

**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**

	<b>Group</b>		<b>+ / (-)</b> <b>Increase /</b> <b>(Decrease)</b>
	<b>3 months ended 30</b>		
	<b>September</b>		
	<b>2015</b>	<b>2014</b>	
	\$'000	\$'000	%
<b>Revenue</b>	14,543	13,259	9.7
Cost of sales	(4,584)	(4,199)	9.2
<b>Gross profit</b>	9,959	9,060	9.9
Other operating income	112	179	(37.4)
Selling and marketing expenses	(4,314)	(4,358)	(1.0)
Administrative expenses	(4,021)	(3,215)	25.1
Finance income	101	77	31.2
Finance costs	(57)	(39)	46.2
<b>Profit before income tax from operations *</b>	1,780	1,704	4.5
Share of results of associate	60	(20)	n.m.
Fair value changes on financial asset designated at fair value through profit or loss	2,093	(4,917)	n.m.
Fair value changes on derivative	(4,812)	–	n.m.
Exchange differences	7,883	–	n.m.
Finance income	2,688	–	n.m.
Finance costs	(1,735)	–	n.m.
<b>Profit/(loss) before income tax</b>	7,957	(3,233)	n.m.
Income tax expense	(361)	(324)	11.4
<b>Profit/(loss) for the financial period</b>	7,596	(3,557)	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)**

	<b>Group 3 months ended 30 September</b>		<b>+ / (-) Increase/ (Decrease)</b>
	<b>2015</b>	<b>2014</b>	<b>%</b>
	\$'000	\$'000	%
<b>Other comprehensive income/(loss) for the financial period, net of tax:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Share of foreign currency translation of associate	(15)	–	n.m.
Foreign currency translation	(492)	(476)	3.4
<b>Total comprehensive income/(loss) for the financial period</b>	<u>7,089</u>	<u>(4,033)</u>	n.m
<b>Profit/(loss) for the financial period attributable to:</b>			
- Shareholders of the company	7,256	(3,462)	n.m
- Non-controlling interest	340	(95)	n.m
	<u>7,596</u>	<u>(3,557)</u>	n.m
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>			
- Shareholders of the company	6,739	(3,933)	n.m
- Non-controlling interest	350	(100)	n.m
	<u>7,089</u>	<u>(4,033)</u>	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 changes and exchange differences, finance income and finance costs that relate to the convertible bond, loan to third party and fixed rate note from its profit before income tax from operations.

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

	<b>Group</b>		
	<b>3 months ended 30 September</b>		
	<b>2015</b>	<b>2014</b>	
	\$'000	\$'000	
Depreciation of property, plant and equipment	395	338	[1]
Amortisation of intangible asset	56	58	
Reversal of doubtful debts	—	(4)	
Foreign exchange gain	(12)	(33)	
Other miscellaneous income	112	179	[2]

Notes

1. The increase in depreciation was due to the additional laboratory equipment purchased for Cordlife Sciences India to accommodate the increased sales volume.
2. The decrease in other miscellaneous income was due to the gain on disposal of investment property of approximately S\$54,000 in 1QFY2015. There was no such gain on disposal in 1QFY2016.

