exchange loss of S$651,000.

The increase in foreign exchange loss was partly contributed by the weakening of US$ against S$ in the 12M2018, resulting in the Group recognising a foreign exchange loss from the revaluation of the Group's cash and cash equivalents denominated in US$ of approximately S$285,000 in 12M2018, compared to a gain of S$53,000 in 12M2017.

The Group announced the acquisition of Healthbaby on 3 January 2018. Part of the consideration involved an assumption of a HK$ denominated debt owed by Stemgen to Healthbaby. Foreign exchange loss of S$333,000 from the revaluation of the loan was recognised in 12M2018 and 4Q2018 as HK$ strengthened against S$ from January 2018 to June 2018. There was no such foreign exchange loss in 12M2017 and 4Q2017.

Share grant expense increased by S$681,000 from 12M2017 to 12M2018 due to the issuance of share grants in 12M2018. There were no share grants issued in 12M2017. Excluding Healthbaby, staff-related expenses also increased in 12M2018 as compared to 12M2017 by S$1.5 million, partly attributable to an increase in variable performance bonuses as a result of the increase in profits of the Group in 12M2018.

There was also an increase in information technology expense from 12M2017 to 12M2018 by S$160,000, as the Group continued to invest in technology and automation to boost efficiency and efficacy.

The increase was offset by a reduction in allowance for doubtful debts and bad debts written off in 12M2018 against 12M2017 of S$328,000, which was mainly attributable to India as a result of increased collection efforts.

Finance income

Finance income decreased by 32.7% or S$607,000 from 12M2017 compared to 12M2018 mainly due to a lower amount of 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 and the acquisition of Healthbaby in January 2018.

Finance costs

Finance costs increased by 10.2% or S$23,000 from 12M2017 compared to 12M2018 mainly due to higher interest rates on the Group's interest-bearing borrowings, which are subject to market fluctuations and consolidation of finance costs of Healthbaby of approximately S$13,000.

Profit before income tax from operations

As a result of the foregoing, the Group's profit before income tax from operations for 12M2018 was higher than 12M2017 at S$4.2 million (12M2017: S$2.2 million).

Fair value gain/loss on investment properties

Certain units owned by the Group in A'Posh Bizhub and certain properties owned by Stemlife Berhad have been designated as investment properties because these 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 gain of S$95,000 in 12M2018 and a fair value loss of $168,000 in 12M2017 which are recorded in the income statement.

Note repurchase expense

Note repurchase expense of S$2.1 million was incurred in relation to the full redemption of the remaining aggregate outstanding S$68.25 million in principal amount of the Notes in December 2016. No such expense was incurred for 12M2018.

Finance costs (non-operating)

Finance costs of approximately S$1.8 million were recognised on the Notes for 12M2017. No such finance cost was recorded for 12M2018 due to the full redemption of the Notes in December 2016.

Tax

In 12M2017, non-operational fair value loss on investment properties, finance costs and note repurchase expense were not deductible. In 12M2018, non-operating fair value gain on investment properties was not taxable. Adjusting for these non-deductible and non-taxable items, the effective tax rate for 12M2018 was 27.0%, comparable to an effective tax rate of 31.0% for 12M2017.

COMPARING 3 MONTHS ENDED 30 JUNE 2018 (“4Q2018”) AGAINST 3 MONTHS ENDED 30 JUNE 2017 (“4Q2017”)

Income Statement

Healthbaby’s financial results for 4Q2018 have been included in the Group’s financial results for 4Q2018 while 4Q2017 does not include any results of Healthbaby as it became a subsidiary of the Group on 2 January 2018.

Revenue

Revenue increased by 11.1% or S$1.7 million from S$15.9 million in 4Q2017 to S$17.6 million in 4Q2018. Total client deliveries increased from 6,100 in 4Q2017 to 6,200 in 4Q2018.

The increase in revenue and client deliveries was mainly contributed by Singapore as well as the inclusion of the newly acquired subsidiary, Healthbaby. This was offset by a decrease in revenue contribution and client deliveries in India and Malaysia in 4Q2018 against 4Q2017. As the average selling prices of the client contracts in Singapore and Healthbaby are higher than that in India and Malaysia, the increase in revenue of 11% is higher than the increase in deliveries of 2%.

Cost of sales

Cost of sales increased by 7.2% or S$384,000 in 4Q2018 compared to 4Q2017, in line with the increase in client deliveries.

Gross profit and gross profit margin

Gross profit increased by 13.1% or S$1.4 million and gross profit margin rose from 66.6% in 4Q2017 to 67.7% in 4Q2018.

The increase in gross profit margin was mainly due to more deliveries in Singapore, which has a higher margin compared to other markets.

Other operating income

Other operating income increased by 34.9% or S$75,000 mainly due to an increase in fair value gains on the short-term investments held by both the Malaysia and India subsidiaries.

