

**CORDLIFE GROUP LIMITED**

**2018**  
**ANNUAL REPORT**

**STRONGER TOGETHER**



Cord Blood Banking And More...



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## OUR VISION

We help people live healthier, happier and longer.

## OUR MISSION

We provide reliable healthcare solutions through innovation, technological advancement and commitment to quality.

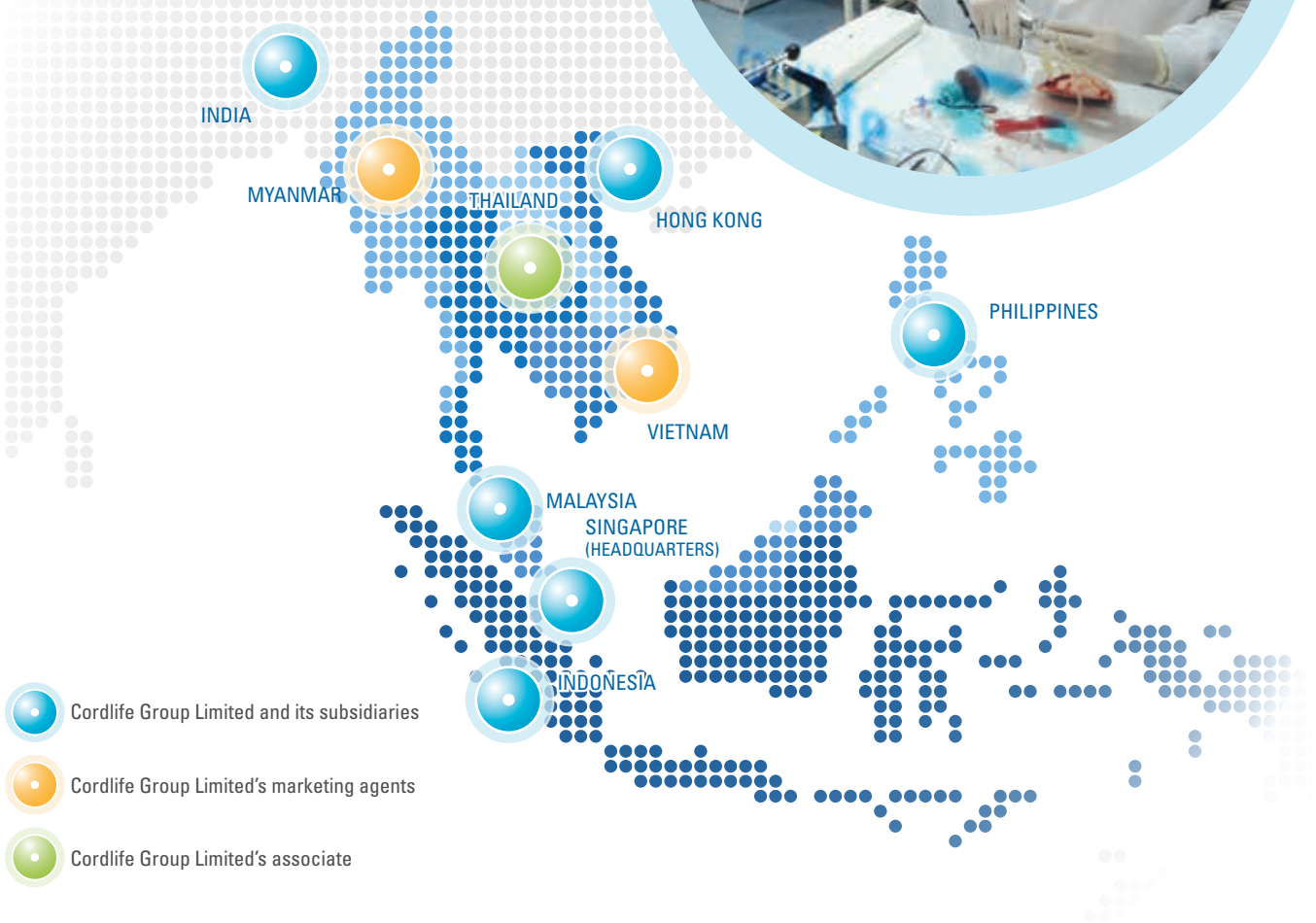


**Retno Suprihatin**  
CEO, Indonesia



**Michael Arnonobal**  
CEO, Philippines

# OUR COMPANY



## ACCREDITATIONS AND CERTIFICATIONS

<b>Cordlife Singapore</b>	AABB, FACT, GDPMD, MOH
<b>Cordlife Hong Kong</b>	AABB, ISO 9001:2008
<b>Healthbaby Hong Kong</b>	AABB, CAP, HOKLAS
<b>Hong Kong Screening Centre</b>	CAP
<b>Cordlife India</b>	AABB, CAP, DCGI, ISO 9001:2008
<b>Cordlife Philippines</b>	AABB, DOH, ISO 9001:2008
<b>Cordlife Indonesia</b>	MOH (DEPKES), ISO 9001:2008
<b>Stemlife Malaysia</b>	AABB, MOH, ISO 15189



**Janice Ong**  
CEO, Singapore



**BEYOND CORD BLOOD AND CORD LINING/TISSUE BANKING, CORDLIFE OFFERS A COMPREHENSIVE SUITE OF DIAGNOSTICS SERVICES FOR THE FAMILY INCLUDING URINE-BASED NEWBORN METABOLIC SCREENING, NON-INVASIVE PRENATAL TESTING, PAEDIATRIC VISION SCREENING AND FAMILY GENETIC SCREENING SERVICES.**



Incorporated in 2001, Cordlife Group Limited ("Cordlife", together with its subsidiaries, the "Group") is a consumer healthcare group and one of the key providers of cord blood as well as cord lining banking services in Asia. Cordlife has been listed on the mainboard of Singapore Exchange (SGX: P8A) since March 2012.

Cordlife owns an extensive network of cord blood banks in Asia with full stem cell processing and storage facilities in six key markets namely Singapore, Hong Kong, Indonesia, India, Malaysia and the Philippines. In Singapore, the Philippines and Indonesia, Cordlife operates the largest private cord blood banks; and is amongst the top three market leaders in India and Malaysia. In January 2018, Cordlife became the market leader in Hong Kong with the acquisition of the largest private cord blood bank in the

country, Healthbaby Biotech (Hong Kong) Co., Limited. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife holds an indirect stake in Thailand's largest private cord blood bank, Thai Stemlife. Cordlife also expanded its presence in Myanmar and Vietnam to provide cord blood and cord lining banking services.

Beyond cord blood and cord lining/tissue banking, Cordlife offers a comprehensive suite of diagnostics services for the family including urine-based newborn metabolic screening, non-invasive prenatal testing, paediatric vision screening and family genetic screening services.

Quality and customer focus are amongst some of the cornerstones of Cordlife. The Group's stem cell processing and storage facilities in Singapore, Hong Kong, India, the Philippines and Malaysia

are accredited by AABB, the organisation behind the world's gold standard for cord blood banking. In addition, Cordlife Singapore is accredited by FACT-Netcord, another world-class accreditation body for cord blood banks globally. This makes Cordlife Singapore one of just six cord blood banks in the world to be accredited by both AABB and FACT-Netcord simultaneously. In the area of clinical diagnostics, Cordlife India, Healthbaby and Hong Kong Screening Centre are accredited by the College of American Pathologists ("CAP"). These quality achievements underpin the Group's commitment to providing reliable healthcare solutions to have a better quality of life through innovation and technological advancement.

For more information, visit <http://cordlife.listedcompany.com>.



**Upamanyue Roy  
Chowdhury**  
CEO, India



**Chong Ruiling**  
COO, Singapore



**Mitchelle Ho**  
Assistant Director,  
Group Finance,  
Corporate Office

# CHAIRMAN'S MESSAGE



**FY2018 WAS A YEAR OF CONSOLIDATION FOR CORDLIFE AS WE WENT BACK TO BASICS TO REINFORCE OUR CORE COMPETENCIES, STREAMLINE OUR OPERATIONS AND EXPAND OUR GEOGRAPHICAL REACH.**



## DEAR SHAREHOLDERS,

“Poised for Growth” was the theme for our last annual report. We went with this theme after putting in much effort strengthening our foundation as a consumer healthcare group targeted at the mother and child segment. I am glad to report that we have since made notable progress, based on our financial performance and achievements in the financial period from 1 July 2017 to 31 December 2018 (“FY2018”).

## FINANCIAL PERFORMANCE

With the change in our financial year-end to 31 December from 30 June previously, FY2018 spanned 18 months. During this period, our revenue grew 13.0% to S\$105.0 million from S\$92.9 million for the same period ended 31 December 2017 (“18M2017”).

The growth of our revenue was mainly contributed by Singapore and India, driven by an increase in deliveries. Other than an increase in deliveries, our growth in Singapore was also largely from the sale of higher value plans. In India, more value-added services were bundled with the contracts provided to clients, which led to the increase in revenue.

Healthbaby Biotech (Hong Kong) Co., Limited (“Healthbaby”), which Cordlife acquired in January 2018, was the other key driver of our revenue growth in FY2018. Healthbaby is the largest private cord blood bank in Hong Kong, where it has been operating since 2006. With the earnings-accretive acquisition, we are now the market leader in Hong Kong with two established brands - Healthbaby and Cordlife Hong Kong.

We ended FY2018 with a net profit of S\$5.5 million, reversing from a net loss of S\$1.2 million for 18M2017. The improvement came on the back of higher revenue and an absence of non-operating expenses related to a set of fixed-rate notes that were fully redeemed in December 2016.

In appreciation of your support for Cordlife, we have proposed a final dividend of 0.4 Singapore cents per share, bringing the total dividend to 1.2 Singapore cents per share for FY2018.

## EXPANDING CAPABILITIES

Having been in the stem cell banking business for 18 years now, we fully understand the challenges and complications brought on by life-threatening conditions. We understand the need to provide more holistic healthcare options to consumers and apart from the storing of cord blood, cord lining and cord tissue, we value-added and expanded our suite of diagnostics services in FY2018. One such service is the non-invasive prenatal testing (more commonly known as NIPT), a relatively new type of screening test that can accurately detect chromosomal abnormalities in the preborn child within the first trimester of gestation.

We collaborated with two renowned and CAP accredited genetic testing laboratories, namely BGI Clinical Laboratories based out of Hong Kong and South Korea-based Eone-Diagnostics Genome Center. Both companies were hand-picked out of the numerous laboratories evaluated by our team. Both Prevue™ (backed by BGI) and NICE® (by Eone-Diagnostics Genome Center) were launched simultaneously in December 2017 in Indonesia and the Philippines, where we are the market leader in stem cell banking.

Two months after the rollout of Prevue™ and NICE® in Indonesia and the Philippines, we teamed up with PlumCare LLC, a US-based company founded by two eminent clinical geneticists, to offer a genetic testing service for families in Asia. This genetic testing, known as PlumCare™ DNA Advisor, identifies gene variants that may lead to the development of inherited conditions such as breast and ovarian cancers.



“WE BELIEVE THERE IS A LOT MORE WE CAN ACHIEVE AS A CONSUMER HEALTHCARE GROUP IN ASIA. SOME OF THE GROUNDWORK NEEDED TO GET US THERE WAS ALREADY LAID IN FY2018.”

Findings from the test can be used to determine potential health risks for individuals in the family, enabling members of the household to make more informed healthcare and lifestyle choices. Singapore is the first market in Asia to offer the PlumCare™ DNA Advisor, followed by the Philippines.

Other diagnostics services in our portfolio include vision screening for children aged six months to six years, and urine-based metabolic screening for newborns.

### BUOYANT INDUSTRY OUTLOOK

The development of therapeutics based on stem cells is increasingly gaining traction worldwide. While many prospective cures using stem cells are still being clinically evaluated, the potential for major breakthroughs is huge. Such interest in the industry bodes well for companies like Cordlife. While we are not in the business of developing cures, our role in collecting and storing stem cells for use in cellular therapy is equally significant.

As public awareness of regenerative medicine and cellular therapies increases, we are well placed to seize the opportunities that will ensue, especially in Asia, where we are widely recognised as one of the most established private cord blood banks.

### STRONGER TOGETHER

Against this backdrop, we believe there is a lot more we can achieve as a consumer healthcare group in Asia. Some of the groundwork needed to get us there was already laid in FY2018.

In Hong Kong, for instance, we streamlined operations of our two brands to optimise productivity and costs. This entailed housing employees of both brands in the same office, rightsizing our entire Hong Kong workforce and bringing some of the previously outsourced tests in-house to achieve a greater integration and economy of scale. These initiatives will make us nimble and more productive as we seek to increase our market share and better meet the needs of our clients in Hong Kong.

For the Group as a whole, we will also be looking at adoption of technology to empower clients and enhance our engagement with them as a service provider. This should also help to reduce inefficiencies and costs in service delivery.

We will also look to acquire or invest in suitable healthcare assets in Asia. Any incoming asset has to be synergistic to our existing business and pave a way for us to, among other things, enter new markets, cross-sell our services to a wider audience and/or expand our current portfolio of services. Diagnostics and digital healthcare are some of the areas we are looking into.

Beyond the mother and child segment, we intend to step up engagement with the broader family unit by offering relevant healthcare services to every member of the family over their entire lifetime.

To spearhead these initiatives and lead Cordlife on the next phase of its journey, we recently appointed Ms Tan Poh Lan, formerly Cordlife's Group COO as the new Group CEO and Executive Director. With more than three decades of experience

in both the private and public healthcare sectors, she is well equipped to lead Cordlife to greater heights.

### ACKNOWLEDGEMENTS

On behalf of my fellow board members, I would like to welcome Mr Yeo Hwee Tiong and Mr Bu Jiangyong to the board. Both of them, appointed in May 2018, have extensive healthcare and business experience. The latest addition to our board is Mr Fong Chi Wah, who joined in January 2019 as a Non-Independent, Non-Executive Director.

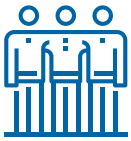
On a personal note, I would like to thank my fellow board directors for entrusting me with Cordlife's chairmanship after Mr Ho Sheng stepped down in March 2018. On behalf of the entire board, I thank him for his immense contribution in the last eight years and wish him all the best in his future endeavours.

Before I end, I wish to express my gratitude to all our shareholders, business partners, and our staff for the strong support and understanding extended and to stay the course with us as we navigate Cordlife to be the premier service provider of choice for families in Asia.

### DR GOH JIN HIAN

Chairman and Independent Director

# OUR GUIDING PRINCIPLES & VALUES



**TEAMWORK IS A KEY FACTOR THAT CAN PROPEL OUR COMPANY TO GREATER HEIGHTS. WE ARE STRONGER WHEN WE WORK TOGETHER.**

## PASSION

The cornerstone of our success has been, and will always be, passion. Passion drives everything that we do. Our people are emotionally engaged in helping others, not just because it is in our business' interest to do so, but out of a belief that we can truly help to save lives. One of our most satisfying moments was when we released our first cord blood unit for a transplant in Singapore in 2002. This was followed later by other cord blood transplants in the countries we operate in. Each successful transplant is a momentous experience, which we celebrate with the patient and his or her family. While we originally exist to support cord blood stem cell transplantation and regenerative medicine,

we have since evolved beyond cord blood banking. Ultimately, we want to help people live healthier, happier and longer.

## COMMITMENT

Foundational to this is our commitment to doing what is right for our clients. This is central to all our actions and achievements. We believe so firmly in this that we have always sought for the right people with integrity to work with us, people with the right attitude towards the interests of our clients.

## DRIVE FOR EXCELLENCE

We value individuals who have an innate drive for excellence in everything they do. This not only means getting things right the first time and on time but also achieving results that exceed expectations. This commitment has allowed us to positively influence the industry.

## ACCOUNTABILITY

At the core of accountability is reliability and personal responsibility. We are accountable to all our clients who placed their trust in us to give them high quality products and services, and to each other. We take ownership of our work and promptly rectify any lapses to the greatest extent possible.

## TEAMWORK

Teamwork is a key factor that can propel our company to greater heights. We are stronger when we work together, across expertise and boundaries. We treat each other with respect, take initiative and lead responsibly. As a team, we cooperate, coordinate and collaborate effectively to create a positive environment for all, to meet the needs of our clients and to help the company win.

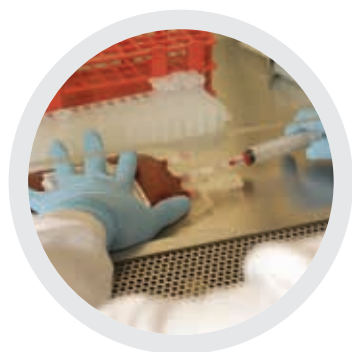
Our people are our greatest asset. We recognise and nurture our high performers, and reward them accordingly. We are also focused on developing key managerial competencies for quality standards, clinical advancements, talent development and better decision management.

These are our guiding principles that underpin how we will continue to achieve business growth and success in all our key markets.





# OUR SERVICES AT A GLANCE



## BANKING: CORD BLOOD

Safeguard the health of your loved ones by saving your newborn's precious cord blood. A lifeline against more than 80 diseases.



## BANKING: CORD LINING/TISSUE

Cord lining is a patented source of stem cells providing you access to two other types of powerful stem cells, giving your family the much-needed all-rounded biological protection. Cordlife also has a proprietary technology to extract stem cells from cord tissue.



## DIAGNOSTICS: NON-INVASIVE PRENATAL TESTING

A simple blood test done in your first trimester of pregnancy can now provide vital information of your baby to detect the risk of chromosomal abnormalities including Down Syndrome.



## DIAGNOSTICS: NON-INVASIVE NEWBORN METABOLIC SCREENING

A non-invasive, early detection test specially designed to screen inherited metabolic disorders in newborns.



## DIAGNOSTICS: PAEDIATRIC VISION SCREENING

Provides early detection of vision problems in children as young as 6 months old.



## DIAGNOSTICS: FAMILY GENETIC TESTING

A whole-exome genetic test that cross-analyses genetic information within your family to achieve a more definite insight to help you and your loved ones take steps to delay, manage or even prevent the onset of the condition/s that you are predisposed to.



**Goh Ern Huei**  
Manager, Quality Assurance,  
Malaysia



**Jasper Chin**  
Senior Executive,  
Credit Control,  
Singapore



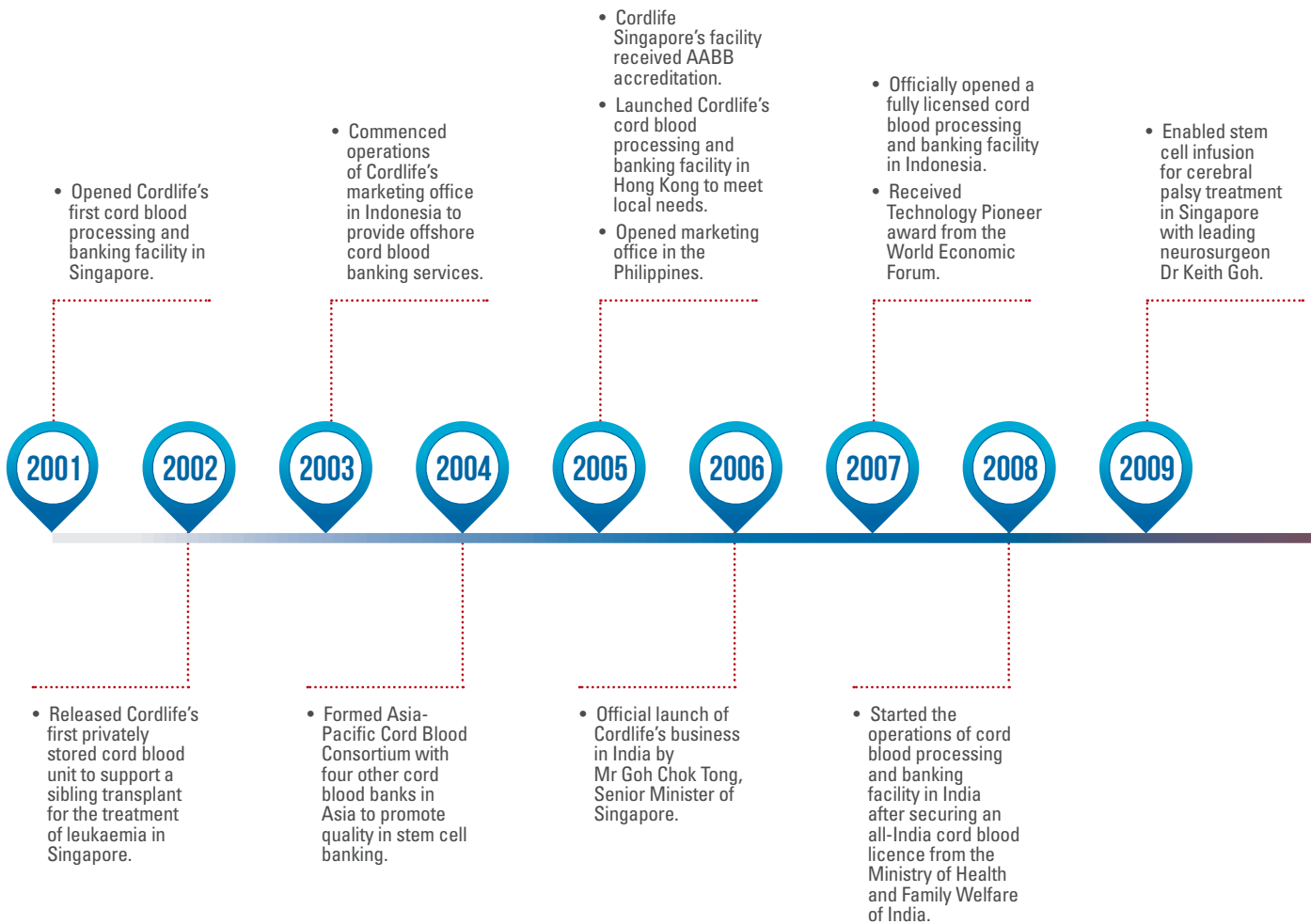
**Sheena Lim**  
Manager, Laboratory,  
Singapore