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 2015 \$'000	30 June 2015 \$'000	30 September 2015 \$'000	30 June 2015 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in associate	13,615	13,543	13,543	13,543
Investment in subsidiaries	–	–	21,034	21,034
Financial asset designated at fair value through profit or loss	–	60,858	–	60,858
Derivative asset	–	37,971	–	37,971
Property, plant and equipment	9,331	9,564	7,033	7,098
Investment properties	3,795	3,795	3,795	3,795
Intangible assets	2,486	2,546	1,142	1,164
Trade receivables	56,894	54,606	44,410	43,458
Other receivables	14	98,513	14	98,513
	<u>86,135</u>	<u>281,396</u>	<u>90,971</u>	<u>287,434</u>
<b>Current assets</b>				
Cash and cash equivalents	13,711	15,738	5,976	11,668
Fixed deposits	12,274	12,256	15,448	11,949
Pledged fixed deposits	343	320	–	–
Short term investments	1,223	1,234	–	–
Trade receivables	17,343	15,256	8,136	7,278
Other receivables	111,750	4,210	109,869	2,724
Prepayments	2,810	1,702	1,897	961
Financial asset designated at fair value through profit or loss	62,951	–	62,951	–
Derivative asset	35,137	–	35,137	–
Inventories	752	851	322	347
Amounts owing by subsidiaries	–	–	9,721	11,368
	<u>258,294</u>	<u>51,567</u>	<u>249,457</u>	<u>46,295</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 2015 \$'000	30 June 2015 \$'000	30 September 2015 \$'000	30 June 2015 \$'000
<b>Current liabilities</b>				
Trade and other payables	14,035	11,597	8,737	7,027
Deferred revenue	4,867	3,989	2,565	1,994
Amounts owing to subsidiaries	–	–	18,555	25,090
Tax payable	1,439	1,103	502	463
Interest-bearing borrowings	2,124	4,486	4,457	4,486
	<u>22,465</u>	<u>21,175</u>	<u>34,816</u>	<u>39,060</u>
<b>Net current assets</b>	<u>235,829</u>	<u>30,392</u>	<u>214,641</u>	<u>7,235</u>
<b>Non-current liabilities</b>				
Other payables	1,281	1,306	1,281	1,306
Deferred revenue	24,158	23,627	12,566	13,111
Deferred tax liabilities	97	91	105	105
Interest-bearing borrowings	9,643	7,355	7,310	7,355
Notes payable	117,723	117,463	117,723	117,463
	<u>152,902</u>	<u>149,842</u>	<u>138,985</u>	<u>139,340</u>
<b>Net assets</b>	<u>169,062</u>	<u>161,946</u>	<u>166,627</u>	<u>155,329</u>
<b>Capital and reserves</b>				
Share capital	96,657	96,657	96,657	96,657
Treasury shares	(9,901)	(9,901)	(9,901)	(9,901)
Accumulated profits	85,889	78,633	79,269	67,998
Other reserves	(3,473)	(2,983)	602	575
	<u>169,172</u>	<u>162,406</u>	<u>166,627</u>	<u>155,329</u>
Non-controlling interests	(110)	(460)	–	–
<b>Total equity</b>	<u>169,062</u>	<u>161,946</u>	<u>166,627</u>	<u>155,329</u>

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

	30 September 2015	As at 30 June 2015
	\$'000	\$'000
<b>Amount repayable in one year or less, or on demand</b>		
- Loan I – secured	277	306
- Loan II – secured	1,167	3,500
- Loan III – secured	680	680
<b>Amount repayable after one year</b>		
- Loan I – secured	5,270	5,315
- Loan II – secured	2,333	–
- Loan III – secured	2,040	2,040
- Notes payable	117,723	117,463
	129,490	129,304

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

- a) First legal mortgage of the leasehold properties and investment properties (the “Properties”) of Cordlife Group Limited (the “Company”);
- b) The assignment of the rights, title and interest with respect to the Properties; and
- c) Charge over all current receivables of the Company.

Loan I is drawn-down in different tranches and repayable in 240 monthly instalments. It will be repaid in full in June 2031.

Loan II is a 3 year term loan with yearly principal repayments. It will be repaid in full in July 2018.