Administrative expenses

Administrative expenses rose by 21.8% or S$1.1 million in 4Q2018 compared to 4Q2017. This was partly contributed by the consolidation of Healthbaby’s administrative expenses of S$0.3 million.

Share grant expense increased by S$109,000 due to the issuance of share grants in November 2017. There were no share grants issued in 4Q2017. Excluding Healthbaby, staff related expenses increased by S$0.9 million in 4Q2018 against 4Q2017, mainly attributable to an increase in variable performance bonuses as a result of the increase in the Group’s profits for 12M2018 against 12M2017.

In addition, Singapore recognised a foreign exchange loss of S$333,000 in relation to the revaluation of the HK$ debt as HK$ strengthened against S$ in 4Q2018.

The overall increase in administrative expenses was offset by a decrease in allowances for doubtful debts and bad debts written off of S$379,000, mainly attributable to the India subsidiary as a result of increased collection efforts.

Finance income

Finance income decreased by S$140,000 due to the withdrawal of fixed deposits for the Healthbaby acquisition in January 2018 as well as a decrease in interest income from short-term investments in the Malaysia subsidiary.

Finance costs

Finance costs decreased by 30.2% or S$19,000 from 4Q2017 to 4Q2018 mainly due to repayments made on the Group's interest-bearing borrowings during the year. Out of the total repayments made on interest-bearing borrowings of S$6.0 million during the year, approximately S$2.7 million was repayment of loans for Healthbaby, which was consolidated in December 2017 and repaid by February 2018. Excluding the repayment of loans of Healthbaby, the Group made principal repayments on its interest-bearing borrowings of approximately S$3.3 million, which partly contributed to the decrease in finance costs.

Profit before income tax from operations

As a result of the foregoing, the profit of S$986,000 from operations before income tax for 4Q2018 was lower than for 4Q2017.

Fair value gain/loss on investment properties

Certain units owned by the Group in A'Posh Bizhub and certain properties owned by Stemlife Berhad have been designated as investment properties because these 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 gain of S$95,000 in 4Q2018 and a fair value loss of $168,000 in 4Q2017 which are recorded in the income statement.

Tax

In 4Q2017, non-operational fair value loss on investment properties was not deductible. In 4Q2018, non-operational fair value gain on investment properties was not taxable.

The Group also adjusted for an over-provision of tax payable after applying group relief in Singapore in 4Q2018 of S$139,000 as compared to S$104,000 in 4Q2017. In 4Q2017, the Group also recognised an under-provision of S$220,000 of deferred tax in respect of prior years. There was no such reversal of under-provision in 4Q2018.

After adjusting for the group relief and reversal of under-provision of deferred tax, the effective tax rates were at 19.8% and 15.1% for 4Q2018 and 4Q2017 respectively. The slightly higher effective rate in 4Q2018 was due mainly to increased profit contributions from subsidiaries in tax regimes with higher tax rates.

Balance sheet

Cash and cash equivalents, fixed deposits and short term investments

As at 30 June 2018, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short-term investments of S$44.6 million (30 June 2017: S$60.6 million). Short-term investments mainly comprise investments in money market funds. The decrease in the total cash and cash equivalents, fixed deposits and short term investments was mainly due to net cash used in investing activities, which comprised the acquisition of Healthbaby amounting to S$8.8 million and purchase of property, plant and equipment and intangible assets of a total of S$2.2 million. In addition, the decrease was also due to net cash used in financing activities of S$13.9 million, which comprised mainly share repurchases amounting to S$6.7 million, repayment of interest-bearing borrowings of S$6.0 million and dividend payment of S$1.3 million.

This decrease was partly offset by net cash generated from operating activities of S$8.8 million comprising mainly operating cash flows before movements in working capital of S$7.4 million, net interest received of S$1.1 million, offset by net working capital inflow of S$1.5 million and income tax paid of S$991,000.

Net working capital inflow of approximately S$1.5 million comprised the following:

- increase in trade receivables of approximately S$4.8 million;
- increase in other receivables, deposits and prepayments of approximately S$56,000;
- decrease in inventory of approximately S$74,000;
- increase in trade and other payables of approximately S$1.8 million and
- increase in deferred revenue of approximately S$4.4 million.

Property, plant and equipment

As at 30 June 2018, the Group recorded S$13.1 million on the balance sheet for property, plant and equipment (30 June 2017: S$13.1 million).

Investment properties

As at 30 June 2018, the Group recorded S$8.6 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. Intangible assets of approximately S$29.2 million were recognised in 12M2018 as a result of the consolidation of Healthbaby as a subsidiary of the Company. Provisional goodwill, if any, relating to the acquisition has not been recognised separately subject to the finalisation of a purchase price allocation exercise.

Long term investments

Long term investments mainly comprise a S$4.2 million investment in approximately 4.2 million unquoted ordinary shares of CellResearch Corporation Pte Ltd (“CRC”), and approximately S$2.1 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 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. As of 30 June 2018, the receivables are reclassified to other receivables, current.