**Nitin Ananta Bangar**  
Manager  
Zonal Operations  
India



# OUR MILESTONES & ACHIEVEMENTS



**Dr Li Ming Ming, PhD**  
Laboratory and  
Technical Director,  
Corporate Office

**Wita Pratiwi**  
Assistant Manager,  
Project Initiatives (Marketing),  
Indonesia

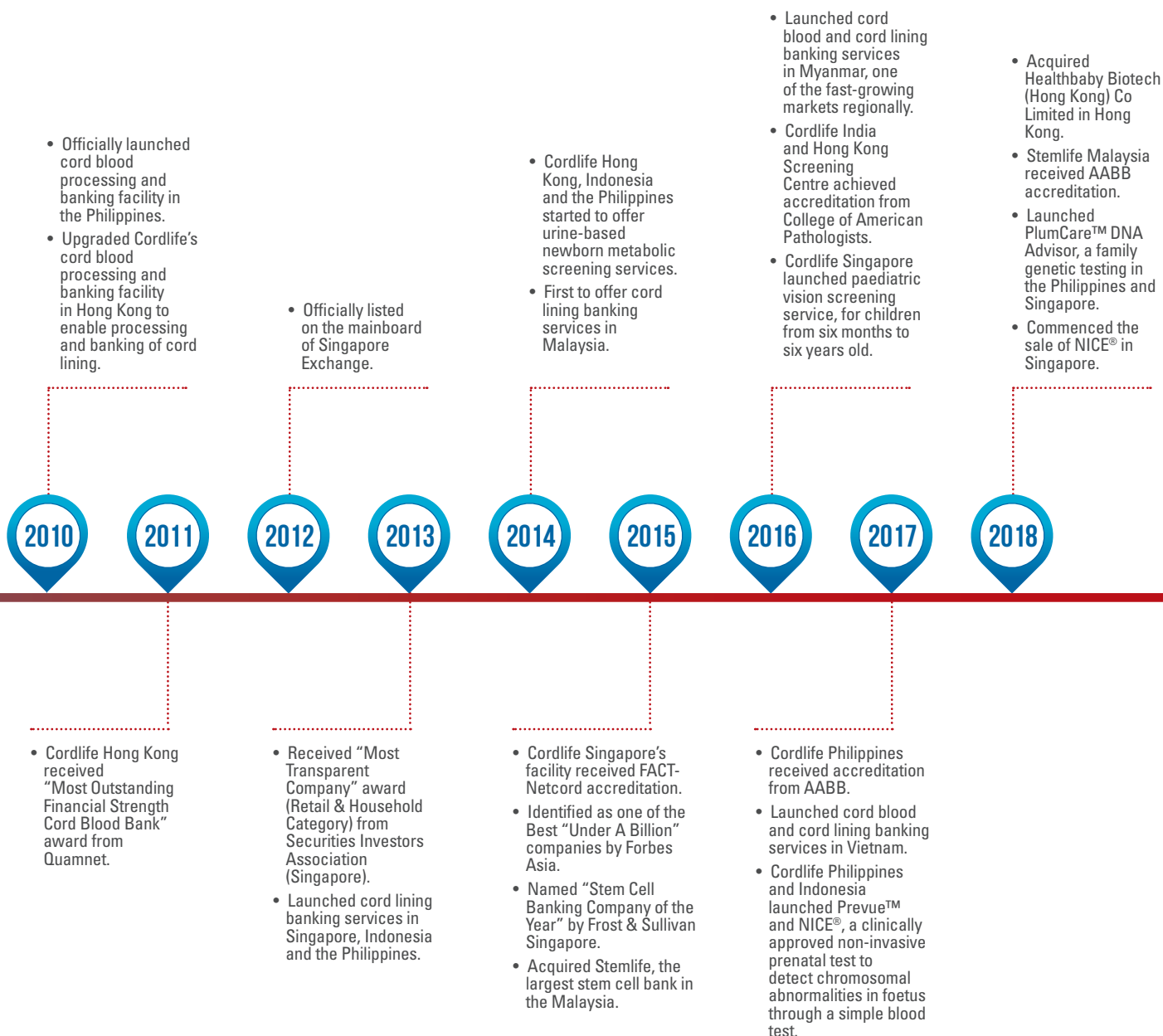


**Shane Chua**  
Manager, Key Account  
Management,  
Singapore

**Penny Wong**  
Senior Executive,  
Customer Services,  
Hong Kong



## OUR MILESTONES & ACHIEVEMENTS



**Cindy Wong**  
Manager,  
Customer Management,  
Singapore



**Raymond Wong**  
CEO, Malaysia



**Kenny Leung**  
Manager, Sales,  
Hong Kong



**Circle Yuen**  
CEO,  
Hong Kong



# FINANCIAL & OPERATIONS REVIEW

## REVENUE

Revenue grew 13.0% or S\$12.1 million from S\$92.9 million for 18M2017 to S\$105.0 million in FY2018. The higher revenue contributions from Singapore and India were driven by an increase in deliveries. Singapore in particular saw a rise in sales of higher value plans, while in India, more value-added services were provided to clients, which led to the increase in revenue.

In January 2018, Cordlife acquired full control of Healthbaby Biotech (Hong Kong) Co., Limited ("Healthbaby"), in a move to expand its presence in the private cord blood banking industry in Hong Kong and Macau. With this acquisition, the Group, which previously had a presence in Hong Kong, became the leader of the market in that region. Healthbaby contributed S\$6.1 million of revenue to the Group for the period of 2 January 2018 to 31 December 2018.

The Group's revenue for cord blood, cord lining and cord tissue banking grew 13.1% to S\$103.6 million in FY2018, as compared to S\$91.6 million generated from such services for 18M2017.

Contributions from diagnostics services remained steady at S\$1.4 million over the same period. Cordlife's diagnostics business comprises non-invasive prenatal testing, urine-based metabolic screening for newborns, paediatric vision screening for children aged 6 months to 6 years, and family genetic testing for hereditary conditions.

## OPERATING EXPENSES

Administrative expenses increased by S\$4.0 million or 13.1% from 18M2017 to FY2018, partly due to the consolidation of Healthbaby's administrative expenses of S\$1.8 million in FY2018, as well as an increase in foreign exchange loss of S\$587,000.

As part of the consideration paid for the acquisition of Healthbaby, Cordlife assumed the Hong Kong dollar debt owed by the vendor to Healthbaby. Foreign exchange loss of S\$504,000 from the revaluation of the loan was recognised in FY2018 as the Hong Kong dollar strengthened against the Singapore dollar from January 2018 to December 2018.



**Raymond Chan**  
IT System Engineer,  
Hong Kong

**Tess Goo**  
Manager, Sales,  
Singapore



**Afrin Lismawanti**  
Assistant, Commercial  
(Sales & Key Account  
Management),  
Indonesia

**Foo Shook Yee**  
Assistant Manager,  
CM & CS,  
Malaysia





Excluding Healthbaby, staff-related expenses increased in FY2018 as compared to 18M2017 by S\$1.3 million, partly attributable to annual salary increment and an increase in variable performance bonuses as a result of higher profits for the Group in FY2018.

There was also an increase in impairment loss on trade receivables for FY2018 to S\$1.4 million, compared to S\$1.0 million for 18M2017. This increase was mainly due to the expansion of the Group's client base across the regions.

#### NON-OPERATING EXPENSES AND ITEMS

Certain property units owned by Cordlife in A'Posh Bizhub and certain properties owned by Stemlife have been designated as investment properties. These properties are allocated to either be leased to third parties to generate rental income or for capital appreciation. Based on assessments by independent professional valuers, these properties yielded a fair value gain of S\$316,000 in FY2018 compared to a fair value loss of S\$168,000 in 18M2017.

#### PROFITABILITY AND MARGINS

Gross profit margin saw an increase of 2.3 percentage points from 65.4% in 18M2017 to 67.7% in FY2018. The increase was mainly due to a rise in the number of cord lining client deliveries, and consequently revenue contributions from Singapore, which has a higher margin compared to cord blood banking contracts.

As a result, pre-tax operating profit for FY2018 came in at S\$7.9 million, compared to S\$4.2 million for 18M2017. The Group recorded a net profit attributable to shareholders of S\$5.5 million, a reversal from a net loss of S\$1.2 million for 18M2017.



**Keline Liu**  
Assistant Manager,  
Customer Support,  
Singapore

**Dr Prosanto Kumar Chowdhury, PhD**

Technical Director,  
India



**Janet Neo**

Manager, Credit Control,  
Singapore



**Rajib Mahato**  
Manager,  
Sales,  
India

# FINANCIAL & OPERATIONS REVIEW



**Wong Sau Ling**  
Assistant, Sales,  
Hong Kong



**Zenaida Labayane**  
Manager,  
Customer Service,  
Philippines



**Kurniawan Aryanto**  
Manager,  
Business Intelligence,  
Indonesia





## FINANCIAL POSITION AND CASH FLOWS

The Group maintained a strong financial position, with cash and cash equivalents, fixed deposits and short-term investments of S\$43.3 million as at 31 December 2018, as compared to S\$60.6 million as at 30 June 2017. The decrease was mainly due to net cash used in financing activities of S\$16.6 million, comprising share repurchases of S\$6.7 million, repayment of interest-bearing borrowings of S\$6.9 million and dividend payments of S\$3.3 million.

The decrease was also in part due to net cash used in certain investing activities including the acquisition of Healthbaby amounting to S\$8.8 million and the purchase of property, plant and equipment and intangible assets of S\$2.8 million. This was partly offset by net cash generated

from operating activities of S\$10.2 million comprising mainly operating cash flows before movements in working capital of S\$13.7 million, net interest received of S\$1.3 million, offset by net working capital outflow of S\$3.0 million and income tax paid of S\$1.8 million.

## KEY CORPORATE DEVELOPMENTS

In January 2018, Cordlife acquired full control of Healthbaby, a leading private cord blood bank in Hong Kong where it has been operating since 2006 and in Macau since 2007. Healthbaby is accredited by AABB, an international organisation that sets standards for cord blood banking worldwide, as well as the College of American Pathologists and the Hong

Kong Laboratory Accreditation Scheme ("HOKLAS"). These accreditations are a testament to the high standards of Healthbaby's laboratory operations which is in line with the Group's mission.

In February 2018, the Group entered into a partnership with PlumCare LLC ("PlumCare"), a US-based company founded by two eminent clinical geneticists, to offer a genetic testing service to help families in Asia identify gene variants associated with increased risk of developing inherited conditions such as breast and ovarian cancer. The service is marketed by Cordlife under the Genscreen® brand, as part of its growing portfolio of diagnostics services.



**Tang Foo Yuen**  
Manager, IT,  
Malaysia



**Amy Lee**  
Senior Executive,  
Human Resource,  
Singapore



**Kamalan Asokan**  
Manager,  
Facility & Fulfillment,  
Malaysia

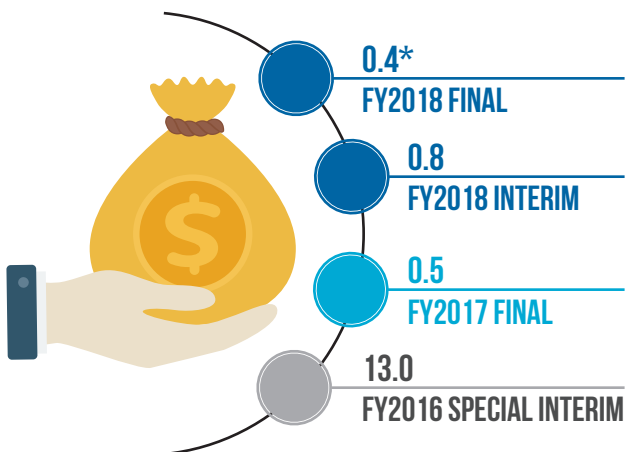
# FINANCIAL HIGHLIGHTS

FY2018 COVERS THE 18-MONTH FINANCIAL PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2018, COMPARED TO A 12-MONTH PERIOD FOR FY2017 AND FY2016.

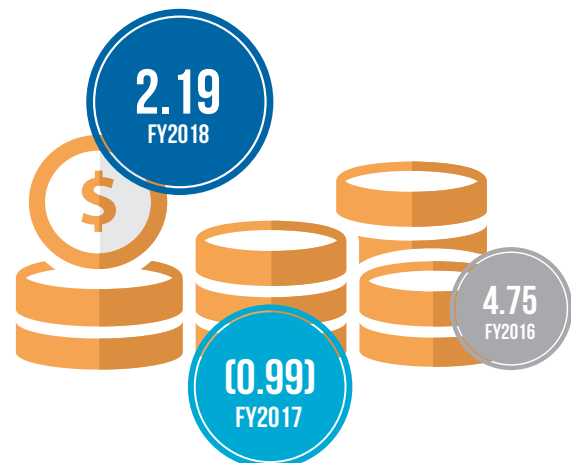
## NET PROFIT / (LOSS) (MILLION)



## DIVIDEND (CENTS)



## EARNINGS/(LOSS) PER SHARE (CENTS)



\*Subjected to shareholders' approval at the Annual General Meeting.



**Cheryl Chua**  
Manager, Finance,  
Singapore

**Shampa Bhattacharjee**  
Manager,  
National Sales,  
India



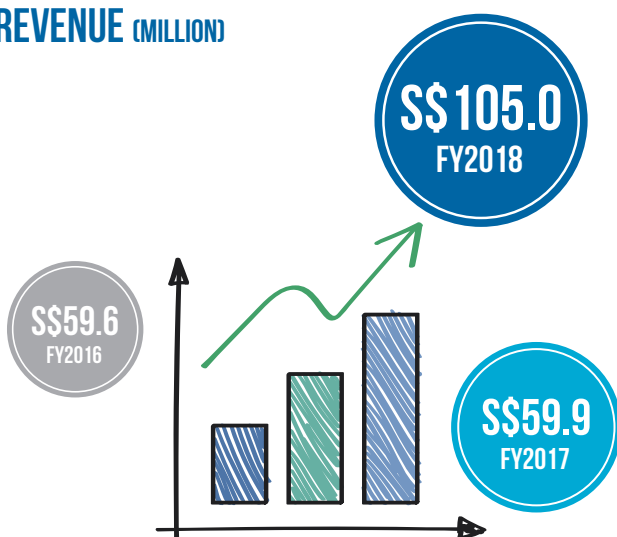
**Chong Lai Ping**  
Senior Executive,  
Credit Control,  
Malaysia





## FINANCIAL HIGHLIGHTS

### REVENUE (MILLION)



### GROSS PROFIT MARGIN (%)



**67.6%**

FY2018

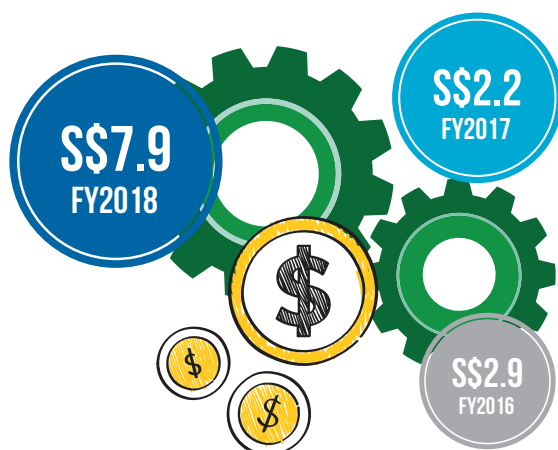
**64.8%**

FY2017

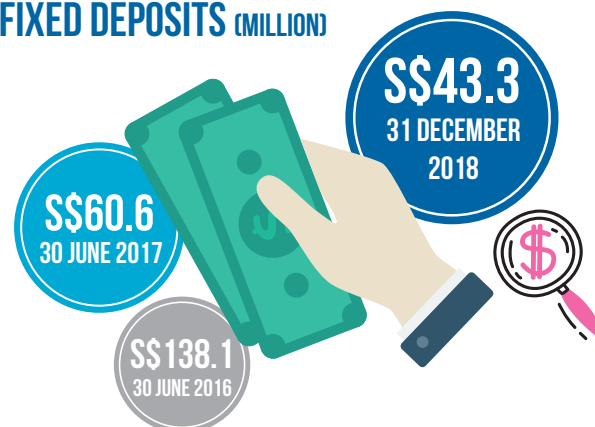
**66.2%**

FY2016

### PROFIT BEFORE INCOME TAX FROM OPERATIONS (MILLION)



### CASH AND CASH EQUIVALENTS, SHORT-TERM INVESTMENTS AND FIXED DEPOSITS (MILLION)



**Angela Lee**  
Assistant Manager,  
Key Account Management,  
Singapore



**Kayle Jordan Macapugay**  
Consultant, Sales,  
Singapore



**Francesca Lim**  
Director, Operation - PBSC,  
Malaysia

# CORPORATE SOCIAL RESPONSIBILITY



**AT CORDLIFE, APART FROM RETURNING VALUE TO SHAREHOLDERS, WE STRONGLY BELIEVE IN GIVING BACK TO THE SOCIETY.**

## ONE BLOOD CAMPAIGN – GROUP

True to the Group's philosophy, Cordlife has been helping families by providing the opportunity to secure a lifetime of protection and a healthier future through cord blood and cord lining/tissue banking. Through the years, Cordlife recognises there are families who may benefit from private cord blood banking but are financially challenged to do so. With this in mind, One Blood Campaign was created as our key corporate social responsibility initiative across the Group for this financial period. Besides providing selected families the chance to bank their baby's cord blood, it was a meaningful contribution back to the community by raising awareness on leukaemia and other cord blood treatable disorders as well as how cord blood stem cells can be a medical saviour for patients suffering from these life-threatening conditions.

Obtaining a matching cord blood from the public source can cost as high as US\$35,000 and sometimes the search may be futile. The One Blood Campaign offers fully subsidised cord blood banking service to families in need who meet certain medical criteria to avail themselves of readily obtainable genetically related stem cells in case a transplant is required in the near future.



## CORDLIFE DONATION DRIVE – SG

Our team in Singapore came together to spread festive joy to disadvantaged children and youth under the care of Children's Aid Society. The team successfully garnered more than S\$14,000 cash and in-kind donations from employees and clients over two weeks.

Children's Aid Society provides a nurturing "Home away from Home" for underprivileged children and youth between 6 and 18 years old, who are coping with adverse family circumstances or child protection issues. The organisation also offers a holistic range of educational support programmes and therapeutic services, especially in the areas of cognitive, physical, emotional and mental development, so that these children and youth will grow up to be morally upright and become contributing members of their families and community.



**Angelita Albaña Castelo**  
Manager, Sales Admin  
and Training,  
Philippines



**Arindam Das**  
Manager,  
Finance & Accounts,  
India



**Iswadi Kom**  
Senior Executive, IT,  
Indonesia

# BOARD OF DIRECTORS



**DR GOH JIN HIAN**  
Chairman and Independent Director

Dr Goh Jin Hian was first appointed as a Director of the Company in July 2011 and was last re-elected on 28 October 2016. He was appointed as Chairman of the Board in March 2018.

He is also currently an Executive Director and Chief Executive Officer of SGX-listed New Silkroutes Group. Prior to joining New Silkroutes Group, Dr Goh was a C-suite executive in Parkway Health from 1999 to 2011 and an Executive Director in a private oil and gas company from 2012 to 2014.

He had also served on the Council of Singapore Human Resource Institute from 2007 to 2017 and on the Council of the Singapore Medical Association from 1996 to 2000.

Dr Goh obtained his Bachelor of Medicine and Bachelor of Surgery from the National University of Singapore in 1992. He also holds a Master of Business Administration from the University of Hull. In addition, Dr Goh completed The Wharton Advanced Management Program in 2005.



**DR HO CHOON HOU**  
Vice Chairman and Independent Director

Dr Ho Choon Hou was first appointed as a Director of the Company in June 2011 and was last re-elected on 28 October 2016. He was appointed as an Independent Director on 22 May 2018.

Dr Ho is a Principal at Southern Capital Group Limited, where he is responsible for the origination and execution of investments. He is also an Independent Director of Advanced Holdings Limited, Vividthree Holdings Ltd. and Mclean Berhad.

Dr Ho holds a Bachelor of Medicine and Bachelor of Surgery (Honours) from the University of Sheffield, as well as a Master of Medicine (Surgery) from the National University of Singapore and a Master of Business Administration (Honours) from the University of Chicago (Graduate School of Business).

# BOARD OF DIRECTORS



## MS TAN POH LAN

Executive Director and Group Chief Executive Officer

Ms Tan Poh Lan was first appointed as Group Chief Operating Officer of the Company on 12 April 2016. She was appointed as Executive Director and Group Chief Executive Officer on 28 February 2019.