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

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

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

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>	
	<b>3 months ended 30</b>	
	<b>September</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
<b>Operating activities</b>		
Profit/(loss) before income tax	7,957	(3,233)
Adjustments for:		
Depreciation	395	338
Amortisation	56	58
Gain on disposal of investment property	–	(54)
Interest income	(2,789)	(77)
Interest expense	1,792	39
Share-based compensation expense	27	27
Reversal of doubtful debts	–	(4)
Share of results of associate	(60)	20
Unrealised share of other income from associate	(27)	(27)
Fair value changes on financial asset designated at fair value through profit or loss	(2,093)	4,917
Fair value changes on derivative	4,812	–
Unrealised exchange gain	<u>(8,405)</u>	<u>(440)</u>
<b>Operating cash flows before movements in working capital</b>	1,665	1,564
Increase in trade receivables	(4,375)	(2,138)
Increase in other receivables, deposits and prepayments	(1,559)	(1,743)
Decrease in inventories	99	12
Increase in trade and other payables	924	1,482
Increase in deferred revenue	<u>1,409</u>	<u>171</u>
<b>Cash used in operations</b>	(1,837)	(652)
Interest received	101	20
Interest paid	(57)	(40)
Income tax paid	<u>–</u>	<u>(22)</u>
<b>Net cash used in operating activities</b>	<u>(1,793)</u>	<u>(694)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(87)	(705)
Purchase of intangible assets	–	(274)
Proceeds from disposal of investment properties	–	754
Redemption of short term investment	11	480
Transfer to term deposits, net	<u>–</u>	<u>(110)</u>
<b>Net cash (used in)/generated from investing activities</b>	<u>(76)</u>	<u>145</u>

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	
	2015 \$'000	2014 \$'000
<b>Financing activities</b>		
Transfer to pledged fixed deposits	(4)	(1,192)
Repayment of interest-bearing borrowings	(74)	(90)
Purchase of treasury shares	—	(6,003)
<b>Net cash used in financing activities</b>	<u>(78)</u>	<u>(7,285)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,947)	(7,834)
<b>Cash and cash equivalents at the beginning of the financial period</b>	15,738	32,643
Effects of exchange rate changes on the balance of cash	<u>(80)</u>	<u>(69)</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>13,711</u></u>	<u><u>24,740</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 2015

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
<b>Balance at 1 July 2014</b>	96,657	(3,898)	51,359	45	568	534	(2,184)	(1,607)	(182)	141,292
Loss for the financial period	-	-	(3,462)	-	-	-	-	-	(95)	(3,557)
Other comprehensive loss for the financial period, net of tax										
- Net effect of foreign currency translation	-	-	-	-	-	-	-	(471)	(5)	(476)
Total comprehensive loss for the financial period, net of tax	-	-	(3,462)	-	-	-	-	(471)	(100)	(4,033)
<u>Contributions by and distributions to owners</u>										
Purchase of treasury shares	-	(6,003)	-	-	-	-	-	-	-	(6,003)
Grant of share awards to employees	-	-	-	27	-	-	-	-	-	27
Total contributions by and distributions to owners	-	(6,003)	-	27	-	-	-	-	-	(5,976)
<b>Balance at 30 September 2014</b>	96,657	(9,901)	47,897	72	568	534	(2,184)	(2,078)	(282)	131,283



## CORDLIFE GROUP LIMITED

First Quarter Unaudited Financial Statements for the Period Ended 30 September 2015

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
<b>Balance at 1 July 2014</b>	96,657	(3,898)	44,703	422	45	137,929
Loss for the financial period, representing total comprehensive loss for the financial period	–	–	(4,323)	–	–	(4,323)
<u>Contributions by and distributions to owners</u>						
Purchase of treasury shares	–	(6,003)	–	–	–	(6,003)
Grant of share awards to employees	–	–	–	–	27	27
Total contributions by and distributions to owners	–	(6,003)	–	–	27	(5,976)
<b>Balance at 30 September 2014</b>	96,657	(9,901)	40,380	422	72	127,630

**First Quarter Unaudited Financial Statements for the Period Ended 30 September 2015**

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)