Inventories

As at 30 June 2018, the Group recorded inventories of S$1.3 million (30 June 2017: $1.3 million).

Prepayments

Prepayments increased from S$1.8 million as at 30 June 2017 to S$2.1 million as at 30 June 2018 mainly due to the consolidation of Healthbaby.

Trade receivables, current

As at 30 June 2018, the Group recorded current trade receivables of S$27.3 million (30 June 2017: $24.5 million).

Other receivables, current

Other receivables include non-trade receivables and interest receivable on the RCN. In addition, RCN has been reclassified to other receivables, current, as at 30 June 2018.

Trade and other payables, current and non-current

As at 30 June 2018, the Group recorded current trade and other payables of S$14.2 million (30 June 2017: $11.2 million) and non-current other payables of S$345,000 (30 June 2017: S$200,000).

Interest-bearing borrowings, current and non-current

Interest-bearing borrowings decreased by approximately S$3.3 million, from S$8.7 million as at 30 June 2017 to S$5.4 million as at 30 June 2018, 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 June 2018, the Group recorded income tax payable of S$1.8 million (30 June 2017: $1.2 million). The increase in income tax payable was due to tax payable on the increase in profits in 12M2018.

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 was 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 three months ended 30 June 2018 mark the Company's fifth consecutive quarter of net profitability. The Group will seek to further build on this momentum in the quarters ahead by deepening its reach in the various markets it operates in. In countries such as India, the Philippines and Indonesia, for instance, there is significant potential to gain more market share as the Group continues to raise public awareness of the merits of stem-cell banking through education and marketing and as the middle class increasingly spends more on discretionary goods and services, including specialised healthcare.

The Group has a healthy balance sheet with low gearing as well as a strong net operating cash flow. In view of these, it will continue to pursue earnings-accretive acquisition and/or investment opportunities to augment growth. As at 30 June 2018, it had S$44.6 million in cash and cash equivalents, fixed deposits and short-term investments in money market funds, as well as S$9.0 million in net cash generated from operating activities. Debt as a percentage of equity was 4.5%. As disclosed on SGXNet on 16 July 2018, Cordlife is currently in confidential and non-binding discussions to structure possible transactions. No definitive agreements have been signed at this time and there is no certainty that any agreement will materialise.

The Group will also look to launch more non-invasive diagnostic services as part of efforts to expand its product offerings. Plumcare™ DNA Advisor, the Group's latest diagnostic service, was launched in the Philippines in May 2018. This screening service helps families detect possible disease-causing genetic mutations associated with common hereditary conditions such as breast and ovarian cancers. The rollout in the Philippines came a month after Plumcare™ DNA Advisor was launched in Singapore, which is the first market in Asia to offer such a service.

Barring unforeseen developments and exceptional non-operating items, the Group expects to be profitable in its current financial year. As announced on 8 June 2018, the Company has changed its financial year-end to 31 December from 30 June to align with that of its controlling shareholder. With the change, the Company's current financial year, which started on 1 July 2017, will end on 31 December 2018, spanning 18 months. Its subsequent financial year will begin on 1 January 2019 and end on 31 December 2019.

11. Dividends

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

Any interim (final) dividend declared (recommended) for the current financial period reported on?
Yes

Name of Dividend	Interim
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S$0.008 per ordinary share
Tax Rate	Exempt (1-tier)

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

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes

Name of Dividend	Final
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S$0.005 per ordinary share
Tax Rate	Exempt (1-tier)

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

The interim dividend will be paid on 26 September 2018.

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

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 29 August 2018 ("Book Closure Date") for the purpose of determining members' entitlement to the interim 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 28 August 2018 ("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 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 June 2018 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 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$22.2 million out of the approximately S$33.5 million raised from the Private Placement.

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

	Amount (S$ million)
Amount utilised as working capital:	
Trade purchases	5.5
Legal and professional fees	0.1
Total	**5.6**

As at 14 August 2018, the Group has utilised approximately S$22.2 million of the Private Placement proceeds as follows:

Intended Use of Placement Proceeds	**Estimated amount (S$ m)**	**Estimated percentage of gross proceeds raised from the Private Placement**	**Amount utilised (S$ m)**	**Percentage of gross proceeds raised from the Private Placement**
Further, fund and support the Group's operations in connection with its enlarged geographical footprint developed after the Company's initial public offering, including funding of additional strategic investments, joint ventures, acquisitions and/or strategic alliances as and when opportunities materialise and are deemed appropriate by the Board	23.5	70.1%	16.3	48.7%
General working capital	8.6	25.7%	5.6	16.7%
Expenses incurred in connection with the Private Placement	1.4	4.2%	0.6	1.8%
	33.5	100.0%	22.5	67.2%

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 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

Michael Steven Weiss
Group Chief Executive Officer and Executive Director
14 August 2018