Ms Tan has 30 years of extensive experience in the private and public healthcare sectors. Prior to her current portfolio, she was the Chief Executive Officer in both regional and local hospitals, namely Parkway East Hospital (formerly East Shore Hospital) and Gleneagles Hospital in Singapore, Vinmec International Hospital in Hanoi, Vietnam and Fortis Healthcare Singapore.

Ms Tan holds a Master of Business Administration from National University of Singapore and graduated with Honours in Occupational Therapy from University of Queensland, Australia.



## MR JOSEPH WONG WAI LEUNG

Independent Director

Mr Joseph Wong Wai Leung was appointed as an Independent Director of the Company on 23 September 2014 and was last re-elected on 27 October 2017.

Mr Wong has a wealth of experience in the financial services industry. He started his career at Big Four auditing firms, PricewaterhouseCoopers and Deloitte Touche Tohmatsu, Hong Kong ("Deloitte").

At Deloitte, he was engaged in a wide spectrum of business domains, including initial public offerings, taxation, and asset protection plans for high net worth individuals. Subsequently, he worked at Credit Agricole (Suisse), Hong Kong, where he advised clients on wealth management.

Mr Wong holds a Bachelor of Commerce from the University of Calgary in Alberta, Canada.

## BOARD OF DIRECTORS



**MR YEO HWEE TIONG**  
Independent Director

Mr Yeo Hwee Tiong was appointed as an Independent Director of the Company on 22 May 2018.

Mr Yeo is currently the Group Chief Executive Officer with the Singapore Women's & Children's Medical Group. He has more than 28 years in the healthcare and project management industry and has been involved in the pre-development and planning, construction, project management, hospital management and restructuring of hospitals in Singapore, Malaysia, Myanmar and Vietnam. Mr Yeo was instrumental in the restructuring and turning around of three hospitals in Singapore and Malaysia. Of these, he listed two in Singapore. Mr Yeo also has experience in Vietnam, taking a greenfield hospital project from inception to completion, and into hospital management. On project management sector, Mr Yeo has been involved at senior level in Singapore, India, Vietnam and New Zealand where he project managed large office complexes, air terminals, industrial park, microwave tower, medical centres and hospitals.

Prior to his current portfolio, Mr Yeo was the Principal at KPMG, Deal Advisory, Healthcare (Singapore and Asia Pacific). He was responsible in setting up the healthcare division for KPMG Singapore and was also appointed as the Healthcare Lead for Asia Pacific working alongside KPMG Global Healthcare based in UK. Mr Yeo led in many clients' engagements on the healthcare landscape in Myanmar, Vietnam, India, Thailand, Indonesia, the Philippines, China, Sri Lanka, Malaysia and presented many market entry opportunities and advisory services to KPMG's clients. He was also involved in commercial due diligence, market research, M&A, restructuring, greenfield advisory, business improvements and clinical due diligence of medical practices and hospitals in Singapore and in the region.

Mr Yeo has managed public hospital in Singapore and private hospitals in Singapore, Malaysia and Vietnam and as its Group CEO, has clear oversight responsibility in ensuring the proper management of the hospitals under his charge.

Mr Yeo obtained his Bachelor of Science (Building) from Heriot-Watt University, Edinburgh, United Kingdom. He also holds a Master of Science (Project Management) from National University of Singapore.

# BOARD OF DIRECTORS



**MR CHEN BING CHUEN ALBERT**  
Non-Independent, Non-Executive Director

Mr Chen Bing Chuen Albert was appointed as a Non-Independent, Non-Executive Director of the Company on 29 April 2016 and was last re-elected on 28 October 2016.

Mr Chen is the Chief Financial Officer and Director of NYSE-listed Global Cord Blood Corporation ("GCBC"), where he oversees finance-related matters including accounting and budget planning. He is also involved in GCBC's corporate structuring and development, including mergers and acquisitions, and investment in foreign healthcare companies.

Mr Chen had previously served as the vice-president of corporate finance at Golden Meditech Holdings Limited since March 2005, prior to which he worked in financial institutions such as Salomon Smith Barney, DBS Vickers Securities and UOB Kay Hian in Hong Kong.

Mr Chen is a CFA charterholder. He holds a Bachelor in Commerce from Queen's University in Canada, with a major in Finance and Accounting.



**MS WONG CHRISTINE BEI**  
Non-Independent, Non-Executive Director

Ms Wong Christine Bei was appointed as a Non-Independent, Non-Executive Director of the Company on 1 November 2016 and was last re-elected on 27 October 2017.

Ms Wong has been the Senior Investment Director of Kunlum Investment Holding Limited ("Kunlum") since November 2015. Prior to joining Kunlum, she was the Managing Director at CBW Consulting, Inc. ("CBW") for 10 years. CBW is a consulting firm that focuses on United States-China relations and business projects.

Ms Wong is currently holding a position at JD.com, where she is the head of International Government Affairs and Group Vice President. JD.com is the largest retailer in China, online or offline. Ms Wong is assisting the Group CEO and Chief Strategy Officer in making the international strategy and expansion plan for the entire group worldwide.

Ms Wong holds a Bachelor in Business Administration from Hofstra University.

## BOARD OF DIRECTORS

**MR BU JIANGYONG**

Non-Independent, Non-Executive Director

Mr Bu Jianguyong was appointed as a Non-Independent, Non-Executive Director of the Company on 22 May 2018.

Mr Bu is currently the Global Executive Vice President of Sanpower Group where he oversees its healthcare business. Before this position, he served as the Board Director of Nanjing Xinjiakou Department Store Co., Ltd. (600682.SH). Mr Bu has managed numerous domestic and overseas companies in the area of genetic testing, cell immunotherapy, hospital management, senior care and health management within Sanpower, amongst which are Dendreon, Natali, An Kang Tong, Mecox Lane, Findgene as well as Xuzhou Third People's Hospital. He has also led successful mergers and acquisitions within China and cross-border. Furthermore, he spearheaded and completed numerous projects of material asset reorganisation of the listed company.

Prior to his current position, Mr Bu was the co-founder and CEO of Sunda Auto Service Co., Ltd., a leader in auto services and online auto insurance platform in China. He had also previously served as a General Manager at Shanghai Yongle Home Appliance Co., Ltd, where he grew the business by at least 10-fold.

Mr Bu obtained a Bachelor in Precision Instruments from Tianjin University. He also holds an Executive Master of Business Administration from China Europe International Business School ("CEIBS").

**MS WANG TONGYAN**

Non-Independent, Non-Executive Director

Ms Wang Tongyan was appointed as a Non-Independent, Non-Executive Director of the Company on 4 May 2017 and was last re-elected on 27 October 2017.

Ms Wang has more than 23 years of experience in the pharmaceutical industry, specialising in market management. She is currently the President of Nanjing Xinjiakou Department Store Co., ("Nanjing Xinjiakou"), where she oversees biomedical strategies and medical industry management. Prior to joining Nanjing Xinjiakou, she was the Vice President of Sanpower Group, Vice President of Image Innovation at Nanchang China Sciences Group and Chief Operating Officer at CSG Jiufeng Mobile Health Care Co., Ltd.

Ms Wang previously also served as the Vice President of Janssen Pharmaceutical Co., Ltd of US Johnson & Johnson ("JNJ") Group, where she was Executive Business Head and Vice President of Market Access. She also holds various public posts, such as Vice President of the China Pharmaceutical Industry Association.

Ms Wang holds a PhD in theoretical research from the University of Lisbon, as well as a Master in Business Administration and a Bachelor of Clinical Medicine from Xi'an Jiaotong University.

# BOARD OF DIRECTORS



## MR FONG CHI WAH

Non-Independent, Non-Executive Director

Mr Fong Chi Wah was appointed as a Non-Independent, Non-Executive Director of the Company on 18 January 2019.

Mr Fong is currently the Chief Financial Officer cum Company Secretary of CityChamp Watch & Jewellery Group Limited. Mr Fong has over 25 years of extensive experience in various sectors of the financial industry including direct investment, project and structured finance and capital markets having worked for KPMG, the American International Group in Asia, and the ING Group in Beijing and Hong Kong. In his last position within the ING Group, he served as a Director of the Baring Capital (China) Management Limited that managed ING Beijing Investment Co., Ltd., a company listed on the HKSE.

Mr Fong holds a Bachelor's degree, majoring in Management Sciences (Economics) from the Lancaster University, United Kingdom. He also holds three Master's degrees including a Master of Business Administration from the Warwick University, United Kingdom, a Master's degree in Investment Management from the Hong Kong University of Science and Technology, and a Master's degree in practicing accounting from the Monash University, Australia. He has a Doctorate in Business Administration from the Hong Kong Polytechnic University and is a Juris Doctor from the Chinese University of Hong Kong. He is a CFA charterholder, a member of the Hong Kong Society of Financial Analysts, a fellow of the CPA (Australia), a fellow of the HKICPA, a member of the Institute of Certified Management Accountants, Australia, and a fellow of the Hong Kong Institute of Directors.

Mr Fong currently serves as an Independent Director of China Youzan Limited, a company listed on the Hong Kong Stock Exchange ("HKSE"). He was an Executive Director of the National Fund Limited listed on the HKSE from November 2005 to August 2018 and an Independent Director of the Real Nutraceutical Group Limited, also listed on the HKSE from March 2008 to December 2018.



# SENIOR MANAGEMENT



**MR CHOO BOON YONG**  
Group Chief Financial Officer

Mr Choo Boon Yong joined Cordlife as Group Chief Financial Officer on 1 February 2017. He is responsible for the Group's finance functions and supports the Group CEO in achieving the Group's strategic vision. He also assists in the development of new businesses and in maintaining investor relations.

Mr Choo has over 25 years of experience in accounting, tax, corporate finance and business development in manufacturing and service industries.

Before joining Cordlife, Mr Choo was Group Chief Financial Officer of Seksun Group, where he led the finance teams in Singapore, Thailand and China. He was instrumental in implementing China GAAP reporting following the acquisition of Seksun Group by a China-listed company.

Between 2009 and 2014, Mr Choo was Executive Director of Power HF Group, covering the finance, accounting and legal functions as well as management of the India operations. He led the expansion of the India operations into a pan-India genset servicing company. Prior to this, he held various positions in Temasek Holdings, Ernst & Young and KPMG in Singapore, Hong Kong and China.

Mr Choo holds a Bachelor of Accountancy from Nanyang Technological University. He is also a Chartered Accountant of Singapore.



**MS THET HNIN YI**  
Group Finance Director

Ms Thet Hnin Yi is responsible for management of the Group's finance operations, including statutory filing, financial audits, finance controls and treasury.

Ms Thet joined the Group in June 2011, following the Company's demerger from Life Corporation Limited ("LCL") (previously known as Cordlife Limited). She joined LCL in December 2007 as Senior Finance Manager and was appointed as Chief Financial Officer in August 2013, where she was involved in all areas of financial and accounting functions, including financial reporting, management reporting and budgeting. She was re-designated as Group Finance Director in February 2017.

Prior to joining LCL, Ms Thet held various positions at Ernst & Young LLP from 2001 to 2007, including Audit Manager and Training Manager, where she trained audit assistants and seniors. From 1997 to 2001, she held various positions at Tan Wee Tin & Co., her last position being Audit Supervisor, where she was responsible for auditing small and medium enterprises and multinational companies.

Ms Thet holds a Master of Business Administration from the University of Manchester and a Diploma in Accountancy from Ngee Ann Polytechnic. She is also a fellow of the Association of Chartered Certified Accountants, United Kingdom, and a Chartered Accountant of Singapore.

# SENIOR MANAGEMENT



**MS JAMIE WOON GEOK PENG**  
Group Director, Brand Development

Ms Jamie Woon is responsible for the planning, development and implementation of the Group's marketing strategies, marketing communications and public relations activities.

Ms Woon was previously Business Unit Director, Banking from July 2014 to July 2016, during which she was responsible for the strategic and operational aspects of Cordlife's businesses and oversaw all of the Group's banking units. She identified and implemented group-wide business growth strategies, was responsible for meeting the Group's overall financial and non-financial goals, and ensuring adherence to quality policies and objectives. She joined Cordlife Limited (now known as LCL) in October 2006 as Regional Marketing Manager.

Prior to joining LCL, Ms Woon was the Country Marketing Manager of Singapore and Malaysia at California Fitness and the Head of Communications Centre at National Kidney Foundation.

Ms Woon holds a Master of Business Administration from Nanyang Technological University, a Bachelor of Science (Marketing) from the University of Wales, and a Diploma in Chemical Process Technology from Singapore Polytechnic.



**MS TAN HUIYING**  
Group Director, Quality and Operations

Ms Tan Huiying is responsible for group operations and information systems and technology, as well as setting and maintaining the Group's quality standards in service and product offerings.

She was previously Business Unit Director, Diagnostics from January 2014 to June 2016. Her responsibilities included developing and implementing growth and product strategies for the Group's diagnostics business to meet financial and non-financial goals.

Ms Tan joined LCL as Business Development/Technical Executive in June 2006, where she was involved in technical and quality assurance projects, including facility design and build, as well as installation of quality management systems for ISO9001 certification. She has since taken on various regional operations, business development and management roles at Cordlife, including Director of Philippines.

Ms Tan holds a Master of Business Administration with Accountancy and Finance specialisations from Nanyang Technological University, where she was placed on the Dean's Honours List. She also holds a Bachelor of Science (Honours) in Life Sciences from the National University of Singapore.

## SENIOR MANAGEMENT

**MS STELLA LEE MEI SUAN**

Group Director, Organisational Development

Ms Stella Lee is responsible for the Group's overall organisational development and human capital development. Her job scope also includes structuring of the organisation matrix, building of new capabilities in alignment with strategic business direction as well as the creation of a strong organisational culture.

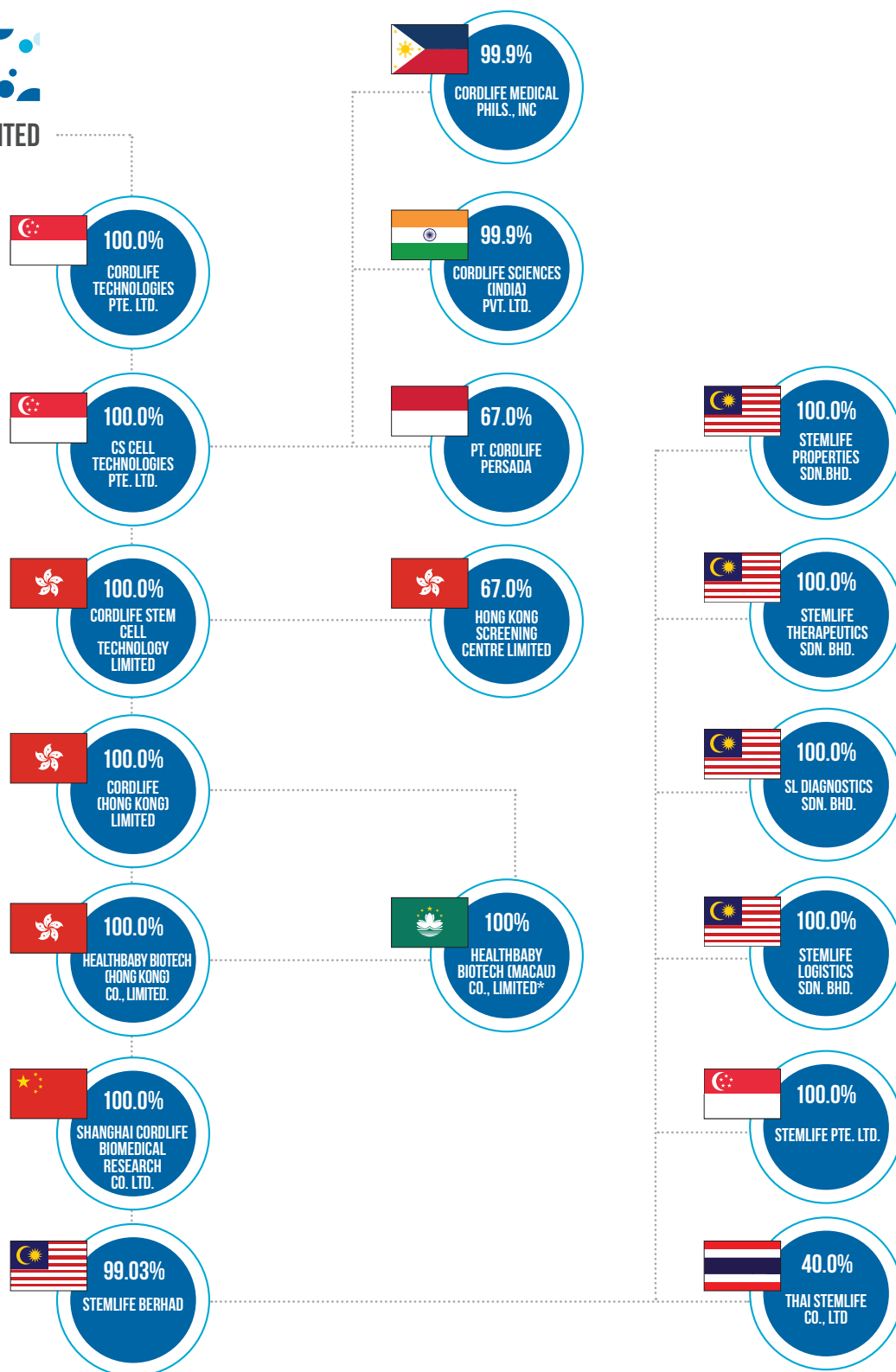
Ms Lee joined our Group in June 2011 as Deputy General Manager, following the demerger of our Company from LCL. She was appointed as Deputy Director, Organisation Development in August 2013, before being promoted to Director, Organisation Development, in February 2014. Ms Lee had joined LCL in September 2004 as a Client Relations Executive. Subsequently, she rose to become Head of Business, Singapore and Head of Organisation Development (Corporate) in February 2007 and November 2009 respectively.

Prior to joining LCL, Ms Lee served as a Corporate Senior Sales Executive at R. Meyson Marketing Pte Ltd between April 2001 and May 2004. From 1995 to 1998, Ms Lee was a Sales Executive at Craftmark Marketing Pte Ltd and from 1991 to 1994, she was a Laboratory Technologist at National University of Singapore, Paediatrics Department.

Ms Lee obtained her Bachelor in Economics degree from Murdoch University in April 2014 and an Executive Nanyang MBA at Nanyang Technological University, Nanyang Business School in July 2016. She also graduated with a Graduate Diploma in Organisational Psychology from City University of New York and a Diploma in Biotechnology from Singapore Polytechnic in 2011 and 1991 respectively. Ms Lee is also a certified practitioner to administer MBTI and Firo B instruments.

# GROUP STRUCTURE

cordlife   
CORDLIFE GROUP LIMITED



\* Healthbaby Biotech (Macau) Co., Limited is 99.0% held by Healthbaby Biotech (Hong Kong) Co., Limited and 1.0% held by Cordlife (Hong Kong) Limited

# CORPORATE GOVERNANCE REPORT

**CORDLIFE GROUP LIMITED** (the “Company”) recognises the importance of good corporate governance practice to the long-term growth of the Company and its subsidiaries (the “Group”) and is committed to high standards of corporate governance within the Group to advance its mission to create value for the Group’s stakeholders.

The Company has endeavoured to adhere to the principles and guidelines as set out in the Code of Corporate Governance 2012 (the “Code”) in the financial period from 1 July 2017 to 31 December 2018 (“FY2018”). This Corporate Governance Report (the “Report”) describes the Group’s corporate governance practices and sets out the manner in which the Group has applied the principles and the extent of compliance with the guidelines as set out in the Code, and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Listing Manual”). Where there have been deviations from the Code, appropriate explanations have been provided in this Report.

In the opinion of the Board of the Directors of the Company (each a “Director”, and collectively the “Board” or “Directors”), the Company has generally complied with all of the provisions set out in the Code for FY2018.

## BOARD MATTERS

### Principle 1: The Board’s Conduct of Affairs

The Board’s role is to:

- (a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (b) establish a framework of prudent and effective controls, which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets;
- (c) review management performance;
- (d) identify key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- (e) set the Company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (f) consider sustainability issues, e.g. environmental and social factors, as part of its strategy formulation process.

In fulfilling the Board’s role, the Board oversees the Group’s overall policies, strategies and objectives, key operational initiatives, performance and measurement, internal control and risk management, major funding and investment proposals, financial performance reviews and corporate governance practices.

The Board reserves for its own decision on matters such as, amongst others, (a) corporate restructuring; (b) mergers and acquisitions; (c) major investments and divestments; (d) material acquisition and disposal of assets; (e) major corporate policies on key areas of operations; (f) commitments to term loans and lines of credits from banks and financial institutions; (g) annual strategic plan and budget; (h) share issuance; (i) declaration of interim dividends and proposed declaration of final dividends; (j) financial results for release to the SGX-ST; (k) interested person transactions of a material nature, and (l) appointment of Directors and change in composition of the Board Committees.