	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
<b>Group</b>										
<b>Balance at 1 July 2015</b>	96,657	(9,901)	78,633	153	568	534	(2,184)	(2,054)	(460)	161,946
Profit for the financial period	-	-	7,256	-	-	-	-	-	340	7,596
Other comprehensive (loss)/profit for the financial period, net of tax										
- Foreign currency translation	-	-	-	-	-	-	-	(502)	10	(492)
- Share of other comprehensive loss of associate	-	-	-	-	-	-	-	(15)	-	(15)
Total comprehensive profit/(loss) for the financial period, net of tax	-	-	7,256	-	-	-	-	(517)	350	7,089
<u>Contributions by and distributions to owners</u>										
Grant of share awards to employees	-	-	-	27	-	-	-	-	-	27
Total contributions by and distributions to owners	-	-	-	27	-	-	-	-	-	27
<b>Balance at 30 September 2015</b>	96,657	(9,901)	85,889	180	568	534	(2,184)	(2,571)	(110)	169,062

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
<b>Balance at 1 July 2015</b>	96,657	(9,901)	67,998	422	153	155,329
Profit for the financial period, representing total comprehensive profit for the financial period	–	–	11,271	–	–	11,271
<u>Contributions by and distributions to owners</u>						
Grant of share awards to employees	–	–	–	–	27	27
Total contributions by and distributions to owners	–	–	–	–	27	27
<b>Balance at 30 September 2015</b>	96,657	(9,901)	79,269	422	180	166,627

**1(d)(ii) Details of any changes in the company's share capital arising from right 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 September 2015 and 30 June 2015	259,297,354	96,656,721

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

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current period reported on.

**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 has 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 beginning 1 July 2015.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior years 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**

	<b>Group 3 months ended 30 September</b>	
<b>Basic Earnings Per Share</b>	<b>2015</b>	<b>2014</b>
<b>Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:</b>		
Profit/(loss) attributable to shareholders of the Company (S\$ '000)	7,256	(3,462)
Weighted average number of shares in issue during the period ('000)	259,297	262,256
Basic earnings/(loss) per share based on weighted average number of ordinary shares (cents)	2.80	(1.32)
<b>Diluted Earnings Per Share</b>		
<b>Earnings per ordinary share of the group for the financial year based on net profit attributable to shareholders of the Company:</b>		
Profit/(loss) attributable to shareholders of the Company (S\$ '000)	7,256	(3,462)
Weighted average number of shares in issue during the period ('000)	259,614	262,256
Diluted earnings/(loss) per share based on weighted average number of ordinary shares (cents)	2.79	(1.32)

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 2015 (cents)	30 June 2015 (cents)	30 September 2015 (cents)	30 June 2014 (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	65.20	62.46	64.26	59.90

The number of shares in issue and used in calculating the net asset value per share as at 30 September 2015 and 30 June 2015 is 259,297,354.

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 3 MONTHS ENDED 30 SEPTEMBER 2015 ("1QFY2016") AGAINST 3 MONTHS ENDED 30 SEPTEMBER 2014 ("1QFY2015")**

**Income Statement**

Revenue

Revenue increased by 9.7% or S\$1.3 million from 1QFY2015 to 1QFY2016 due to increase in client deliveries from approximately 5,100 in 1QFY2015 to 5,300 in 1QFY2016.

Cost of sales

Cost of sales increased by 9.2% or S\$385,000 in 1QFY2016 compared to 1QFY2015. The increase in cost of sales was in line with the increase in client deliveries from 1QFY2015 to 1QFY2016.



Gross profit and gross profit margin

Gross profit increased by 9.9% or S\$899,000 due to the increase in new client deliveries.

Gross profit margin remains stable at 68.5% in 1QFY2016 (1QFY2015: 68.3%).

Other operating income

Other operating income decreased by approximately S\$67,000 mainly from a gain on disposal of investment property of approximately S\$54,000 in 1QFY2015. There was no such gain on disposal in 1QFY2016.