# CORPORATE GOVERNANCE REPORT

The Board meets on a regular basis and such scheduled meetings coincide with the announcement of the Group's quarterly financial results and Annual General Meeting ("AGM"). In addition to the scheduled meetings, ad-hoc Board meetings are also convened as and when they are deemed necessary in between the scheduled meetings. The Constitution of the Company provides that the Directors may convene meetings by way of telephone conference, video conference, audio visual or similar means. When a physical Board meeting is not possible, timely communication with members of the Board is achieved through electronic means and the circulation of written resolutions for approval by the relevant members of the Board or Board Committees.

To assist in the execution of its responsibilities and enhance the effectiveness of the Board, the Board is supported by the Audit and Risk Committee ("ARC") (previously known as Audit Committee ("AC") until it was merged with the Board Risk Committee ("BRC") on 22 May 2018 to streamline the functions of the AC and BRC), the Nominating Committee ("NC"), and the Remuneration Committee ("RC"). The Board Committees operate within clearly defined terms of reference and functional procedures, which are reviewed on a regular basis. Details on each Board Committee, including the composition and terms of reference, can be found subsequently in this Report.

The current members of the Board, the nature of the Directors' appointment to the Board and their membership on the Board Committees are set out below:

Name of Director	Board	ARC	RC	NC
Dr Goh Jin Hian	Chairman and Independent Director	N.A.	Chairman	N.A.
Dr Ho Choon Hou	Vice Chairman and Independent Director	Member	N.A.	Member
Tan Poh Lan	Executive Director and Group Chief Executive Officer	N.A.	N.A.	N.A.
Joseph Wong Wai Leung	Independent Director	Chairman	N.A.	N.A.
Yeo Hwee Tiong	Independent Director	N.A.	Member	Chairman
Chen Bing Chuen Albert	Non-Independent Non-Executive Director	N.A.	Member	N.A.
Wong Christine Bei	Non-Independent Non-Executive Director	N.A.	N.A.	N.A.
Wang Tongyan	Non-Independent Non-Executive Director	Member	N.A.	N.A.
Bu Jiangyong	Non-Independent Non-Executive Director	N.A.	N.A.	Member
Fong Chi Wah	Non-Independent Non-Executive Director	N.A.	N.A.	N.A.

# CORPORATE GOVERNANCE REPORT

In FY2018, a total of eight (8) Board meetings were held. The table below shows the attendance of the Directors at the last AGM in 2017<sup>(1)</sup> and the Board and respective Board Committee meetings in respect of FY2018<sup>(2)</sup>:

Name of Director	AGM	Board	ARC <sup>(3)</sup>	RC	NC	BRC <sup>(3)</sup>
	No. of meetings attended					
Dr Goh Jin Hian	1/1	8/8	N.A.	3/3	3/3 <sup>(12)</sup>	1/1
Dr Ho Choon Hou	1/1	8/8	6/6	N.A.	3/3	N.A.
Tan Poh Lan <sup>(4)</sup>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Joseph Wong Wai Leung	1/1	8/8	6/6	2/2 <sup>(11)</sup>	1/1 <sup>(12)</sup>	1/1
Yeo Hwee Tiong <sup>(5)</sup>	N.A.	4/4	N.A.	1/1	N.A.	N.A.
Chen Bing Chuen Albert	0/1	8/8	N.A.	1/1	N.A.	N.A.
Wong Christine Bei	1/1	7/8	N.A.	1/1 <sup>(11)</sup>	N.A.	N.A.
Wang Tongyan	1/1	8/8	2/2	N.A.	N.A.	1/1
Bu Jiangyong <sup>(6)</sup>	N.A.	0/4	N.A.	N.A.	N.A.	N.A.
Fong Chi Wah <sup>(7)</sup>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ho Sheng <sup>(8)</sup>	1/1	3/3	3/3	N.A.	2/2	N.A.
Dr Wong Chiang Yin <sup>(9)</sup>	1/1	2/3	N.A.	N.A.	N.A.	N.A.
Michael Steven Weiss <sup>(10)</sup>	1/1	7/8	N.A.	N.A.	N.A.	N.A.

(1) The Company changed its financial year end from 30 June to 31 December. There was no AGM held in 2018 due to the change of financial year end.

(2) Refers to meetings held/attended while each Director was in office and in the respective Board Committees, if any.

(3) In an effort to streamline the functions of the BRC and the AC, the BRC was merged with the AC with effect from 22 May 2018.

(4) Ms Tan Poh Lan was appointed as an Executive Director and Group Chief Executive Officer ("ED and GCEO") with effect from 28 February 2019.

(5) Mr Yeo Hwee Tiong was appointed as an Independent Director ("ID") of the Company, the Chairman of the NC and a member of the RC with effect from 22 May 2018.

(6) Mr Bu Jiangyong was appointed as a Non-Independent Non-Executive Director ("NINED") of the Company and a member of the NC with effect from 22 May 2018.

(7) Mr Fong Chi Wah was appointed as a NINED of the Company with effect from 18 January 2019.

(8) Mr Ho Sheng resigned as a Director of the Company and ceased to be the Chairman of the Board, the Chairman of the NC and a member of the AC with effect from 31 March 2018.

(9) Dr Wong Chiang Yin resigned as an ED and GCEO of the Company with effect from 4 April 2018.

(10) Mr Michael Steven Weiss resigned as an ED and GCEO of the Company with effect from 28 February 2019.

(11) Mr Joseph Wong Wai Leung and Ms Wong Christine Bei ceased to be a member of the RC with effect from 22 May 2018.

(12) Mr Joseph Wong Wai Leung ceased to be the Chairman of the NC and Dr Goh Jin Hian ceased to be a member of the NC with effect from 22 May 2018.

# CORPORATE GOVERNANCE REPORT

A formal letter is provided to each Director upon his or her appointment, setting out the Director's duties and obligations. The newly appointed Directors received an orientation that includes briefings by the management of the Company (the "Management") on the Group's structure, strategic objectives, business operations and policies. They were also briefed by the Company's legal counsel on 'Director's Duties and Responsibilities' following their appointment. All the Directors were also given the opportunities to visit the Group's operational facilities and to interact with members of the Management team.

In FY2018, the Directors were kept abreast of the changing commercial risks faced by the Company through briefings by the Management at Board meetings. The Directors were also updated on the latest changes in the Companies Act, Chapter 50, Listing Rules, Code of Corporate Governance and the Accounting Standards by the relevant professionals at the quarterly Board meetings. During the financial period, three training sessions were conducted by three separate external consultants pertaining to (a) SGX-ST Listing Requirements; (b) Financial Reporting Standards Updates; and (c) Sustainability Reporting. The Directors also attended other training courses of their choice, and if the training is relevant to the performance of their duties as a Director of the Company, expenses were borne by the Company.

## Principle 2: Board Composition and Guidance

As at 31 December 2018, the Board comprised nine Directors of whom one (1) was Executive Director, four (4) were NINEDs, and four (4) were Independent Directors.

With four (4) Independent Directors on the Board out of nine (9) Directors, the Company maintains a strong and independent element on the Board with Independent Directors making up more than one-third of the Board.

The Company defines an Independent Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company. To be considered independent, the Director should not be someone who:

- (a) has been employed by the Company or any of its related corporations for the current or any of the past three financial years;
- (b) has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC;
- (c) himself/herself, or has an immediate family member, accepting any significant compensation from the Company or any of its related corporations for the provision of services, for the current or immediate past financial year, other than compensation for Board service;
- (d) himself/herself, or whose immediate family member, in the current or immediate past financial year, is or was a 10% shareholder of, or a partner in (with 10% or more stake), or an executive officer of, or a director of, any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S\$200,000 should be generally be deemed significant;
- (e) is a 10% shareholder or an immediate family member of a 10% shareholder of the Company; or
- (f) is or has been directly associated with a 10% shareholder of the Company, in the current or immediate past financial year.



# CORPORATE GOVERNANCE REPORT

For transparency, the NC has set out its determination of the independence of Dr Ho Choon Hou (“Dr Ho”) as follows:–

The NC (save for Dr Ho who abstained from deliberation on this matter) deliberated on the independence of Dr Ho. The NC noted that Dr Ho was appointed as a Director of the Company on 16 June 2011 prior to the Company’s initial public offering (“IPO”) and listing on the SGX-ST on 29 March 2012. He was designated as NINED at the point of listing as he was a co-founder of the Company and he was receiving additional fees from the Company for his active roles in the Group. Following the Company’s divestment of China Cord Blood Banking Corporation during the financial year ended 30 June 2016 (“FY2016”), Dr Ho has stopped receiving additional fees from the Company and he has since played a less active role in the Group. For the current and past financial period/year, Dr Ho has not accepted any significant compensation from the Company or any of its related corporations for the provision of services other than compensation for Board service.

The NC reviewed the independence of Dr Goh Jin Hian (“Dr Goh”), Mr Joseph Wong (“Mr Wong”) and Mr Yeo Hwee Tiong (“Mr Yeo”). The NC noted that Dr Goh, Mr Wong and Mr Yeo have no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment with a view to the best interests of the Company, and they had exercised objective judgment on corporate affairs independently from Management. Mr Yeo, who is the NC Chairman, had abstained from deliberation on his own independence.

The Board concurred with the views of the NC on the independence of the IDs. Each of the IDs had abstained from deliberating and making decision on his own independence.

The Board has three (3) Directors with medical and healthcare background which are relevant to the business of the Company. They are Dr Ho Choon Hou, Dr Goh Jin Hian and Mr Yeo Hwee Tiong. All three of them also have experience in managing healthcare companies. Ms Wang Tongyan has vast experience in the biomedical and pharmaceutical industry which is also relevant to the Company’s business. Mr Joseph Wong Wai Leung and Mr Chen Bing Chuen Albert brought with them accounting and corporate finance experience. Mr Michael Steven Weiss, having worked with leading investment banks in the United States and China (including Hong Kong), possesses vast experience in cross border deals in mergers and acquisitions. Mr Bu Jiangyong brought with him experience in the area of genetic testing, cell immunotherapy, hospital and geriatric care. Ms Wong Christine Bei brought with her business and management consulting experience. The Board is led by Dr Goh Jin Hian, the Board Chairman who has extensive experience in the healthcare industry, having worked as a C-suite executive from 1999 to 2011 at a healthcare company listed on the SGX-ST. The Board and the NC are also of the view that the current Board comprises Directors who bring with them a wealth of expertise and experience in areas of medical, pharmaceutical and healthcare, accounting and finance, business management, mergers and acquisitions, as well as regional markets which enable Management to benefit from a diverse and objective perspective on any issues raised before the Board. The Board also has gender diversity in having two (2) female Directors in the Board. Key information on the Directors is set out on pages 17 to 22 of this Annual Report.

The Non-Executive Directors played a crucial role in helping to develop proposals surrounding the Company’s strategies by challenging the strategies proposed by Management in a constructive manner. The Non-Executive Directors also met on several occasions on an informal basis in FY2018 without the presence of Management (including the Executive Director), to discuss matters relating to the Company and Management performance.

The Company was listed on the SGX-ST on 29 March 2012 and none of the Independent Directors had served on the Board for more than nine years.

# CORPORATE GOVERNANCE REPORT

## Principle 3: Chairman and Chief Executive Officer

To ensure a clear division of responsibilities and a balance of power and authority within the Company, the role of the Chairman and the Group CEO of the Company are undertaken separately by Dr Goh Jin Hian and Ms Tan Poh Lan (previously Mr Michael Steven Weiss, until his resignation on 28 February 2019) respectively.

The Chairman, Dr Goh Jin Hian, is an Independent Director. He leads the Board in adhering to and maintaining a high standard of corporate governance with the full support of the Directors and Management. He approves the agendas for the Board meetings and exercises control over, amongst others, the quality, quantity, accuracy and timeliness of information flow between the Board and Management of the Company. He facilitates timely communication between the Board and Management, between the Company and its shareholders and amongst the Board members *inter se*, with a view to encouraging constructive relations and dialogue amongst them. At AGM and other shareholder meetings, the Chairman ensures constructive dialogue between shareholders, the other Directors and Management.

Ms Tan Poh Lan is the Executive Director and Group CEO of the Company. She manages the businesses of the Group and implements the decisions made by the Board. The Group CEO is responsible for the day-to-day operations of the Group, the formulation of the Group's strategic directions and expansion plans and managing the Group's overall business development strategies.

The performance and appointment of the Chairman and the Group CEO are reviewed periodically by the NC and the remuneration packages of the Chairman and the Group CEO are reviewed periodically by the RC. With the segregation of duties between the Chairman and the Group CEO, the Board believes that there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

## Principle 4: Board Membership

The NC is established to ensure that there is a formal and transparent process for all Board appointments and re-appointments. It is regulated by a set of written terms of reference endorsed by the Board and comprises a majority of Independent Directors, including its Chairman:

Yeo Hwee Tiong (Independent Director) (Chairman of the NC) – Appointed on 22 May 2018

Dr Ho Choon Hou (Board Vice Chairman and Independent Director)

Bu Jianguong (Non-Independent Non-Executive Director) – Appointed on 22 May 2018

Dr Goh Jin Hian (Board Chairman and Independent Director) – Stepped down on 22 May 2018

Joseph Wong Wai Leung (Independent Director) (Chairman of the NC) – Appointed on 31 March 2018 and stepped down on 22 May 2018

Ho Sheng (Board Chairman and Independent Director) (Chairman of the NC) – Resigned on 31 March 2018

# CORPORATE GOVERNANCE REPORT

The functions of the NC include, amongst others:

1. reviewing and recommending (i) the Board succession plans of the Directors and the nomination for the re-election of Directors, including Independent Directors, having regard to each Director's contribution and performance, taking into consideration each Director's contribution and performance at Board meetings, including attendance and participation; (ii) the development of a process for evaluation of the performance of the Board, the Board Committees and individual Directors; and (iii) the review of training and professional development programmes for the Board;
2. ensuring that all Directors submit themselves for re-election at regular intervals;
3. determining annually, and as and when circumstances require, whether or not a Director is independent in accordance with Principle 2 of the Code and any other salient factors;
4. deciding whether or not a Director is able to and has been adequately carrying out his or her duties as a Director of the Company; and
5. reviewing and approving any nominations for the appointment to the Board including the disclosure of the search and nomination process.

The NC has in place a process for selection and appointment of new directors. The need for the appointment of new directors is identified in areas where additional expertise and skills will add to the effectiveness and diversity of attributes of the current Board. The NC then identifies potential candidates through engaging of professional firms and recommendations by Directors, Management and shareholders. The NC assesses the suitability of the potential candidates by evaluating the candidates' skills and knowledge. The required level of commitment and other information about the Company and the Board are communicated to the candidates to allow candidates to make an informed decision. The NC will then recommend its selected candidate to the Board for approval of the appointment.

The Directors do not currently have a fixed term of office. Pursuant to Articles 94 and 95 of the Company's Constitution, every Director is required to retire from office once every three years. One-third of Directors who have served the longest since their most recent election (or, if their number is not a multiple of three, the number nearest to but not less than one-third) must retire from office. In accordance with Article 100 of the Company's Constitution, the Directors who were newly appointed by the Board since the last AGM will have to retire at the forthcoming AGM. The retiring Directors are eligible to offer themselves for re-election.

The following Directors were appointed subsequent to the Company's last AGM held on 27 October 2017. Pursuant to Article 100 of the Company's Constitution, they will have to vacate their office at the close of the forthcoming AGM. Being eligible, they had offered themselves for re-election.

- (i) Yeo Hwee Tiong;
- (ii) Bu Jiangyong;
- (iii) Fong Chi Wah; and
- (iv) Tan Poh Lan.

# CORPORATE GOVERNANCE REPORT

In accordance with Article 94 of the Company's Constitution, Dr Goh Jin Hian, Dr Ho Choon Hou and Mr Chen Bing Chuen Albert shall retire by rotation at the Company's forthcoming AGM. Being eligible, all three of them had offered themselves for re-election.

In this regard, the NC, having considered the attendance and participation of the Directors at the Board and Board Committee meetings, in particular, their contribution to the business and operations of the Company, has recommended the re-election of all those Directors who had expressed their wish to be re-elected at the forthcoming AGM. The Board has concurred with the NC's recommendation.

Each member of the NC/Board had abstained from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC/Board in respect of his re-election as Director.

The NC has not fixed a maximum number of listed company board representation which the Directors can hold as the NC is of the opinion that the Directors are able to manage their commitment to their respective board representations, and each Director's performance is also evaluated on the basis of time and commitment given to the Board. The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations. Currently, the Directors who have multiple board representations are Dr Goh Jin Hian and Dr Ho Choon Hou. Their number of board representation does not exceed three (3).

The Board would generally avoid approving the appointment of alternate directors. Alternate Directors, if any, would only be appointed for limited periods in exceptional cases such as when a Director has a medical emergency. No alternate Director has been appointed to the Board since the Company was listed on the SGX-ST on 29 March 2012.

The profile of the Directors, detailing their qualification, directorships in other listed companies, their appointment to the Board of the Company and the date of their last re-election can be found on pages 17 to 22 of this Annual Report.

## **Principle 5: Board Performance**

The Board acknowledges the importance of a formal assessment of Board performance. It has adopted a formal system of evaluating Board performance with the use of evaluation forms to assess the effectiveness of the Board and Board Committees and the contribution by each Director. All Directors are required to complete the evaluation questionnaire annually.

The evaluation of the Board's performance as a whole deals with matters on Board composition, information flow to the Board, Board procedures and Board accountability. Factors such as the structure, size and processes of the Board and the Board's access to information, management and the effectiveness of the Board's oversight of the Company's performance are applied to evaluate the performance of the Board as a whole. The evaluation of the performance of an individual Director deals with matters on an individual Director's attendance at meetings, observance of the individual Director's duties towards the Company and the individual Director's know-how and interaction with fellow Directors.

As part of the evaluation process, each Director completes an evaluation form, which is then returned to the Company Secretary on a private and confidential basis for compilation of average scores. The compiled results are then tabulated and tabled at the NC meeting for NC's review. The Chairman of the NC will then present the findings and recommendations of the NC to the Board.

# CORPORATE GOVERNANCE REPORT

The evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. The last performance evaluation was conducted in February 2019 and the results have been presented to the NC for discussion. The newly appointed Directors, Mr Fong Chi Wah and Ms Tan Poh Lan were excluded from the annual performance evaluation for FY2018 as they were appointed to the Board after the end of the financial period. The Company did not engage any external consultant or facilitator to assist with the performance evaluation of the Board, Board Committees and individual Directors for FY2018.

The NC is also satisfied that sufficient time and attention were given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. Based on the internal and external assessment, the NC is satisfied that the Board has been effective as a whole and that each and every Director has contributed to the effective functioning of the Board and the Board Committees.

## **Principle 6: Access to Information**

Board members are provided with complete, adequate and timely information prior to Board meetings to allow Directors sufficient time to review the Board papers. As and when there are important matters that require the Board's attention and decision, the information will be furnished to the Directors as soon as practicable. All Directors have independent access to the Group's senior management and the Company Secretary. All Directors are provided with complete and adequate information prior to Board meetings and on an ongoing basis. The information provided includes, amongst others, background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts, key agreements and monthly internal financial statements.

The Company Secretary and/or her assistant attend all Board and Board Committees meetings and provide corporate secretarial support to the Board, ensure adherence to Board procedures and compliance with the relevant rules and regulations of the Constitution of the Company, the Companies Act (Chapter 50 of Singapore), the Listing Manual of the SGX-ST ("Listing Manual") and all other relevant rules and regulations which are applicable to the Company. Any decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

If the Directors need independent professional advice to fulfill their duties, such advice will be obtained from the professional entity approved by the Board and the cost of such professional advice will be borne by the Company.

## **REMUNERATION MATTERS**

### **Principle 7: Remuneration Committee**

The RC comprises a majority of Independent Directors, including its Chairman and is regulated by a set of written terms of reference endorsed by the Board:-

Dr Goh Jin Hian (Board Chairman and Independent Director) (Chairman of the RC)

Joseph Wong Wai Leung (Independent Director) – Stepped down on 22 May 2018

Yeo Hwee Tiong (Independent Director) – Appointed on 22 May 2018

Chen Bing Chuen Albert (Non-Independent Non-Executive Director) – Appointed on 22 May 2018

Wong Christine Bei (Non-Independent Non-Executive Director) – Stepped down on 22 May 2018

# CORPORATE GOVERNANCE REPORT

The functions of the RC include, amongst others:

1. reviewing the remuneration framework (including Directors' fees) for the Board and the key management personnel within the Group;
2. reviewing and approving the policy for determining the remuneration of executives of the Group, including that of the Executive Director, Group CEO and other key management executives;
3. ensuring a formal and transparent procedure for developing policy on executive remuneration;
4. reviewing the ongoing appropriateness and relevance of the executive remuneration policy and other executive benefit programmes;
5. considering and reviewing the remuneration package and service contract terms for each of the Directors and key management personnel (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within the Group;
6. considering and approving termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments in the event of termination or retirement of the Executive Directors and key management personnel; and
7. determining, reviewing and approving the design of all option plans, stock plans and/or other equity based plans that the Group proposes to implement, to determine, on an annual basis, whether any awards will be made under the rules of such plans, to review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan and to review, approve and keep under review performance indicators and/or the fulfillment of performance indicators in accordance with the rules set out under such plans.

## **Principle 8: Level and Mix of Remuneration**

As noted above, one of the responsibilities of the RC is to review the remuneration framework of the Board and key management personnel in the Group, and to consider and review the remuneration package and/or service contract terms for each of the Directors and key management personnel.

### Remuneration of the Executive Directors and key management personnel

In setting the remuneration package of the Executive Directors, the Company makes a comparative study of the packages of executive directors in comparable industries and takes into account the performance of the Company and that of the Executive Directors.

The compensation structure is designed to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current and long-term compensation. The Company has in place the following incentive plan in FY2018:—

# CORPORATE GOVERNANCE REPORT

## Share Grant Plan

At an Extraordinary General Meeting held on 18 October 2013, the shareholders of the Company approved the Cordlife Share Grant Plan (the "Plan") for the award of rights (the "Awards") to participants of the Plan to receive fully-paid ordinary shares, free of charge, upon the participant achieving the prescribed performance targets and upon expiry of the prescribed vesting period. The RC of the Company has been designated as the Committee responsible for the administration of the Cordlife Share Grant Plan (the "Plan" or the "SGP").

The Plan is a performance incentive scheme which forms an integral part of the Group's incentive compensation program. Persons eligible to participate in the Plan (the "Participants") comprise key senior management and employees of the Company and Non-Executive Directors at the absolute discretion of the Committee. The Plan was established with the objective of motivating the Participants to strive towards performance excellence, long-term prosperity of the Group, and promoting their organisational commitment, dedication and loyalty towards the Group. In addition, the Plan will make employee remuneration sufficiently competitive to recruit new employees and retain existing employees whose contributions are important to the long-term growth and profitability of the Group.

The categories of awards under the Plan in FY2018 are as follows:–

### *Performance Share Award*

The FY2018 contingent awards under the Performance Share Award were granted conditional on meeting performance targets set based on the following Group corporate objectives measured over a performance period of one financial year:

- Group's Financial Key Performance Indicators ("KPI(s)") including Group Revenue, Gross Profit Margin, Profit before Tax and Return on Invested Capital: and
- Non-financial KPIs including, but are not limited to, quality standards, customer service standards and people objectives.

Financial and non-financial KPIs have a weightage of 80% and 20% respectively towards the final performance achievement computation.

Pursuant to the SGP, the RC has decided to grant contingent awards on an annual basis, conditional on meeting targets set for the performance period. The shares will only be released to the recipient at the end of the performance qualifying period. The actual number of performance shares to be released to the recipient will depend on the achievement of the set targets over the performance period. A minimum threshold performance is required for any share to be released and the actual number of performance shares to be released is capped at 100% of the conditional award. Only 50% of the final number of shares will vest upon the end of the performance period, with balance of the award vesting one year later.

# CORPORATE GOVERNANCE REPORT

## *Restricted Share Award*

The FY2018 contingent share awards under the Restricted Share Award were granted to employees of the Group conditional upon the satisfaction of the following performance targets set at the start of a two-year performance period based on medium-term Group and Company objectives of retaining high potential talents (“HiPo”):

- Sustained Performance Level (“PL”) rating 1 or 2 (out of 5); and
- Continues to remain in HiPo talent pool.

The shares will only be released to the recipient at the end of the performance qualifying period. The actual number of performance shares to be released to the recipient will depend on the achievement of the set targets over the performance period. A minimum threshold performance is required for any share to be released and the actual number of performance shares to be released is capped at 100% of the conditional award. Only 50% of the final number of shares will vest upon the end of the performance period, with balance of the award vesting at the end of the third year.

No contingent shares were granted in FY2018 to employees of the Company under the Restricted Share Award.

## *Deferred Share Award*

The Deferred Share Award is a one-time contingent award granted in FY2016, conditional upon satisfaction of a three-year service period based on the Group’s medium-term objective of retaining key management important to the Group’s leadership pipeline and the current operations, will fully vest on 1 July 2019.

The Award will vest in equal tranches with vesting dates of 1 July of 2017, 2018 and 2019, provided service-based conditions are met.

## Remuneration of Non-Executive Directors and Independent Directors

The Independent Directors and Non-Executive Directors do not have service agreements with the Company. They are paid a basic, fixed Director’s fee, which is determined by the Board, apposite to the level of their contributions and taking into account factors such as the time spent and the effort and the individual responsibilities of each Independent or Non-Executive Director. Such fees are subject to the approval of the shareholders at each AGM.

Each member of the RC shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberation in respect of his or her own remuneration.



# CORPORATE GOVERNANCE REPORT

The NINEDs namely, Mr Chen Bing Chuen Albert, Ms Wong Christine Bei, Ms Wang Tongyan, Mr Bu Jiangyong and Mr Fong Chi Wah, who were nominated to the Board by the substantial shareholders, had agreed to waive their Directors' fee. No Directors' fee had been paid/would be paid to any of the NINEDs in FY2018 and for the financial year ending 31 December 2019 ("FY2019").

Except for the SGP, the Board has not introduced any contractual provisions to allow the Company to reclaim incentive components from its Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Board believes that there are ample statutory and regulatory penalties to address such circumstances.

## Principle 9: Disclosure on Remuneration

A breakdown showing the level and mix of each individual Director's remuneration for FY2018 is disclosed in the table below:

Directors		Salary (%)	Bonus (%)	Other short-term benefits (%)	Allowances (%)	Fees (%)	Total (%)
<b>S\$750,000 to S\$1,000,000</b>							
Michael Steven Weiss <sup>(1)</sup>	Executive Director and Group CEO	68	28	–	4	–	100
<b>S\$250,000 to S\$500,000</b>							
Dr Wong Chiang Yin <sup>(2)</sup>	Executive Director and Group CEO	85	11	–	4	–	100

# CORPORATE GOVERNANCE REPORT

Directors		Salary (S\$)	Bonus (S\$)	Other short- term benefits (S\$)	Allowances (S\$)	Fees (S\$)	Total (S\$)
Dr Goh Jin Hian	Chairman, Independent Director	–	–	–	–	124,500	124,500
Dr Ho Choon Hou	Vice Chairman, Independent Director	–	–	–	–	150,000	150,000
Joseph Wong Wai Leung	Independent Director	–	–	–	–	124,500	124,500
Yeo Hwee Tiong <sup>(3)</sup>	Independent Director	–	–	–	–	50,822	50,822
Chen Bing Chuen Albert <sup>(4)</sup>	Non-Independent Non-Executive Director	–	–	–	–	–	–
Wong Christine Bei <sup>(4)</sup>	Non-Independent Non-Executive Director	–	–	–	–	–	–
Wang Tongyan <sup>(4)</sup>	Non-Independent Non-Executive Director	–	–	–	–	–	–
Ho Sheng <sup>(5)</sup>	Chairman, Independent Director	–	–	–	–	88,500	88,500
Bu Jiangyong <sup>(6)</sup>	Non-Independent Non-Executive Director	–	–	–	–	–	–
Fong Chi Wah <sup>(7)</sup>	Non-Independent Non-Executive Director	–	–	–	–	–	–

- (1) Mr Michael Steven Weiss was appointed as interim Group CEO of the Company on 19 January 2019 and re-designated as a Group CEO with effect from 12 February 2018. He resigned as an Executive Director and Group CEO of the Company with effect from 28 February 2019.
- (2) Dr Wong Chiang Yin resigned as an Executive Director and Group CEO of the Company with effect from 4 April 2018.
- (3) Mr Yeo Hwee Tiong was appointed as an Independent Director of the Company with effect from 22 May 2018.
- (4) Mr Chen Bing Chuen Albert, Ms Wong Christine Bei and Ms Wang Tongyan had agreed to waive their Director's fees for FY2018 and FY2019.
- (5) Mr Ho Sheng resigned as an Independent Director of the Company with effect from 31 March 2018.
- (6) Mr Bu Jiangyong was appointed as a NINED of the Company with effect from 22 May 2018. He had agreed to waive his Director's fees for FY2018 and FY2019.
- (7) Mr Fong Chi Wah was appointed as a NINED of the Company with effect from 18 January 2019. He had agreed to waive his Director's fees for FY2019.

The remuneration of the Executive Directors and Group CEO of the Company is not disclosed to protect the Company's need for the retention of talents who have in-depth knowledge of the Company's business and operations.

# CORPORATE GOVERNANCE REPORT

The remuneration of the top six (6) key management personnel (excluding the Executive Director and Group CEO) is disclosed in the table below:

KEY EXECUTIVES		Salary (%)	Bonus (%)	Allowances (%)	Fees (%)	Total (%)
<b>\$\$1,000,000 to \$\$1,250,000</b>						
Tan Poh Lan <sup>(1)</sup>	Group Chief Operating Officer	64	32	4	–	100
<b>\$\$500,000 to \$\$750,000</b>						
Choo Boon Yong	Group Chief Financial Officer	70	27	3	–	100
Thet Hnin Yi	Group Finance Director	62	35	3	–	100
<b>\$\$250,000 to \$\$500,000</b>						
Jamie Woon Geok Peng	Group Director – Brand Development	78	16	6	–	100
Stella Lee Mei Suan	Group Director – Organisational Development	78	16	6	–	100
Tan Huiying	Group Director – Quality and Operations	77	16	7	–	100

(1) Ms Tan Poh Lan was appointed as an Executive Director and Group CEO with effect from 28 February 2019.

For FY2018, the aggregate total remuneration paid to the top six (6) key management personnel, (excluding the Executive Director and Group CEO) amounts to S\$3,180,000.

For FY2018, there was no termination, retirement and post-employment benefits granted to the Directors (including the Executive Director and Group CEO) and top six (6) key management personnel other than the standard contractual notice period termination payment in lieu of service in respect of management employees.

There are no employees of the Company who are immediate family members of a Director (including the Group CEO and Executive Director).

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### Principle 10: Accountability

In presenting the annual and quarterly financial statements and announcements of financial results to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Company and the Group's performance, position and prospects.

In this regard, Management provides all Directors with detailed management accounts of the Company and the Group's performance, financial position and prospects on a timely basis.

### Principle 11: Risk Management and Internal Controls

For the period until 22 May 2018 before the merger of the BRC with the Audit Committee ("AC") to form the ARC, the Board was assisted by the BRC and AC in the area of risk governance and in ensuring that Management implements and maintains a sound system of risk management and internal controls.

The AC was responsible for making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Company can be made by the Board in the Annual Report of the Company according to requirements in the SGX-ST Listing Manual and Code. In this regard, the AC was assisted by the BRC.

The BRC was regulated by a set of written terms of reference and comprises the following members:-

Joseph Wong Wai Leung (Independent Director) (Chairman of the BRC)  
Dr Goh Jin Hian (Board Chairman and Independent Director)  
Wang Tongyan (Non-Independent Non-Executive Director)

The functions of the BRC include, amongst others:

1. advising the Board on the Company's overall risk tolerance and strategy;
2. overseeing and advising the Board on the current risk exposures and future risk strategy of the Company;
3. in relation to risk assessment, (i) reviewing the Company's overall risk assessment processes that inform the Board's decision-making; (ii) reviewing regularly and approve the parameters used in these measures and the methodology adopted; and (iii) setting a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance; and
4. reviewing the effectiveness of the Company's internal controls and risk management systems and reviewing and approving the statements to be included in the Annual Report concerning the effectiveness of the Company's internal control and risk management systems.

Following the formation of the ARC on 22 May 2018, the functions of the BRC were incorporated into the terms of reference of the ARC.

# CORPORATE GOVERNANCE REPORT

For FY2018, the Board has received written assurance from the Group CEO and Group CFO that:–

- (a) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Company's internal controls and risk management systems have been adequate and effective to address the risks which the Company considers relevant and material to its operations.

The Company maintains a system of internal controls for all companies within the Group, but recognises that no internal control system will preclude all errors and irregularities. The system is designed to manage rather than to eliminate the risk of failure to achieve business objectives. The controls are to provide reasonable, but not absolute assurance to safeguard shareholders' investments and the Group's assets.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management, various Board Committees and the Board, and the written assurances from the Group CEO and Group CFO, the ARC and the Board are of the opinion that the Group's internal controls addressing key financial, operational, compliance and information technology controls, and risk management systems were adequate and effective for the financial period from 1 July 2017 to 31 December 2018.

## **Principle 12: Audit and Risk Committee**

The ARC, regulated by a set of written terms of reference, comprises three (3) Directors, all of whom are Non-Executive and the majority of whom, including the Chairman of the ARC, are independent:–

Joseph Wong Wai Leung (Independent Director) (Chairman of the ARC)

Dr Ho Choon Hou (Board Vice Chairman and Independent Director)

Wang Tongyan (Non-Independent Non-Executive Director) – Appointed on 22 May 2018

Dr Goh Jin Hian (Board Chairman and Independent Director) – Appointed on 31 March 2018 and stepped down on 22 May 2018

Ho Sheng (Board Chairman and Independent Director) – Resigned on 31 March 2018

The functions of the ARC include, amongst others:

1. reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
2. reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
3. reviewing, with the external auditors of the Company, the audit plan, the scope of work of the external auditors, the evaluation by the external auditors of the system of internal accounting controls, the external auditor's letter to Management and the Management's response, and the results of the audits conducted by the internal and external auditors;

# CORPORATE GOVERNANCE REPORT

4. reviewing the quarterly, half-yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Listing Manual and any other statutory/regulatory requirements;
5. reviewing the effectiveness and adequacies of the Group's internal controls and procedures, including accounting and financial controls and procedures and ensure co-ordination between the external auditors and the Management, reviewing the assistance given by the Management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);
6. reviewing any interested person transactions to ensure that procedures are followed in accordance with the internal control measures which the Group has adopted;
7. reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response thereto;
8. commissioning of an audit of the internal control and accounting systems of the Group until such time the ARC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any);
9. making recommendations to the Board on the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors, and approving the remuneration and terms of engagement of the external auditors;
10. reviewing and approving transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual (if any);
11. reviewing any potential conflicts of interest;
12. reviewing the adequacy of potential business risk management processes;
13. reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group;
14. undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARC;
15. reviewing and establishing procedures for receipt, retention and treatment of whistleblowing report(s) received by the Group, which may relate to criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and
16. generally to undertake such other functions and duties as may be required by any applicable laws, regulations, statutes and the Listing Manual, and by such amendments made thereto from time to time.

# CORPORATE GOVERNANCE REPORT

Apart from the duties listed above, the ARC is also authorised by the Board to investigate into any matter within its terms of reference or, where appropriate, review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position.

Each member of the ARC shall abstain from reviewing any particular transaction or voting on such resolution in respect of which he or she is or may be interested in.

The Board is of the view that all the members of the ARC are appropriately qualified to discharge their responsibilities. The ARC held six (6) meetings in FY2018. These meetings were attended by the Group CEO, Group COO, the Group CFO and the Group Finance Director of the Company at the invitation of the ARC. The Group's external auditors were also present at these meetings. The ARC has also held a private session each with the external auditor and internal auditor, without the presence of the Executive Directors and Management.

The ARC has met with the Group's external auditor, Messrs KPMG LLP ("KPMG"), to discuss the results of KPMG's audit of the Group for FY2018 and the evaluation of the Group's system of internal controls. The ARC has also reviewed the Group's full-year results announcement, the financial statements of the Company and the consolidated financial statements of the Group for FY2018 prior to its recommendation to the Board for approval.

The total amount of audit fees paid to KPMG during FY2018 was S\$649,000 out of which S\$540,000 was for audit services and S\$109,000 was for non-audit services. Non-audit fees accounted for 16.8% of total audit fees in FY2018. The ARC, having reviewed the fees paid to KPMG for non-audit services, is satisfied with the independence and objectivity of KPMG as external auditor of the Group for FY2018.

To keep abreast of changes to the accounting standards and issues which have a direct impact on the Company's financial statements, the ARC members received updates from the external auditor at the quarterly ARC meetings and made efforts to attend courses and seminars relevant to their performance as members of the ARC, and where appropriate, at the expense of the Company.

## **Principle 13: Internal Audit**

The Board recognises the importance of the internal audit function which, being independent of Management, is one of the principal means by which the ARC is able to carry out its responsibilities effectively. Messrs PricewaterhouseCoopers LLP ("PwC") is the existing internal auditor of the Group. PwC primarily reports to the Chairman of the ARC and has unfettered access to all of the Group's documents, records, properties and personnel. The representatives from PwC who are in charge of the internal audit of the Company are invited to the ARC Meeting to present their Internal Audit Report.

The ARC reviews the internal auditor on an annual basis, and is satisfied, based on the last review, that the internal audit function is adequately resourced with persons with the relevant qualifications and experience and has the appropriate standing within the Company. The internal auditor carries out its functions according to the PwC Global Internal Audit Services Methodology, which is aligned to the International Standards for the Professional Practice of Internal Auditing.

The ARC will continue to assist the Board to review the effectiveness of the internal audit function annually with a view to improving and enhancing the Company's internal controls and risk management system.

# CORPORATE GOVERNANCE REPORT

The Company also has in place a whistleblowing policy. This policy provides well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group. The Company has included whistleblowing as a standard agenda item for the quarterly ARC and Board meetings for the ARC and the Board to receive and discuss any whistleblowing reports or incidents.

## COMMUNICATION WITH SHAREHOLDERS

### Principle 14: Shareholder Rights

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholder's rights. It aims to keep all shareholders and other stakeholders informed of its corporate activities, including changes which are likely to materially affect the price or value of its shares, on a timely and consistent manner.

Shareholders are also given the opportunity to participate effectively in and vote at general meetings of the Company, where relevant rules, including voting procedures are clearly communicated to the attendees. Shareholders are given sufficient notice to attend general meetings, at least not less than the notice period stipulated by the Companies Act, Cap. 50 and the Company's Constitution. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies, and other shareholders are allowed to appoint not more than two proxies to attend and participate at the Company's general meetings.

### Principle 15: Communication with the Shareholders

The Company strives for timeliness and transparency in its disclosures to the shareholders and the public and is also committed to gathering the views of its shareholders and to address their concerns, where possible. In addition to the regular dissemination of information through SGXNet on a timely basis, the Company also responds to enquiries from investors, analysts, fund managers and the press. The Company has engaged an external investor relations firm to advise and assist the Company on matters relating to investor relations.

The Group CEO and/or Group CFO meet investors, fund managers and analysts and attend relevant investor roadshows regularly to gather feedback and understand their views on the Company.

The Company does not practise selective disclosure as all price-sensitive information is always released timely to all shareholders through SGXNet. In the event of any inadvertent disclosure made to a selected group, the Company makes the same disclosure publicly to all others as soon as practicable via SGXNet and through any other practicable means including the use of the Company's corporate website.

The Company does not have a dividend payment policy. In determining whether or not to pay an interim dividend or to recommend the payment of a final dividend, the Board will consider, amongst other things, the Company's expansion plans, existing projects and cash flow projections.

### Principle 16: Conduct of Shareholders Meetings

The AGM is the principal forum for dialogue and interaction with all shareholders. The Board welcomes shareholders to voice their views and ask the Board questions regarding the Company and the Group at the AGM. A shareholder who is entitled to attend and vote at the AGM may either vote in person or vote by proxy by sending in the instrument of proxy at least forty-eight hours before the time of the general meeting.



# CORPORATE GOVERNANCE REPORT

The chairmen of the Board Committees and key management personnel are invited to attend the AGM of the Company and are present and available to address questions at general meetings. In addition, the external auditors of the Company are also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

Each item of special business included in the notice of the meeting will be accompanied by an explanation of the effects of a proposed resolution. Unless the resolutions proposed at a meeting are interdependent and linked so as to form one significant proposal, separate resolutions shall be proposed for substantially separate issues at the meeting.

All the resolutions put to the vote at the forthcoming AGM would be voted on by poll and an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be released to the public via SGXNet.

The Company will also prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and will make such minutes or notes available to shareholders by posting it on the Company's website as soon as practicable.

## **ADDITIONAL INFORMATION**

### **DEALINGS IN SECURITIES**

[Listing Manual, Rule 1207(19)]

In line with Rule 1207(19) of the Listing Manual as well as insider trading laws in Singapore, the Company has in place a policy prohibiting share dealings by Directors and employees of the Company for two weeks before the announcement of the Company's first three quarter results and one month before the release of the Company's full-year financial results.

The Directors and employees are also expected to observe insider trading laws at all times, even when dealing in securities outside of the prohibited periods. In addition, the Directors, Management and officers of the Group are discouraged from dealing in the Company's securities on short-term considerations.

### **INTERESTED PERSON TRANSACTIONS**

[Listing Manual, Rule 907]

There were no interested person transactions in FY2018.

### **MATERIAL CONTRACTS**

[Listing Manual, Rule 1207(8)]

There were no material contracts of the Company or its subsidiaries involving the interest of the Chairman, the Group CEO, the Director or controlling shareholder subsisting at the end of the financial period.

### **AUDITING FIRMS**

[Listing Manual, Rule 1207(6)(c)]

The Group has complied with Rule 712 and Rule 715 in relation to auditing firms.

# CORPORATE GOVERNANCE REPORT

## SUSTAINABILITY REPORTING

The Company considers relevant environmental, social, and governance (“ESG”) risks and opportunities to strengthen our business sustainability. The Company will publish its inaugural Sustainability Report (“Sustainability Report”) before 31 December 2019. The Report will share its management, performance and targets in relation to its material ESG factors. This Sustainability Report will be aligned to SGX-ST’s Listing Rules – Sustainability Reporting Guide, and will be publicly accessible through the Company’s website as well as on SGXNet. It should be read in conjunction with the Annual Report presented here.