Selling and marketing expenses

Selling and marketing expenses decreased by 1.0% or S\$44,000 in 1QFY2016 compared to 1QFY2015. This is due to a decrease in advertising spend in India of approximately S\$0.5 million. In 1QFY2015, approximately S\$0.5 million was spent on television commercials aired in the Indian market for the first time as part of a through-the-line integrated marketing plan. There was no expense incurred in relation to television advertisement in 1QFY2016.

This is offset by increased expenditure in Indonesia and Philippines of approximately S\$270,000 as part of the Group's expansion into more cities in these countries. In Singapore and Hong Kong, selling and marketing expenses increased by approximately S\$200,000 to engage in more educational and marketing activities to further promote customers' awareness.

Administrative expenses

Administrative expenses increased by 25.1% or S\$806,000 in 1QFY2016 compared to 1QFY2015. In order to ensure quality of our services with a growing customer base, staff-related costs increased by approximately S\$520,000 arising from increased headcount and more investment into training and development to augment the effectiveness and efficiency of the employees. There was also an increase in travel expenses of S\$155,000 for business development and increase in oversight activities as the regional operations expand.

Profit before income tax from operations

As a result of the foregoing, our profit before income tax from operations for 1QFY2016 is higher than 1QFY2015 at S\$1.8 million.

Share of results in associate

Our share of profit in associate was S\$60,000 for 1QFY2016 as compared to our share of loss of S\$20,000 for 1QFY2015.

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

The Group recorded fair value gain on its investment in China Cord Blood Corporation (“CCBC”) designated at fair value through profit or loss of S\$2.1 million in 1QFY2016 (1QFY2015: loss of S\$4.9 million). The fair value changes are computed based on the changes in CCBC’s last traded price as at 30 June 2015 of US\$6.16 (approximately S\$8.32 at US\$1:S\$1.3508) and 30 September 2015 of US\$6.02 (approximately S\$8.61 at US\$1:S\$1.4297) for 1QFY2016 (1Q2015 : changes in CCBC’s traded price as at 30 June 2014 of US\$5.52 (approximately S\$6.90 at US\$1:S\$1.2507) and the reporting date of 30 September 2014 of US\$4.89 (approximately S\$6.23 at US\$1:S\$1.2743)). The fair value changes are recognised directly in profit or loss.

Fair value changes on derivative

On 10 November 2014, the Company and Magnum Opus International Holding Limited (“Magnum”) completed the acquisition of a 7% senior convertible note (the “Convertible Bond”) 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 will lend Magnum funds in an aggregate amount of US\$46,500,000 (the “Magnum Loan”).

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

The Group recorded fair value loss on derivative for 1QFY2016 of approximately S\$4.8 million (1QFY2015: S\$Nil).

Exchange differences

Due to strengthening of the US\$ against the S\$, unrealised foreign exchange gain of approximately S\$7.9 million was recognised on the Magnum Loan and the Convertible Bond for 1QFY2016 (1QFY2015: S\$Nil).

Finance income

Finance income of approximately S\$2.7 million was recognised for Q1FY2016 (1QFY2015: S\$Nil) on the Magnum Loan and the Convertible Bond.

Finance costs

Finance costs of approximately S\$1.7 million was recognised on the Notes for 1QFY2016 (1QFY2015: S\$Nil).

### Tax

In 1QFY2016, the share of results of associate was reported net of tax. Fair value changes and exchange differences were not taxable. In 1QFY2015, the share of results of associate was reported net of tax and the fair value changes were not taxable. Adjusting for these non-taxable items, the effective tax rate for 1QFY2016 was 20.3%, compared to an effective tax rate of 19.0% for 1QFY2015. The marginal increase in effective tax rate in 1QFY2016 was due increasing contribution from entities operating in higher tax regimes.