## USE OF PLACEMENT PROCEEDS

[Listing Manual, Rule 1207(20)]

As at 28 February 2019, the Group has utilised approximately S\$23.3 million out of the approximately S\$33.5 million raised from the Private Placement 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%	16.4	48.8%
General working capital	8.6	25.7%	6.3	18.6%
Expenses incurred in connection with the Private Placement	1.4	4.2%	0.6	1.8%
	33.5	100.0%	23.3	69.6%

### Note:

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

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

	Amount (S\$ m)
<b>Amount utilised as working capital:</b>	
Trade purchases	6.2
Legal and professional fees	0.1
	<u>6.3</u>

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# DIRECTORS' STATEMENT

We are pleased to submit this Annual Report to the members of the Company together with the audited financial statements for the financial period from 1 July 2017 to 31 December 2018.

In our opinion:

- (a) the financial statements set out on pages 59 to 125 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the period from 1 July 2017 to 31 December 2018 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## DIRECTORS

The Directors in office at the date of this statement are as follows:

Dr Goh Jin Hian  
Dr Ho Choon Hou  
Ms Tan Poh Lan (Appointed on 28 February 2019)  
Mr Joseph Wong Wai Leung  
Mr Yeo Hwee Tiong (Appointed on 22 May 2018)  
Mr Chen Bing Chuen Albert  
Ms Wong Christine Bei  
Ms Wang Tongyan  
Mr Bu Jiangyong (Appointed on 22 May 2018)  
Mr Fong Chi Wah (Appointed on 18 January 2019)

# DIRECTORS' STATEMENT

## DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of Directors who held office at the end of the financial period (including those held by their spouses and infant children) in shares, debentures and share options in the Company and in related corporations are as follows:

Name of Directors and company in which interests are held	Direct interest		Deemed interest	
	Holdings at beginning of the period	Holdings at end of the period	Holdings at beginning of the period	Holdings at end of the period
<b>Cordlife Group Limited</b> <b>Ordinary shares</b>				
Dr Ho Choon Hou	792,061	792,061	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial period and 21 January 2019.

Except as disclosed in this statement, no Director who held office at the end of the financial period had interests in shares, debentures or share options of the Company, or of its related corporations, either at the beginning of the financial period, or date of appointment if later, or at the end of the financial period.

Except as disclosed in this statement, neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objectives is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## SHARE GRANT PLAN

At an Extraordinary General Meeting held on 18 October 2013, the shareholders of the Company approved the Cordlife Share Grant Plan (the "Plan") for the award of rights (the "Awards") to participants of the Plan to receive ordinary shares of the Company. Persons eligible to participate in the Plan comprise key senior management and employees of the Company and Non-Executive Directors at the absolute discretion of the Remuneration Committee ("RC").

The performance targets to be set under the Plan are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The vesting period of the Awards ranges from one to three years. The final number of shares awarded will depend on the achievement of pre-determined performance conditions at the end of the vesting period. No shares will be released if the threshold targets are not met at the end of the vesting period. On the other hand, if superior targets are met, more shares than the initial award could be delivered up to a maximum of 200% of the initial award. In addition, for a period of at least one year after the award of the shares, 50% of all shares awarded to the participants under the Plan may not be transferred or otherwise disposed of for a period of at least one year.

Details of the Plan are disclosed in Note 31 of the financial statements.

The RC administering the Plan comprises three Directors, Dr Goh Jin Hian, Mr Yeo Hwee Tiong and Mr Chen Bing Chuen Albert.

# DIRECTORS' STATEMENT

Details of the Awards of the Company pursuant to the Plan are as follows:

<u>Grant date</u>	<u>Balance as at 1 July 2017</u>	<u>Grants during the financial period</u>	<u>Vested during the financial period</u>	<u>Cancelled during the financial period</u>	<u>Balance as at 31 December 2018</u>
<u>Performance Share Award</u>					
16 December 2014	23,250	–	(23,250)	–	–
28 December 2015	161,000	–	–	(161,000)	–
3 November 2017	–	533,900	(470,150)	(63,750)	–
27 November 2017	–	1,770,200	(384,970)	(1,000,260)	384,970
3 October 2018	–	1,064,200	–	–	1,064,200
	<u>184,250</u>	<u>3,368,300</u>	<u>(878,370)</u>	<u>(1,225,010)</u>	<u>1,449,170</u>
<u>Restricted Share Award</u>					
28 December 2015	45,600	–	–	(45,600)	–
<u>Deferred Share Award</u>					
15 April 2016	136,200	–	(90,800)	–	45,400

Since the commencement of the Plan till the end of the financial period:

- No participant has received 5% or more of the total Awards available under the Plan.
- No options have been granted to Directors and employees of the holding company and its subsidiaries.
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.
- No options have been granted at a discount.

## AUDIT AND RISK COMMITTEE

The audit and risk committee ("ARC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter. 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;
- Reviews the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Meets with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

# DIRECTORS' STATEMENT

- Reviews the cost effectiveness and the independence and objectivity of the external auditor;
- Reviews the nature and extent of non-audit services provided by the external auditor;
- Recommends to the Board of Directors the external auditor to be nominated, approves the compensation of the external auditor, and reviews the scope and results of the audit;
- Reports actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened six meetings during the period with all members present. The ARC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARC are disclosed in the Corporate Governance Report.

## AUDITORS

At the Annual General Meeting held on 27 October 2017, KPMG LLP were appointed as the auditors of the Company. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

**Dr Goh Jin Hian**  
*Chairman*

**Ms Tan Poh Lan**  
*Director*

**Singapore**  
29 March 2019

# INDEPENDENT AUDITORS' REPORT

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Cordlife Group Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the period from 1 July 2017 to 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 125.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the period from 1 July 2017 to 31 December 2018.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# INDEPENDENT AUDITORS' REPORT

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition amounting to \$105,007,000 (Refer to Note 4 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group enters into long-term cord blood, cord lining and cord tissue banking service contracts with tenure ranging from 18 to 25 years.</p> <p>The Group determines revenue to be recognised based on the stage of completion method. Stage of completion is measured based on the actual processing and storage costs incurred to date as a proportion of expected total costs for the whole contract period.</p> <p>Significant management judgements have been applied in the assumptions and inputs in the cost model in deriving the expected total costs to be incurred. This in turn required the auditors to exercise greater professional judgement in assessing the appropriateness of management's assumptions and challenging the judgements.</p>	<p>We considered the terms of the key contracts and the appropriateness of the revenue recognition policies.</p> <p>We tested the effectiveness of key controls over revenue recognition and reconciliation.</p> <p>Our substantive procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the reasonableness of management's estimation of the percentage of completion used in revenue recognition, including retrospective review of estimates made in prior period by comparing the prior year estimated costs to the actual costs incurred.</li> <li>Assessed the revenue recognition accounting policies and compared against the terms of the key contracts.</li> <li>Based on our understanding of the processing and storage functions, we assessed each of the management's inputs used in the computation of estimated processing and storage costs for revenue recognition.</li> </ul> <p>We noted that management's estimation of the percentages of completion used in revenue recognition were reasonable.</p>
Impairment assessment of goodwill amounting to \$27,880,000 (Refer to Note 13 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group has recognised a significant amount of goodwill, arising from the Group's acquisition of Stemlife Berhad and its subsidiaries and Healthbaby Biotech (Hong Kong) Co., Limited and its subsidiary. These entities have been identified as separate cash generating units ("CGUs").</p> <p>Management has assessed the recoverable amounts of the CGUs calculated based on their value in use, using discounted cash flow forecasts in which the management made judgements over certain key inputs in relation to cash flows and discount rates.</p> <p>The Group did not recognise impairment loss on goodwill during the period.</p>	<p>Our review of the impairment assessment by management included the following:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the determination of CGUs.</li> <li>Assessed the appropriateness and reasonableness of the methodology used to estimate the recoverable amount, and key assumptions including cash flows and discount rates used by management.</li> </ul> <p>Based on the procedures performed, we are satisfied that the value in use amounts are in excess of the carrying amounts, and no impairment is required.</p> <p>We also noted that the Group's disclosure in the financial statements were appropriate.</p>

# INDEPENDENT AUDITORS' REPORT

## Other matter

The financial statements for the year ended 30 June 2017 were audited by another firm of Chartered Accountants whose report dated 28 September 2017 expressed an unmodified opinion on those statements.

## Other information

Management is responsible for the other information contained in the Annual Report. Other information is defined as all information in the Annual Report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and Directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

## Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITORS' REPORT

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Barry Lee Chin Siang.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

29 March 2019

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period from 1 July 2017 to 31 December 2018

	Note	Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
Revenue	4	105,007	59,962
Cost of sales		(33,942)	(21,136)
<b>Gross profit</b>		<b>71,065</b>	<b>38,826</b>
Other operating income	5	1,442	874
Selling and marketing expenses		(32,186)	(19,622)
Administrative expenses		(34,188)	(19,534)
Finance income	6	2,056	1,858
Finance costs	6	(326)	(225)
<b>Profit before income tax from operations</b>		<b>7,863</b>	<b>2,177</b>
Fair value gain/(loss) on investment properties	12	316	(168)
Note repurchase expense	26	–	(2,149)
Finance costs	6	–	(1,781)
<b>Profit/(loss) before income tax</b>		<b>8,179</b>	<b>(1,921)</b>
Tax expense	8	(2,681)	(675)
<b>Profit/(loss) for the period/year</b>	<b>7</b>	<b>5,498</b>	<b>(2,596)</b>
<b>Other comprehensive income/(loss):</b>			
<i>Item that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(351)	(900)
Fair value gain arising from revaluation of available-for-sale financial asset		6	–
Other comprehensive loss for the period/year, net of tax		(345)	(900)
<b>Total comprehensive income/(loss) for the period/year</b>		<b>5,153</b>	<b>(3,496)</b>
<b>Profit/(loss) for the period/year attributable to:</b>			
Owners of the Company		5,534	(2,572)
Non-controlling interests		(36)	(24)
		<b>5,498</b>	<b>(2,596)</b>
<b>Total comprehensive income/(loss) for the period/year attributable to:</b>			
Owners of the Company		5,184	(3,438)
Non-controlling interests		(31)	(58)
		<b>5,153</b>	<b>(3,496)</b>
<b>Earnings/(loss) per share (cents per share):</b>			
Basic	9	2.19	(0.99)
Diluted	9	2.18	(0.99)

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

	Note	Group		Company	
		31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	12,718	13,062	6,136	6,732
Investment properties	12	8,717	8,256	2,975	2,880
Intangible assets	13	34,258	13,513	1,049	1,552
Deferred tax assets	25	146	–	–	–
Long-term investments	14	6,178	6,176	4,200	4,200
Investment in subsidiaries	30	–	–	83,710	58,710
Investment in associate	10	–	–	–	–
Trade receivables	15	67,536	63,090	46,525	45,802
Other receivables	16	53	4,211	7	4,211
		<u>129,606</u>	<u>108,308</u>	<u>144,602</u>	<u>124,087</u>
<b>Current assets</b>					
Inventories	17	1,358	1,279	294	376
Prepayments		2,700	1,760	813	836
Trade receivables	15	28,966	24,459	10,887	9,450
Other receivables	16	6,598	2,008	4,835	527
Tax recoverable		1,975	94	–	–
Amounts owing by subsidiaries	18	–	–	16,936	14,533
Short-term investments	19	29,005	22,261	–	–
Fixed deposits	20	3,355	11,778	–	10,747
Pledged fixed deposits	20	6	258	–	–
Cash and cash equivalents	21	10,910	26,527	5,181	18,404
		<u>84,873</u>	<u>90,424</u>	<u>38,946</u>	<u>54,873</u>
<b>Total assets</b>		<u>214,479</u>	<u>198,732</u>	<u>183,548</u>	<u>178,960</u>
<b>Current liabilities</b>					
Trade and other payables	22	15,056	12,519	3,550	3,261
Amounts owing to subsidiaries	18	–	–	7,632	16,733
Interest-bearing borrowings	23	295	2,118	295	2,118
Deferred revenue	24	17,936	16,296	3,769	3,688
Tax payable		1,982	1,244	–	–
		<u>35,269</u>	<u>32,177</u>	<u>15,246</u>	<u>25,800</u>
<b>Net current assets</b>		<u>49,604</u>	<u>58,247</u>	<u>23,700</u>	<u>29,073</u>
<b>Non-current liabilities</b>					
Other payables	22	294	200	–	4
Amounts owing to subsidiaries		–	–	35,565	–
Interest-bearing borrowings	23	4,310	6,613	4,310	6,613
Deferred revenue	24	46,202	30,521	15,971	13,565
Deferred tax liabilities	25	7,068	3,891	15	15
		<u>57,874</u>	<u>41,225</u>	<u>55,861</u>	<u>20,197</u>
<b>Total liabilities</b>		<u>93,143</u>	<u>73,402</u>	<u>71,107</u>	<u>45,997</u>
<b>Net assets</b>		<u>121,336</u>	<u>125,330</u>	<u>112,441</u>	<u>132,963</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	27	96,379	96,666	96,379	96,666
Treasury shares	27	(15,469)	(9,766)	(15,469)	(9,766)
Accumulated profits		54,338	52,088	30,608	45,267
Other reserves	28	(14,050)	(13,827)	923	796
		<u>121,198</u>	<u>125,161</u>	<u>112,441</u>	<u>132,963</u>
<b>Non-controlling interests</b>		138	169	–	–
<b>Total equity</b>		<u>121,336</u>	<u>125,330</u>	<u>112,441</u>	<u>132,963</u>
<b>Total equity and liabilities</b>		<u>214,479</u>	<u>198,732</u>	<u>183,548</u>	<u>178,960</u>

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 July 2017 to 31 December 2018

Group	Note	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 interests \$'000	Total equity \$'000
At 1 July 2016		96,672	(9,828)	54,660	167	568	534	(9,387)	(2,697)	2,066	132,755
<b>Total comprehensive loss for the year</b>											
Loss for the year		-	-	(2,572)	-	-	-	-	-	(24)	(2,596)
<b>Other comprehensive loss for the year, net of tax</b>											
Foreign currency translation		-	-	-	-	-	-	-	(866)	(34)	(900)
Total comprehensive loss for the year		-	-	(2,572)	-	-	-	-	(866)	(58)	(3,496)
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Grant of share awards to employees		-	-	-	263	-	-	-	-	-	263
Reissuance of treasury shares pursuant to equity compensation plan		(6)	62	-	(56)	-	-	-	-	-	-
Total contributions by and distributions to owners		(6)	62	-	207	-	-	-	-	-	263
<b>Changes in ownership interests in subsidiaries</b>											
Acquisition of non-controlling interests in subsidiary	30(b)	-	-	-	-	-	-	(2,353)	-	(1,839)	(4,192)
Total changes in ownership interests in subsidiary		-	-	-	-	-	-	(2,353)	-	(1,839)	(4,192)
At 30 June 2017		96,666	(9,766)	52,088	374	568	534	(11,740)	(3,563)	169	125,330

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 July 2017 to 31 December 2018

Group	Note	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 interests \$'000	Total equity \$'000
At 1 July 2017		96,666	(9,766)	52,088	374	568	534	(11,740)	–	(3,563)	169	125,330
<b>Total comprehensive income/(loss) for the period</b>												
Profit/(loss) for the period		–	–	5,534	–	–	–	–	–	–	(36)	5,498
<b>Other comprehensive income/(loss)</b>												
Foreign currency translation		–	–	–	–	–	–	–	–	(356)	5	(351)
Fair value gain arising from revaluation of available-for-sale financial asset		–	–	–	–	–	–	–	6	–	–	6
Total comprehensive income/(loss) for the period		–	–	5,534	–	–	–	–	6	(356)	(31)	5,153
<b>Transactions with owners, recognised directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Purchase of treasury shares		–	(6,675)	–	–	–	–	–	–	–	–	(6,675)
Grant of share awards to employees		–	–	–	812	–	–	–	–	–	–	812
Reissuance of treasury shares pursuant to equity compensation plan		(287)	972	–	(685)	–	–	–	–	–	–	–
Dividends		–	–	(3,284)	–	–	–	–	–	–	–	(3,284)
Total contributions by and distributions to owners		(287)	(5,703)	(3,284)	127	–	–	–	–	–	–	(9,147)
At 31 December 2018		96,379	(15,469)	54,338	501	568	534	(11,740)	6	(3,919)	138	121,336

The accompanying notes form an integral part of the financial statements.



# STATEMENT OF CHANGES IN EQUITY

Period from 1 July 2017 to 31 December 2018

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Total equity \$'000
At 1 July 2016	96,672	(9,828)	50,779	422	167	138,212
<b>Total comprehensive loss for the year</b>						
Loss for the year	–	–	(5,512)	–	–	(5,512)
Total comprehensive loss for the year	–	–	(5,512)	–	–	(5,512)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Grant of share awards to employees	–	–	–	–	263	263
Reissuance of treasury shares pursuant to equity compensation plan	(6)	62	–	–	(56)	–
Total contributions by and distributions to owners	(6)	62	–	–	207	263
At 30 June 2017 and 1 July 2017	96,666	(9,766)	45,267	422	374	132,963
<b>Total comprehensive loss for the period</b>						
Loss for the period	–	–	(11,375)	–	–	(11,375)
Total comprehensive loss for the period	–	–	(11,375)	–	–	(11,375)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Purchase of treasury shares	–	(6,675)	–	–	–	(6,675)
Grant of share awards to employees	–	–	–	–	812	812
Reissuance of treasury shares pursuant to equity compensation plan	(287)	972	–	–	(685)	–
Dividends	–	–	(3,284)	–	–	(3,284)
Total contributions by and distributions to owners	(287)	(5,703)	(3,284)	–	127	(9,147)
At 31 December 2018	96,379	(15,469)	30,608	422	501	112,441

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Period from 1 July 2017 to 31 December 2018

	Note	Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		8,179	(1,921)
Adjustments for:			
Depreciation of property, plant and equipment	11	2,674	1,839
Amortisation of intangible assets	13	1,824	1,290
Impairment loss on trade and non-trade receivables and bad debts written off, net		1,691	885
Gain on disposal of property, plant and equipment, net		(11)	(2)
Loss on disposal of intangible assets		–	56
Interest income	6	(2,056)	(1,858)
Interest expense	6	326	2,006
Note repurchase expense	26	–	2,149
Share-based compensation expense		812	263
Fair value (gain)/loss on investment properties	12	(316)	168
Investment income		(358)	–
Unrealised exchange loss/(gain)		962	(873)
		<u>13,727</u>	<u>4,002</u>
Changes in:			
Trade receivables		(11,165)	(6,914)
Other receivables and prepayments		(1,133)	(24)
Inventories		(29)	(222)
Trade and other payables		517	(700)
Deferred revenue		8,839	6,599
Cash generated from operations		<u>10,756</u>	<u>2,741</u>
Interest received		1,626	1,858
Interest paid		(326)	(225)
Income tax paid		(1,847)	(349)
<b>Net cash from operating activities</b>		<u>10,209</u>	<u>4,025</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(2,128)	(893)
Purchase of intangible assets	13	(671)	(778)
Proceeds from disposal of property, plant and equipment		18	–
Placement of short-term investments		(6,190)	(7,550)
Acquisition of long-term investments		–	(1,976)
Acquisition of a subsidiary, net of cash	30(a)	(8,813)	–
Transfer from fixed deposits, net		8,531	41,709
<b>Net cash (used in)/generated from investing activities</b>		<u>(9,253)</u>	<u>30,512</u>
<b>Cash flows from financing activities</b>			
Transfer from pledged fixed deposits		203	–
Purchase of treasury shares	27(b)	(6,675)	–
Repayment of interest-bearing borrowings	23	(6,863)	(2,134)
Acquisition of non-controlling interests in subsidiary		–	(4,192)
Dividends paid	36	(3,284)	–
Interest paid on notes		–	(2,053)
Repurchase of notes		–	(69,826)
<b>Cash flows used in financing activities</b>		<u>(16,619)</u>	<u>(78,205)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(15,663)</u>	<u>(43,668)</u>
Cash and cash equivalents at beginning of the period/year		26,527	69,701
Effects of exchange rate changes on the balance of cash and cash equivalents		46	494
<b>Cash and cash equivalents at end of the period/year</b>		<u>10,910</u>	<u>26,527</u>

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 March 2019.

## 1 DOMICILE AND ACTIVITIES

Cordlife Group Limited (the "Company") is incorporated in Singapore and has its registered office at 1 Yishun Industrial Street 1, #06-01/09, A'Posh Bizhub, Singapore 768160.

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the Company are investment holding and the provision of cord blood banking services, which involves the processing and storage of cord blood stem cells. The principal activities of the subsidiaries are disclosed in Note 30 to the financial statements.

The financial statements of the Group comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

On 8 June 2018, the Company changed its financial year end from 30 June to 31 December. Accordingly, the current financial period covers a period of 18 months from 1 July 2017 to 31 December 2018. The change will enable the Company to align its financial year end to meet the overall reporting and consolidation calendar of its major shareholder.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

### 2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 2 BASIS OF PREPARATION (CONT'D)

### 2.4 Use of estimates and judgements (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – revenue recognition: determination of expected total costs for the whole contract period for the revenue recognised
- Note 12 – fair value of investment properties: determination of fair value of investment properties based on the valuation technique and significant unobservable inputs
- Note 13 – impairment of non-financial assets: key assumptions used in discounted cash flow projections for the recoverable amounts
- Note 15 – allowance for impairment loss on trade receivables: key assumptions in determining the allowance amount

### 2.5 Changes in accounting policies

#### *Disclosure Initiative (Amendments to FRS 7)*

From 1 July 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financing activities for the period ended 31 December 2018. Comparative information has not been presented (see note 23).