### **Balance sheet**

As at 30 September 2015, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits and short-term investments of S\$27.2 million (30 June 2015: S\$29.2 million). The decrease in cash and cash equivalents was mainly due to net cash used in operating activities of approximately S\$1.8 million which comprised mainly operating cash flows before movements in working capital of S\$1.7 million, net working capital outflow of S\$3.5 million and net interest received of S\$44,000.

Net working capital outflow of approximately S\$3.5 million was due to the following:

- increase in trade receivables of approximately S\$4.4 million;
- increase in other receivables, deposits and prepayments of approximately S\$1.6 million;
- decrease in inventory of approximately S\$99,000;
- increase in trade and other payables of approximately S\$0.9 million and
- increase in deferred revenue of approximately S\$1.4 million.

### Investment in associate

The investment in associate as at 30 September 2015 represents the Group's 31.81% interest in StemLife.

### Financial asset designated at fair value through profit or loss

The Group's interest in CCBC is recognised as a financial asset designated at fair value through profit or loss. It is valued based on CCBC's last traded share price as at 30 September 2015 of US\$6.02 (approximately S\$8.61 at US\$1:S\$1.4297) (as at 30 June 2015: US\$6.16 (approximately S\$8.32 at US\$1:S\$1.3508)).

### Trade receivables, non-current

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

### Other receivables, non-current and current

Non-current other receivables decreased by S\$98.5 million to S\$14,000 as at 30 September 2015 (30 June 2015: S\$98.5 million). Current other receivables increased by S\$107.5 million to S\$111.8 million as at 30 September 2015 (30 June 2015: S\$4,000).

The Magnum Loan is classified as loans and receivables and accounted for based on amortised cost. The carrying amount of the Magnum Loan as at 30 September 2015 was S\$65.6 million (30 June 2015: S\$62.0 million) and was classified under other receivables on the balance sheet.

On acquisition of the Convertible Bond, the Group was required to bifurcate the financial instrument into bond and conversion option components, which are recognised as loans and receivables carried at amortised cost and a derivative respectively. The bond component is classified as other receivables on the balance sheet at a carrying value on 30 September 2015 of approximately S\$39.5million (30 June 2015: S\$36.5 million).

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

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

On 15 October 2015, Meditech announced that it had obtained approval of its shareholders at the EGM held on 15 October 2015 for the Disposal. Accordingly, the foregoing condition precedent in relation to the completion of the Disposal has been fulfilled.

On 30 October 2015, the Company announced that the Company had signed a letter with Meditech pursuant to which both parties agreed that the (a) completion of the disposal of the Sale Shares will take place on 30 October 2015; and (b) the completion of the disposal of the Convertible Note will take place on 13 November 2015 or on such earlier date as may be agreed by the Company and Meditech.

As a result of the foregoing, the Company has transferred the Magnum Loan and the bond component of the Convertible Bond from non-current other receivables to current other receivables.

#### Derivative asset, non-current and current

The conversion option component is classified as a derivative and is carried at a fair value of S\$35.1 million as at 30 September 2015 as current asset (30 June 2015: S\$38.0 million as non-current asset). The fair value of the conversion option is affected by the time to maturity of the bond, the share price of CCBC as at the reporting date compared to the date of acquisition and the value of the bond as a function of the cash inflow from the bond at the redemption date.

As a result of the Disposal, the derivative asset was transferred from non-current to current as at 30 September 2015.

#### Notes payable

The Notes are carried at amortised cost using the effective interest rate and are classified as "Notes Payable" on the balance sheet at S\$117.7 million (30 June 2015: S\$117.5 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**

**A Focused Growth-Path through the use of Network Effects**

The Group is riding on the growth of emerging Asian nations by expanding its geographical footprint for cord blood and umbilical cord lining banking business as well as other newly-introduced products catering to the mother and child segment. Initiatives under this strategy include the following:

- On 9 December 2013, the Group announced that it has acquired a further 11.89% interest in StemLife, bringing its total holding in StemLife to approximately 31.81%. Prior to this, the Group announced on 4 October 2013 that it had completed the acquisition of an initial 19.92% interest in StemLife.
- On 3 March 2014, the Group announced that it has extended its strategic alliance and co-operation with CordLabs Asia Pte. Ltd. ("CAP") and NYSE-listed China Cord Blood Corporation ("CCBC"), in relation to the provision of human postnatal cord tissue storage services to certain territories in the People's Republic of China (the "PRC").
- On 9 December 2013, the Group announced that it has acquired a further 11.89% interest in StemLife, an associated company of the Company listed on the ACE Market of the Bursa Malaysia, bringing its total holding in StemLife to approximately 31.81%. Prior to this, the Group announced on 4 October 2013 that it had completed the acquisition of an initial 19.92% interest in StemLife.
- On 12 October 2015, the Group announced that its wholly-owned subsidiary, CS Cell Technologies Pte. Ltd. has acquired additional 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, thereby increasing the Group's indirect interest in Cordlife India to approximately 99.99% of its share capital.
- On 12 November 2015, Cordlife announced that it acquired an additional 3 million ordinary shares in StemLife Berhad ("StemLife") (each, a "StemLife Share") representing approximately 1.21% of the issued and paid-up capital of StemLife, a company incorporated in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), for a total cash consideration of RM1.35 million or RM0.45 per StemLife Share, via an on-market acquisition (the "Acquisition"). As a result of the Acquisition, Cordlife's shareholding interest in StemLife has increased from 31.81% to approximately 33.03% of the issued and paid-up capital of StemLife, and the Company is obliged to extend a mandatory take-over offer to acquire all the remaining StemLife Shares not already owned by the Company (the "Offer Shares") (the "Offer"). The consideration for the Offer Shares shall be RM0.45 per Offer Share or approximately RM74.6 million in aggregate.

The Group is also looking to provide other adjacent products and services that cater to the mother and child segment, in addition to cord blood and umbilical cord lining banking services. Initiatives under this strategy include:

- On 30 April 2014, the Group announced that the Company had entered into a licensing agreement with StemLife; to jointly explore and develop cord tissue related new services based on cellular technology in Malaysia.
- In April 2014, Metascreen™ was launched in the Philippines and Hong Kong.
- In December 2014, Metascreen™ was also launched in Indonesia.

The Group is expected to continue to launch adjacent products and services into all the markets this year, and in some cases, leveraging on the power of product and service bundling.

**Completion of Disposal of Shares in China Cord Blood Corporation And 7% Senior Unsecured Convertible Note Due 2017**

Cordlife announced on 8 May 2015 that the Company has entered into a conditional purchase agreement with Golden Meditech Holdings Limited (“Meditech”), pursuant to which Cordlife has agreed to sell and Golden Meditech has agreed to purchase from Cordlife 7,314,015 ordinary shares in CCBC (“Sale Shares”) and a 7% senior unsecured convertible note (“Convertible Note”) due 3 October 2017 issued by CCBC to Cordlife in the principal amount of US\$25 million (the “Disposal”). The Disposal allows Cordlife to realise value in its shares and convertible note in CCBC (the “Total Investment”) at a net gain of approximately S\$31,742,000<sup>1</sup>. This figure is computed based on (1) the Base Consideration as disclosed in the Circular dated 26 August 2015 (the “Circular”); (2) the net book value of the Convertible Note of approximately S\$61,720,000 in the Group 3Q2015 Accounts; and (3) the net book value of the Sale Shares of approximately S\$51,345,000 in the Group 3Q2015 Accounts. This net gain does not, however, reflect the total gain attributable to the disposal of the Total Investment since the dates of its acquisition as it does not include the various gains relating to the Total Investment which have been recognised in the income statement from the dates of acquisition up to the end of 3QFY2015.

The proceeds from Disposal may be used for the Group’s future business expansion, or be used to deleverage the financial position of the Group and/or for distribution to shareholders of the Group.

On 30 October 2015, the Group announced that the Company had signed a letter with Meditech pursuant to which both parties agreed that the (a) completion of the disposal of the Sale Shares will take place on 30 October 2015; and (b) the completion of the disposal of the Convertible Note will take place on 13 November 2015 or on such earlier date as may be agreed by the Company and Meditech. On 13 November 2015, Cordlife further announced that the disposal of the Convertible Note has been completed. As at the date of this announcement, disposal of Sale Shares and Convertible Note has been completed.

Moving forward, the Group remains committed to developing its market leadership in cord blood and umbilical cord lining banking in Asia while continuing with its plans to introduce new consumer healthcare products catering to the mother and child. Barring any unforeseen circumstances and excluding fair value changes on financial asset designated at fair value through profit and loss, fair value changes on derivative, non-operating exchange differences, share of results of associate and any other one-off items, the Group expects its core business to remain profitable for FY2016.

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<sup>1</sup> This figure does not include the Additional Consideration which is dependent on the Final Proposed Price as explained in the Circular. For more information, please refer to the Circular on the Disposal of shares in China Cord Blood Corporation and 7% senior unsecured convertible note due 2017 dated 26 August 2015.

**11. Dividends**

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

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

Name of Dividend	Special interim
Dividend Type	Tax exempt (1-tier) dividend
Dividend Amount	S\$0.130 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 special interim dividend will be paid on 3 December 2015.

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

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 24 November 2015 ("Book Closure Date") for the purpose of determining members' entitlement to the special 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 23 November 2015 ("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 \$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 of the Company and the Group for the three months ended 30 September 2015 presented in this announcement, to be false or misleading in any material aspect.

**15. Disclosure on the use of IPO proceeds**

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

	<b>Amount (S\$ million)</b>
<b>Amount utilised as working capital and general corporate purposes:</b>	
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
<b>Total</b>	<b>6.40</b>



As at 30 September 2015, the Group has utilised approximately S\$28.1 million of the IPO Proceeds as follows:

Intended Use of IPO Proceeds	Estimated amount S\$ (in millions)	Estimated percentage of gross proceeds raised from the IPO	Amount utilised S\$ (in millions)	Percentage of gross proceeds raised from the IPO
Development and expansion of business and operations in Singapore and overseas	16.6	55.9%	16.6	55.9%
Renovation of new headquarters and facility at Yishun, A'Posh Bizhub	3.0	10.1%	1.0	3.4%
Investments in infrastructure relating to information technology	2.0	6.7%	0.4	1.3%
Working capital and general corporate purposes	4.7	15.8%	6.4	21.5%
Expenses incurred in connection with the IPO	3.4	11.5%	3.7	12.5%
	29.7	100.0%	28.1	94.6%

Note:

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

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

The above utilisation of the Company's IPO Proceeds is in accordance with the intended use stated and percentage allocated in the disclosure on page 25 of the Company's prospectus dated 21 March 2012 and the announcement on Use of Proceeds from Initial Public Offering ("IPO") dated 30 April 2013.

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

**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 issue price of S\$1.25 by way of private placement (the "Private Placement") to raise aggregate gross proceeds of S\$33,547,500 on 14 October 2013.

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

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

	<b>Amount (S\$ million)</b>
<b>Amount utilised as working capital:</b>	
Trade purchases	2.2
Legal and professional fees	0.1
Total	<u><b>2.3</b></u>

As at 12 October 2015, the Group has utilised approximately S\$9.2 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%	6.3	16.1%
General working capital	8.6	25.7%	2.3	6.9%
Expenses incurred in connection with the Private Placement	1.4	4.2%	0.6	1.8%
	33.5	100.0%	9.2	24.8%

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 announcement dated 2 October 2013.

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

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

**By Order of the Board**

Yee Pinh Jeremy  
Executive Director and Chief Executive Officer  
13 November 2015