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

### 3.1 Basis of consolidation

#### (i) *Business combinations*

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of consolidation (cont'd)

#### (ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

#### (iii) *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### (iv) *Investment in associate*

An associate is an entity over which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in associate is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the equity-accounted associate, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of consolidation (cont'd)

*(v) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

*(vi) Subsidiaries, associates and joint ventures in the separate financial statements*

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 3.2 Foreign currency

*(i) Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss), which are recognised in OCI.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.2 Foreign currency (cont'd)

#### (ii) *Foreign operations*

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

### 3.3 Financial instruments

#### (i) *Non-derivative financial assets*

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

#### (i) *Non-derivative financial assets (cont'd)*

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

#### *Financial assets at fair value through profit or loss*

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as held for trading comprise equity securities actively managed by the Group's treasury department to address short-term liquidity needs.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

#### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are held for the purpose of meeting short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

#### (i) *Non-derivative financial assets (cont'd)*

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments (see note 3.2(i)), are recognised in OCI and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and investments in money market funds.

#### (ii) *Non-derivative financial liabilities*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the date of acquisition. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities as other financial liabilities.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. These financial liabilities comprise interest-bearing borrowings and trade and other payables.

#### (iii) *Share capital*

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.4 Property, plant and equipment

All items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	–	3 to 5 years
Laboratory equipment	–	5 to 10 years
Office equipment	–	3 to 10 years
Motor vehicles	–	3 to 5 years
Leasehold improvement	–	3 to 7 years
Buildings	–	50 to 60 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

### 3.6 Intangible assets

#### (i) *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(i).

#### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses.

#### (ii) *Club membership*

Club membership, which has an indefinite useful life, is stated at cost less impairment loss, if any.

#### (iii) *Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Intangible assets (cont'd)

#### (iv) *Amortisation*

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than club membership and goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Customer contracts	–	12 to 20 years
Computer software	–	3 to 5 years
Brand	–	15 years
Licence and trademarks	–	3 to 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is on a weighted average cost basis. Inventories mainly consist of materials used in the provision of cord blood, cord lining and cord tissue banking services.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.8 Impairment

#### (i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss, including an interest in an associate, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Impairment (cont'd)

#### (i) *Non-derivative financial assets (cont'd)*

##### *Loans and receivables*

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

##### *Available-for-sale financial assets*

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in OCI.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Impairment (cont'd)

#### (ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.9 Employee benefits

#### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

#### *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

#### *Employee equity compensation plans*

Employees (including senior executives) of the Group receive remuneration in the form of share awards as consideration for services rendered.

The grant date fair value of equity-settled share-based payment awards granted to employee is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

### 3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.



# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.11 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

### 3.12 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.13 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

#### *Rendering of services*

Revenue from cord blood, cord lining and cord tissue banking services is recognised in profit or loss in proportion to the stage of completion of the service at the reporting date. Stage of completion is measured by reference to the percentage of costs incurred to estimated total costs to complete the contracts.

Revenue received in advance for services to be rendered under cord blood, cord lining and cord tissue banking contracts is accounted for as deferred revenue in the statements of financial position.

#### *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

### 3.14 Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings that are recognised in profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.15 Tax (cont'd)

#### *Other taxes*

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST") except:

- (a) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (b) receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### 3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share grants and options granted to employees.

### 3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.18 Convergence with SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the year ending 31 December 2019 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in *SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)*.

In addition to the adoption of the SFRS(I), the Group will also concurrently apply the SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date, of which the following are applicable to the Group:

- *SFRS(I) 15 Revenue from Contracts with Customers* which includes the clarifications to *IFRS 15 Revenue from Contracts with Customers* issued by IASB in April 2016;
- *SFRS(I) 9 Financial Instruments* which includes the amendments to *IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* issued by the IASB in September 2016;
- requirements in *SFRS(I) 1-40 Investment Property* arising from the amendments to *IAS 40 – Transfers of Investment Property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to *IFRS 1 – Deletion of Short-Term Exemptions for First-Time Adopters* issued by the IASB in December 2016;
- requirements in *SFRS(I) 1-28 Investments in Associates and Joint Ventures* arising from the amendments to *IAS 28 – Measuring an Associate or Joint Venture at Fair Value* issued by the IASB in December 2016; and
- *SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration*

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.18 Convergence with SFRS(I) and adoption of new standards (cont'd)

#### *SFRS(I) 15 Revenue from Contracts with Customers*

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 December 2019 ("FY2019"), using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, and the comparative period presented in the FY2019 financial statements will be restated.

The Group is currently finalising the computations of the transition adjustments arising from the application of SFRS(I) 15, which is expected to have a material impact on the opening retained earnings and the revenue recognised for the period of 1 July 2017 to 31 December 2018.

#### *SFRS(I) 9 Financial Instruments*

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss ("ECL") model for calculating impairment of financial assets, and new general hedge accounting requirements.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Company retrospectively, except as described below.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the FY2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2019.
- The following assessments have to be made on the basis of facts and circumstances that existed at 1 January 2019.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity instrument that is not held for trading as at fair value through other comprehensive income ("FVOCI"); and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL").

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.18 Convergence with SFRS(I) and adoption of new standards (cont'd)

#### *SFRS(I) 9 Financial Instruments (cont'd)*

The expected impact on adoption of SFRS(I) 9 are described below.

#### *Classification and measurement*

For financial assets currently classified as available-for-sale, the Group expects to reclassify these assets at FVTPL under SFRS(I) 9. For financial assets currently classified as FVTPL, the Group expects to continue measuring these assets at FVTPL under SFRS(I) 9.

The Group currently measures its unquoted equity investments at cost (Note 14). Under SFRS(I) 9, the Group will be required to measure these investments at fair value. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained earnings when the Group applies SFRS(I) 9.

#### *Impairment*

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking ECL model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables arising from the application of SFRS(I) 15.

The Group is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon finalisation.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2018:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 4 REVENUE

	Group	
	Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
Rendering of cord blood, cord lining and cord tissue banking services	91,601	51,714
Rendering of other services	1,560	1,013
Interest income on non-current trade receivables	11,846	7,235
	105,007	59,962

The Group recognises revenue from cord blood, cord lining and cord tissue banking services based on the stage of completion method. Significant assumptions and estimates are required in determining the total estimated costs. In making the assumptions, the Group evaluates them by relying on past experience and evidence. Any significant change in the estimated costs over the remaining period would have a significant impact on the revenue recognised. An increase/decrease in estimated storage costs over the remaining contract period would reduce/increase the stage of completion to date, and hence would reduce/increase the revenue recognised in the current period.

If the total estimated storage costs had been 5% higher than management's current estimate, the total revenue recognised arising from these contracts for the period/year would have been \$3,535,000 (30 June 2017: \$2,165,000) lower.

## 5 OTHER OPERATING INCOME

	Group	
	Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
Rental income	208	163
Gain on disposal of property, plant and equipment	17	2
Fair value gain on short-term investments	616	282
Grant income	131	131
Others	470	296
	1,442	874

## 6 FINANCE INCOME AND FINANCE COST

	Note	Group	
		Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
Interest income from fixed deposits		265	905
Interest income from short-term investments		1,266	619
Interest income from note receivable		525	334
Finance income		2,056	1,858
Interest expense on interest-bearing borrowings		326	225
Interest expense on notes payable	26	–	1,781
Finance costs		326	2,006
Net finance income/(costs)		1,730	(148)



# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 7 PROFIT/(LOSS) FOR THE PERIOD/YEAR

The following items have been included in arriving at profit/(loss) for the period/year:

	Note	Group	
		Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
Employee benefits expense	31	37,808	21,931
Audit fees paid to auditors of the Company		540	363
Non-audit fees paid to auditors of the Company		109	34
Operating lease expenses		2,666	1,092
Depreciation of property, plant and equipment	11	2,674	1,839
Amortisation of intangible assets	13	1,824	1,290
Impairment loss on trade receivables, net	15	1,087	737
Bad debts written off		297	148
Gain on disposal of property, plant and equipment, net		(11)	(2)
Loss on disposal of intangible assets		–	56

## 8 TAX EXPENSE

	Group	
	Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
<b>Current tax expense</b>		
Current period/year	2,791	597
Under/(over) provision in respect of previous years	192	(76)
	2,983	521
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(302)	(66)
Under provision in respect of previous years	–	220
	2,681	675
<b>Reconciliation of effective tax rate</b>		
Profit/(loss) before income tax	8,179	(1,921)
Tax using the Singapore tax rate of 17% (30 June 2017: 17%)	1,390	(327)
Effect of tax rates in foreign jurisdictions	792	319
Deferred tax assets not recognised	162	289
Non-deductible expenses	948	1,073
Tax exempt income	–	(453)
Recognition of tax effect of previously unrecognised tax losses	(788)	(318)
Effect of partial tax exemption	(26)	(25)
Tax rebate	(10)	(10)
Under provision in respect of previous years	192	144
Others	21	(17)
	2,681	675

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 9 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings/(loss) per share is calculated by dividing profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following reflects the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share:

	Group	
	Period from 01/07/2017 to 31/12/2018 \$'000	Year ended 30/06/2017 \$'000
Profit/(loss) for the financial period/year attributable to owners of the Company	5,534	(2,572)
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares for basic earnings/(loss) per share computation	253,020	259,374
Effects of dilution – share grants	1,270	– <sup>(1)</sup>
Weighted average number of ordinary shares for diluted earnings/(loss) per share computation	254,290	259,374

(1) 366,050 shares granted to employees under the existing employee share grant plans have not been included in the calculation of diluted loss per share because they are anti-dilutive.

## 10 INVESTMENT IN ASSOCIATE

	Group	
	31/12/2018 \$'000	30/06/2017 \$'000
Shares, at cost	316	316
Share of post-acquisition results of associate	78	78
Accumulated impairment loss	(394)	(394)
	–	–

Name of company	Principal place of business/ Country of incorporation	Principal activity	Proportion of ownership interest	
			31/12/2018 %	30/06/2017 %
<b>Held by Stemlife Berhad</b> Thai Stemlife Co., Ltd <sup>1</sup>	Thailand	Cord blood banking services	39.61	39.61

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 11 PROPERTY, PLANT AND EQUIPMENT

Group	Note	Furniture and fittings \$'000	Laboratory equipment \$'000	Office equipment \$'000	Motor vehicles \$'000	Leasehold improvement \$'000	Buildings \$'000	Construction- in-progress \$'000	Total \$'000
<b>Cost</b>									
At 1 July 2016		698	6,155	2,781	117	3,155	9,085	79	22,070
Additions		32	115	373	54	33	–	286	893
Disposals		(3)	(19)	(51)	(14)	(4)	–	(2)	(93)
Transfer from construction- in-progress		–	149	53	–	105	–	(307)	–
Reclassification from investment properties	12	–	–	–	–	–	540	–	540
Exchange rate adjustments		24	4	12	(4)	–	111	11	158
At 30 June 2017		751	6,404	3,168	153	3,289	9,736	67	23,568
Additions		43	485	277	57	33	888	345	2,128
Disposals		(6)	(235)	(154)	(43)	(86)	–	(1)	(525)
Transfer from construction- in-progress		–	295	51	–	–	–	(346)	–
Reclassification to investment properties	12	–	–	–	–	–	(141)	–	(141)
Acquisition of a subsidiary	30(a)	371	2,607	–	41	1,572	–	–	4,591
Exchange rate adjustments		11	116	(76)	(11)	(141)	(181)	27	(255)
At 31 December 2018		1,170	9,672	3,266	197	4,667	10,302	92	29,366
<b>Accumulated depreciation</b>									
At 1 July 2016		470	3,831	1,836	73	2,162	408	–	8,780
Depreciation charge for the year		134	631	539	18	388	129	–	1,839
Disposals		(3)	(19)	(49)	(14)	(4)	–	–	(89)
Exchange rate adjustments		18	(25)	(2)	–	(9)	(6)	–	(24)
At 30 June 2017		619	4,418	2,324	77	2,537	531	–	10,506
Depreciation charge for the period		109	1,197	672	29	455	212	–	2,674
Reclassification to investment properties	12	–	–	–	–	–	(35)	–	(35)
Disposals		(6)	(230)	(153)	(43)	(86)	–	–	(518)
Acquisition of a subsidiary	30(a)	357	2,165	–	41	1,513	–	–	4,076
Exchange rate adjustments		(155)	176	(78)	(4)	1	5	–	(55)
At 31 December 2018		924	7,726	2,765	100	4,420	713	–	16,648
<b>Carrying amounts</b>									
At 1 July 2016		228	2,324	945	44	993	8,677	79	13,290
At 30 June 2017		132	1,986	844	76	752	9,205	67	13,062
At 31 December 2018		246	1,946	501	97	247	9,589	92	12,718

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Note	Furniture and fittings \$'000	Laboratory equipment \$'000	Office equipment \$'000	Leasehold improvement \$'000	Buildings \$'000	Construction- in-progress \$'000	Total \$'000
<b>Cost</b>								
At 1 July 2016		398	2,033	1,008	750	5,345	–	9,534
Additions		22	40	46	16	–	75	199
Disposals		–	–	(11)	–	–	–	(11)
Transfer from construction-in-progress		–	–	–	75	–	(75)	–
Reclassification from investment properties	12	–	–	–	–	540	–	540
At 30 June 2017		420	2,073	1,043	841	5,885	–	10,262
Additions		6	188	104	–	–	–	298
Disposals		–	(312)	(1)	–	–	–	(313)
At 31 December 2018		426	1,949	1,146	841	5,885	–	10,247
<b>Accumulated depreciation</b>								
At 1 July 2016		241	1,291	744	325	279	–	2,880
Depreciation charge for the year		80	226	136	127	92	–	661
Disposals		–	–	(11)	–	–	–	(11)
At 30 June 2017		321	1,517	869	452	371	–	3,530
Depreciation charge for the period		71	286	128	188	149	–	822
Disposals		–	(240)	(1)	–	–	–	(241)
At 31 December 2018		392	1,563	996	640	520	–	4,111
<b>Carrying amounts</b>								
At 1 July 2016		157	742	264	425	5,066	–	6,654
At 30 June 2017		99	556	174	389	5,514	–	6,732
At 31 December 2018		34	386	150	201	5,365	–	6,136

In April 2017, the Group transferred one office unit from investment properties to property, plant and equipment. On that date, the Group determined that this unit will no longer be held to earn rentals, and commenced the use of this unit for its own operations. There was no transfer during the financial period from 1 July 2017 to 31 December 2018.

The Group's and the Company's leasehold building with a carrying amount of \$5,365,000 (30 June 2017: \$5,514,000) are mortgaged to secure the Group's and the Company's interest-bearing borrowings (Note 23).

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 12 INVESTMENT PROPERTIES

Note	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
<b>Statements of financial position:</b>				
	8,256	9,152	2,880	3,590
11	106	(540)	–	(540)
	316	(168)	95	(170)
	39	(188)	–	–
	<u>8,717</u>	<u>8,256</u>	<u>2,975</u>	<u>2,880</u>
<b>Statement of comprehensive income:</b>				
<i>Rental income from investment properties:</i>				
– Minimum lease payments	<u>208</u>	<u>163</u>	<u>198</u>	<u>140</u>
<i>Direct operating expenses arising from:</i>				
– Rental generating properties	<u>128</u>	<u>87</u>	<u>70</u>	<u>52</u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop its investment properties or for repairs, maintenance or enhancements.

Changes in fair values are recognised as gains or loss in profit or loss.

Investment properties amounting to \$2,975,000 (30 June 2017: \$2,880,000) are mortgaged to secure the Group's and the Company's interest-bearing borrowings (Note 23).

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 12 INVESTMENT PROPERTIES (CONT'D)

The investment properties held by the Group and the Company as at 31 December 2018 are as follows:

Description and location	Existing use	Tenure	Lease term
<b>Group</b>			
5 office units, A'Posh Bizhub 1 Yishun Industrial Street 1, Singapore 768160	Commercial	Leasehold	60 years
Unit 6.06, Wisma Perintis, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur	Sports Medicine Centre within a commercial building	Freehold	Freehold
Unit 6.02, Wisma Perintis, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur	Sports Medicine Centre within a commercial building	Freehold	Freehold
Unit 6.03, Wisma Perintis, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur	Sports Medicine Centre within a commercial building	Freehold	Freehold
B-1-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak	Office premise within a commercial building	Leasehold	99 years
No. 220, Jalan Burma, 10350 Penang	Commercial	Freehold	Freehold
Lot IP3-038, IPARC3, Lot 1115, Mukim Damansara, Daerah Petaling, Selangor	Light industrial land	Freehold	Freehold
B-2-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak	Office premise within a commercial building	Leasehold	99 years
B-3-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak	Office premise within a commercial building	Leasehold	99 years
<b>Company</b>			
5 office units, A'Posh Bizhub 1 Yishun Industrial Street 1, Singapore 768160	Commercial	Leasehold	60 years

### (i) Fair value hierarchy

Investment properties are stated at fair value, which has been determined based on valuations performed as at the reporting date. The valuations are performed by PREMAS Valuers & Property Consultants Pte Ltd and VPC Alliance (KL) Sdn. Bhd., who are independent valuers with recognised and relevant professional qualifications and with recent experiences in the location and category of the properties being valued. The valuations are based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market. The fair value measurement for all investment properties has been categorised as a Level 3 fair value.

### (ii) Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Direct comparison method	Not applicable.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 13 INTANGIBLE ASSETS

Group	Customer contracts \$'000	Brand \$'000	Goodwill \$'000	Club membership \$'000	Computer software \$'000	Licence \$'000	Trademark \$'000	Work in progress \$'000	Total \$'000
<b>Cost</b>									
At 1 July 2016	2,816	2,064	8,009	186	1,977	863	–	775	16,690
Additions	–	–	–	–	486	–	–	292	778
Disposals	–	–	–	(186)	–	–	–	(56)	(242)
Transfer from WIP	–	–	–	–	725	–	97	(822)	–
Exchange rate adjustments	(46)	(80)	(311)	–	(8)	(3)	–	1	(447)
At 30 June 2017	2,770	1,984	7,698	–	3,180	860	97	190	16,779
Additions	–	–	–	–	197	–	–	474	671
Disposals	–	–	–	–	(23)	–	–	–	(23)
Transfer from WIP	–	–	–	–	104	–	–	(104)	–
Acquisition of a subsidiary	–	1,848	19,888	–	363	–	–	–	22,099
Exchange rate adjustments	26	82	294	–	(145)	–	–	(100)	157
At 31 December 2018	2,796	3,914	27,880	–	3,676	860	97	460	39,683
<b>Accumulated amortisation</b>									
At 1 July 2016	505	147	–	–	755	597	–	–	2,004
Amortisation for the year	340	239	–	–	422	259	30	–	1,290
Exchange rate adjustments	(9)	(11)	–	–	(12)	4	–	–	(28)
At 30 June 2017	836	375	–	–	1,165	860	30	–	3,266
Amortisation for the period	424	574	–	–	812	–	14	–	1,824
Disposals	–	–	–	–	(23)	–	–	–	(23)
Acquisition of a subsidiary	–	–	–	–	293	–	–	–	293
Exchange rate adjustments	10	16	–	–	39	–	–	–	65
At 31 December 2018	1,270	965	–	–	2,286	860	44	–	5,425
<b>Carrying amounts</b>									
At 1 July 2016	2,311	1,917	8,009	186	1,222	266	–	775	14,686
At 30 June 2017	1,934	1,609	7,698	–	2,015	–	67	190	13,513
At 31 December 2018	1,526	2,949	27,880	–	1,390	–	53	460	34,258

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 13 INTANGIBLE ASSETS (CONT'D)

### Customer contracts

Customer contracts relate to the existing cord blood and cord lining banking service contracts of the subsidiaries acquired, with useful lives ranging from 12 to 20 years.

### Brand

Brand relates to the "Stemlife" brand name possessed by the acquired subsidiary, Stemlife Berhad, with an amortisation period of 15 years.

### Amortisation expense

The amortisation of the intangible assets has been recognised in the "Administrative expenses" line item in the consolidated statement of comprehensive income.

### Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill acquired through business combinations has been allocated to the Group's CGUs (operating divisions) as follows:

	Group	
	31/12/2018 \$'000	30/06/2017 \$'000
Business operations in Malaysia – Stemlife Berhad	7,600	7,698
Business operations in Hong Kong – Healthbaby and Cordlife Hong Kong	20,280	–
	<u>27,880</u>	<u>7,698</u>

### Stemlife Berhad

The recoverable amount has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used in the estimation of the recoverable amount are set out below.

	31/12/2018	30/06/2017
Discount rate	12.5%	12.5%
Terminal growth rate	1.0%	2.0%
Revenue growth rates (average of next five years)	<u>14.0%</u>	<u>13.0%</u>

The calculations of value in use for the CGU are most sensitive to the following assumptions:

Revenue growth – Revenue growth was projected taking into account the market share assumptions. These assumptions are important because, as well as using market data for the growth rate (as noted above), management assesses how the CGU's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the market to grow over the budget period.



# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 13 INTANGIBLE ASSETS (CONT'D)

**Terminal growth rate** – The terminal growth rate is based on management's estimate of long-term compound annual growth rate in budgeted profit which management believed was consistent with the assumption that a market participant would make.

**Pre-tax discount rate** – The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. The CGU's specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

### *Healthbaby and Cordlife Hong Kong*

The recoverable amount has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used in the estimation of the recoverable amount are set out below.

	<u>31/12/2018</u>
Discount rate	13.0%
Terminal growth rate	1.0%
Revenue growth rates (average of next five years)	<u>8.0%</u>

The calculations of value in use for the CGU are most sensitive to the following assumptions:

**Revenue growth** – Revenue growth was projected taking into account the market share assumptions. These assumptions are important because, as well as using market data for the growth rate (as noted above), management assesses how the CGU's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the market to grow over the budget period.

**Terminal growth rate** – The terminal growth rate is based on management's estimate of long-term compound annual growth rate in budgeted profit which management believed was consistent with the assumption that a market participant would make.

**Pre-tax discount rate** – The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The CGU's specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

During the financial period, no impairment loss was recognised (30 June 2017: \$Nil).

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 13 INTANGIBLE ASSETS (CONT'D)

Company	Club membership \$'000	Computer software \$'000	Trademark \$'000	Work in progress \$'000	Total \$'000
<b>Cost</b>					
At 1 July 2016	186	1,526	–	769	2,481
Additions	–	35	–	120	155
Disposals	(186)	–	–	(56)	(242)
Transfer from WIP	–	605	97	(702)	–
At 30 June 2017	–	2,166	97	131	2,394
Additions	–	21	–	118	139
Transfer to related party	–	–	–	(52)	(52)
Transfer from WIP	–	26	–	(26)	–
At 31 December 2018	–	2,213	97	171	2,481
<b>Accumulated amortisation</b>					
At 1 July 2016	–	512	–	–	512
Amortisation for the year	–	300	30	–	330
At 30 June 2017	–	812	30	–	842
Amortisation for the period	–	576	14	–	590
At 31 December 2018	–	1,388	44	–	1,432
<b>Carrying amounts</b>					
At 1 July 2016	186	1,014	–	769	1,969
At 30 June 2017	–	1,354	67	131	1,552
At 31 December 2018	–	825	53	171	1,049

## 14 LONG-TERM INVESTMENTS

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Available-for-sale financial assets				
– Unquoted equity investments <sup>(1)</sup>	4,200	4,200	4,200	4,200
– Unquoted non-equity investments <sup>(2)</sup>	1,978	1,976	–	–
	6,178	6,176	4,200	4,200

(1) The Group held unquoted shares of CellResearch Corporation Pte. Ltd. at cost amounting to \$4,200,000. The unquoted equity investments are classified as available-for-sale financial investments and are measured at cost as the shares do not have a quoted price in an active market and the fair value cannot be reliably measured.

(2) The Group's unquoted non-equity investments comprise investments in money market funds. The investments will mature in September 2020.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 15 TRADE RECEIVABLES

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
<b>Non-current</b>				
Trade receivables	68,504	63,820	46,909	46,301
Less: Impairment loss	(968)	(730)	(384)	(499)
	<u>67,536</u>	<u>63,090</u>	<u>46,525</u>	<u>45,802</u>
<b>Current</b>				
Trade receivables	32,487	27,263	11,785	10,055
Less: Impairment loss	(3,521)	(2,804)	(898)	(605)
	<u>28,966</u>	<u>24,459</u>	<u>10,887</u>	<u>9,450</u>

Trade receivables (current) are non-interest bearing and generally settled on 30 to 60 day terms.

The Company's current trade receivables are pledged to secure the Group's and the Company's interest-bearing borrowings (Note 23).

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

Non-current trade receivables are carried at amortised cost and are not yet due. The expected net cash flows have been discounted to their present value using the effective interest method.

An allowance for impairment loss is recognised when there is objective evidence that the trade receivable is impaired. Impairment of trade receivables is individually assessed.

Movements in the allowance for impairment loss are as follows:

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
At the beginning of the period/year	3,534	2,759	1,104	1,088
Charge for the period/year	1,087	737	178	16
Acquisition of a subsidiary	50	–	–	–
Exchange differences	(182)	38	–	–
At the end of the period/year	<u>4,489</u>	<u>3,534</u>	<u>1,282</u>	<u>1,104</u>

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 15 TRADE RECEIVABLES (CONT'D)

### Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to \$12,717,000 (30 June 2017: \$9,387,000) and \$5,278,000 (30 June 2017: \$3,885,000) respectively that are past due but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Total \$'000	Less than 31 days \$'000	31 – 60 days \$'000	61 – 90 days \$'000	>90 days \$'000
<b>Group</b>					
30 June 2017	9,387	1,657	853	792	6,085
31 December 2018	12,717	1,819	1,037	725	9,136
<b>Company</b>					
30 June 2017	3,885	788	381	227	2,489
31 December 2018	5,278	1,020	433	239	3,586

## 16 OTHER RECEIVABLES

Note	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
<b>Non-current</b>				
Note receivable <sup>(1)</sup>	–	4,200	–	4,200
Other receivables	53	11	7	11
	53	4,211	7	4,211
<b>Current</b>				
Note receivable <sup>(1)</sup>	4,200	–	4,200	–
Interest receivable on note receivable <sup>(1)</sup>	327	140	327	140
Interest receivable on fixed deposits	95	129	–	23
GST receivable	456	227	141	153
Advances	281	160	5	8
Other receivables	444	757	22	55
Insurance assets	81	109	69	64
Deposits	714	486	71	84
	6,598	2,008	4,835	527

(1) In the financial year ended 30 June 2016, the Group subscribed for a Class A Redeemable Convertible Note ("RCN") in the principal amount of \$4,200,000 from CellResearch Corporation Pte. Ltd. The RCN bears interest rate of three month SIBOR plus 7% per annum payable annually in arrears. The financial instrument was bifurcated into a note receivable and a conversion option. As at 31 December 2018, the fair value of the conversion option is \$Nil (30 June 2017: \$Nil).

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 17 INVENTORIES

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Consumables, at cost	1,358	1,279	294	376

Inventories recognised as an expense in cost of sales amount to \$7,597,000 (30 June 2017: \$4,541,000).

## 18 AMOUNTS OWING BY/(TO) SUBSIDIARIES

Amounts owing by/(to) subsidiaries are trade and non-trade related, unsecured, interest-free and are repayable on demand. There is no allowance for doubtful debts arising from amounts owing by subsidiaries.

## 19 SHORT-TERM INVESTMENTS

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
<b>Held for trading</b>				
Unquoted non-equity investments	29,005	22,261	–	–

The Group's unquoted non-equity investments comprise investments in money market funds.

## 20 FIXED DEPOSITS

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Unpledged fixed deposits	3,355	11,778	–	10,747
Pledged fixed deposits	6	258	–	–

As at the reporting date 31 December 2018, the Group's unpledged fixed deposits will mature within one to six months (30 June 2017: one to six months) and bear interest at an effective rate ranging from 7.0% to 7.5% (30 June 2017: 1.6%) per annum.

Pledged fixed deposits, which will mature within six months (30 June 2017: six months) and bear interest at an effective rate of 0.9% (30 June 2017: 2.3%) per annum, are pledged to secure merchant credit card facilities.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 21 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Cash at bank and on hand	10,910	26,527	5,181	18,404

Cash and cash equivalents denominated in foreign currencies (i.e. in currencies other than the functional currencies in which they are measured) as at 31 December/30 June are as follows:

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Singapore Dollar	243	151	–	–
Malaysian Ringgit	225	871	225	871
Swiss Franc	4	4	2	3
United States Dollar	801	7,917	791	7,915
Chinese Yuan	6	27	–	–
Australian Dollar	2	2	2	2

For the purpose of the consolidated statement of cash flows, only cash at bank and on hand are classified as cash and cash equivalents.

## 22 TRADE AND OTHER PAYABLES

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
<b>Current</b>				
Trade payables	3,056	3,017	85	231
Other payables	5,618	4,659	1,279	1,205
Claim liabilities <sup>(1)</sup>	1,087	1,272	69	64
Accrued expenses	4,368	2,404	1,631	1,254
Accrual for salaries and bonuses	927	1,167	486	507
	15,056	12,519	3,550	3,261
<b>Non-current</b>				
Other payables	294	200	–	4

Current trade and other payables are non-interest bearing and are generally settled in cash on 30 day terms. Non-current other payables are non-interest bearing and are not expected to be settled within the next 12 months.

- (1) Claim liabilities represent outstanding claim liability and liability for expected future claims to be incurred as a result of terms in the Group's cord blood banking contracts with certain customers in certain jurisdictions.

Part of the claim liabilities is insured by an annual renewable insurance agreement, which amounted to \$81,000 (30 June 2017: \$109,000) and \$69,000 (30 June 2017: \$64,000) and are recognised as other receivables.

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
At the beginning of the period/year	1,272	1,056	64	–
Change in claim liabilities during the period/year	(185)	216	5	64
At the end of the period/year	1,087	1,272	69	64

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 23 INTEREST-BEARING BORROWINGS

	Group and Company	
	31/12/2018	30/06/2017
	\$'000	\$'000
<b><i>Non-current liabilities</i></b>		
Non-current portion of long-term loans:		
Loan I – secured	4,310	4,767
Loan III – secured	–	680
Loan IV – secured	–	1,166
	4,310	6,613
<b><i>Current liabilities</i></b>		
Current portion of long-term loans:		
Loan I – secured	295	271
Loan III – secured	–	680
Loan IV – secured	–	1,167
	295	2,118

### Loan I

Loan I comprises of a SGD bank loan drawn down on 1 July 2011 under an approved \$6,450,000 loan facility secured by a first mortgage over the Group's leasehold building (Note 11) and investment properties (Note 12) and a charge over all current trade receivables of the Company (Note 15). With effect from 10 June 2014, interest rate has been revised to prevailing Enterprise Financing Rate ("EFR") – 4.0%, EFR – 3.7%, and EFR – 3.3% for the first, second and third years respectively, and 3% + 3-month SIBOR thereafter. The loan is repayable over 240 monthly instalments. It will be repaid in full by June 2031.

### Loan III

Loan III comprised of a SGD bank loan drawn down on 18 November 2013 under an approved \$3,400,000 loan facility secured by a first mortgage over the Group's leasehold building (Note 11) and investment properties (Note 12) and a charge over all current trade receivables of the Company (Note 15). Interest rate was fixed at 1.50% + 1-month Swap Offer Rate. The loan is repayable over five annual instalments. It was fully repaid in November 2018.

### Loan IV

Loan IV comprised of a SGD bank loan drawn down on 1 July 2015 under an approved \$3,500,000 loan facility secured by first mortgage over the Group's leasehold building (Note 11) and investment properties (Note 12) and a charge over all current trade receivables of the Company (Note 15). Interest rate was fixed at 1.50% + 1-month Swap Offer Rate. The loan is repayable over three annual instalments. It was fully repaid in June 2018.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 23 INTEREST-BEARING BORROWINGS (CONT'D)

### *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	Note	Interest-bearing borrowings \$'000
<b>Balance at 1 July 2017</b>		8,731
<b>Changes from financing cash flows</b>		
Repayment of borrowings		(6,863)
<b>Total changes from financing cash flows</b>		(6,863)
<b>Acquisition of a subsidiary</b>	30(a)	2,737
<b>Balance at 31 December 2018</b>		4,605

## 24 DEFERRED REVENUE

Deferred revenue represents revenue received in advance for services to be rendered under cord blood, cord lining and cord tissue contracts which have a tenure of 18 to 25 years.

## 25 DEFERRED TAX ASSETS/LIABILITIES

	Group				Company	
	Consolidated statement of financial position		Consolidated statement of comprehensive income		Statement of financial position	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
<b><i>Deferred tax liabilities</i></b>						
Differences in depreciation for tax purposes	991	395	(289)	(226)	365	332
Unrealised share of other income from associate	–	–	–	(29)	–	–
Unrealised tax losses	(350)	(317)	33	317	(350)	(317)
Fair value adjustment on acquisition of a subsidiary	6,427	3,813	–	4	–	–
	<u>7,068</u>	<u>3,891</u>			<u>15</u>	<u>15</u>
<b><i>Deferred tax assets</i></b>						
Unutilised tax losses	48	–	(46)	(220)	–	–
Differences in depreciation for tax purposes	98	–	–	–	–	–
	<u>146</u>	<u>–</u>			<u>–</u>	<u>–</u>
Deferred tax expense			<u>(302)</u>	<u>(154)</u>		

### **Unrecognised tax losses**

At the end of the reporting period, the Group has tax losses of approximately \$2,206,000 (30 June 2017: \$1,251,000) that are available for offset against future taxable profits of the subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.



# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 25 DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

### Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, there are unrecognised temporary differences of \$5,203,000 (30 June 2017: \$2,010,000) relating to investments in subsidiaries.

### Tax consequences of proposed dividends

There are no income tax consequences (30 June 2017: \$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 36).

## 26 NOTES PAYABLE

On 29 October 2014, the Group issued \$120,000,000 in aggregate principal amount of 4.9% fixed rate notes due 2017 (the "Notes") under the \$500,000,000 Multicurrency Debt Issuance Programme established on 14 October 2014.

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 were redeemable upon maturity on 28 October 2017 and were listed on the Official List of the SGX-ST.

In 2017, the Group repurchased \$68,250,000 in principal amount of the Notes (the "Repurchased Notes"). The difference of \$2,149,000 between the repurchase consideration and the carrying value of the Notes was recorded as "Note repurchase expense" in profit or loss. There are no outstanding notes payable after the repurchase.

Interest expense on the Notes of \$1,781,000 is recognised in profit or loss in 2017.

## 27 SHARE CAPITAL AND TREASURY SHARES

### (a) Share capital

	Group and Company			
	31/12/2018		30/06/2017	
	Number of shares '000	\$'000	Number of shares '000	\$'000
<b>Issued and fully paid:</b>				
<b>Ordinary shares</b>				
At the beginning of the period/year	267,525	96,666	267,525	96,672
Reissuance of treasury shares pursuant to equity compensation plan	—	(287)	—	(6)
At the end of the period/year	<u>267,525</u>	<u>96,379</u>	<u>267,525</u>	<u>96,666</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 27 SHARE CAPITAL AND TREASURY SHARES (CONT'D)

### (b) Treasury shares

	Group and Company			
	31/12/2018		30/06/2017	
	Number of shares '000	\$'000	Number of shares '000	\$'000
At the beginning of the period/year	(8,116)	(9,766)	(8,167)	(9,828)
Purchase of treasury shares	(7,000)	(6,675)	–	–
Reissuance of treasury shares pursuant to equity compensation plan	892	972	51	62
At the end of the period/year	<u>(14,224)</u>	<u>(15,469)</u>	<u>(8,116)</u>	<u>(9,766)</u>

Treasury shares relate to ordinary shares of the Company which are held by the Company.

The Company has acquired 7,000,000 (30 June 2017: Nil) shares in the Company through purchase of its own shares during the financial period.

## 28 OTHER RESERVES

### Share-based compensation reserve

Share-based compensation reserve represents the equity-settled share awards granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant of share awards, and is reduced by the expiry or exercise of the share awards.

### Capital reserve

Capital reserve represents the value of equity-settled share options previously granted by Life Corporation Limited to the Group's employees, prior to the distribution in specie of all of the issued share capital of Cordlife Group Limited to Life Corporation Limited's shareholders on 30 June 2011. Subsequent to the distribution, Cordlife Group Limited ceased to be a subsidiary of Life Corporation Limited.

The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options.

### Merger reserve

Merger reserve represents the difference between the consideration paid/received and the equity interests acquired/dispensed, accounted for using the pooling of interest method.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 28 OTHER RESERVES (CONT'D)

### Acquisition reserve

Acquisition reserve represents the excess of the consideration over the carrying value when the Group acquired non-controlling interests in its subsidiaries.

### Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

## 29 COMMITMENTS

### Capital commitments

The Group and the Company do not have capital commitments in respect of property, plant and equipment that are contracted for as at 31 December 2018 and 30 June 2017.

### Operating lease commitments – as lessee

The Group leases office space under non-cancellable lease arrangements which have remaining lease terms ranging from one month to seven years (30 June 2017: one month to seven years). There are no renewal options and contingent rent provisions included in the contracts. The Group is restricted from subleasing the premises.

Future minimum rentals payable under non-cancellable operating leases as at 31 December/30 June are as follows:

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Within one year	1,695	930	141	117
After one year but not more than five years	1,322	1,711	40	136
More than five years	50	66	–	–
	<u>3,067</u>	<u>2,707</u>	<u>181</u>	<u>253</u>

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 29 COMMITMENTS (CONT'D)

### Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms up to 24 months (30 June 2017: up to 30 months). There are no renewal options and contingent rent provisions included in the contracts. The lessees are restricted from subleasing the premises.

Future minimum rentals receivables under non-cancellable operating leases as at 31 December/30 June are as follows:

	Group		Company	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Within one year	110	135	104	133
After one year but not more than five years	56	62	56	62
	<u>166</u>	<u>197</u>	<u>160</u>	<u>195</u>

## 30 INVESTMENT IN SUBSIDIARIES

	Company	
	31/12/2018 \$'000	30/06/2017 \$'000
Unquoted equity shares, at cost	92,083	58,980
Less: Impairment loss	(8,373)	(270)
	<u>83,710</u>	<u>58,710</u>

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 30 INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal activities	Country of incorporation	Percentage of equity held	
			31/12/2018 %	30/06/2017 %
<b>Held by the Company</b>				
Cordlife (Hong Kong) Limited <sup>1</sup>	Cord blood and cord lining banking services	Hong Kong	100	100
Cordlife Stem Cell Technology Limited <sup>1</sup>	Cord lining banking services	Hong Kong	100	100
Healthbaby Biotech (Hong Kong) Co., Limited <sup>1</sup>	Cord blood, cord lining and cord tissue banking services	Hong Kong	100	–
Cordlife Technologies Pte. Ltd. <sup>2</sup>	Cord lining and cord tissue banking services	Singapore	100	100
CS Cell Technologies Pte. Ltd. <sup>2</sup>	Investment holding	Singapore	100	100
Stemlife Berhad <sup>3</sup>	Cord blood banking services	Malaysia	99.03	99.03
Shanghai Cordlife Biomedical Research Co., Ltd <sup>4</sup>	Dormant	People's Republic of China	100	100
<b>Held by CS Cell Technologies Pte Ltd</b>				
Cordlife Sciences (India) Pvt. Ltd. <sup>5</sup>	Cord blood, cord lining and cord tissue banking services	India	99.99	99.99
Cordlife Medical Phils., Inc <sup>6</sup>	Cord blood and cord lining banking services	Philippines	99.99	99.99
PT. Cordlife Persada <sup>7</sup>	Cord blood and cord lining banking services	Indonesia	67	67

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 30 INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal activities	Country of incorporation	Percentage of equity held	
			31/12/2018 %	30/06/2017 %
<b>Held by Cordlife Stem Cell Technology Limited</b>				
Hong Kong Screening Centre Limited <sup>1</sup>	Newborn screening for metabolic disorders	Hong Kong	67	67
<b>Held by Stemlife Berhad</b>				
Stemlife Properties Sdn. Bhd. <sup>3</sup>	Property investment company	Malaysia	99.03	99.03
Stemlife Therapeutics Sdn. Bhd. <sup>3</sup>	Cord lining and cord tissue banking services	Malaysia	99.03	99.03
SL Diagnostics Sdn. Bhd. <sup>3</sup>	Dormant	Malaysia	99.03	99.03
Stemlife Logistics Sdn. Bhd. <sup>3</sup>	Dormant	Malaysia	99.03	99.03
Stemlife Pte. Ltd. <sup>2</sup>	Management services	Singapore	99.03	99.03
<b>Held by Healthbaby Biotech (Hong Kong) Co., Limited</b>				
Healthbaby Biotech (Macau) Co., Limited <sup>8</sup>	Provision of marketing services	Macau	99	—
<b>Held by Cordlife (Hong Kong) Limited</b>				
Healthbaby Biotech (Macau) Co., Limited <sup>8</sup>	Provision of marketing services	Macau	1	—

1 Audited by KPMG, Hong Kong

2 Audited by KPMG, Singapore

3 Audited by KPMG, Kuala Lumpur

4 Audited by Shanghai Xinyi Certified Public Accountants Co. Ltd

5 Audited by KPMG, India

6 Audited by BDO Roxas Cruz Tagle & Co.

7 Statutory audit not required

8 Audited by Keng Ou CPAs

### (a) Acquisition of a subsidiary

On 2 January 2018, the Group acquired 100% of the shares and voting interests in Healthbaby Biotech (Hong Kong) Co., Limited ("Healthbaby") for \$32,921,000 (the "Acquisition").

The Acquisition will enable the Group to achieve market leadership in Hong Kong and increase the profitability of the Group's overall Hong Kong operations. In addition, the Group will benefit from potential synergies between its existing operations in Hong Kong and Healthbaby, which has been the market leader in Hong Kong since 2008.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 30 INVESTMENT IN SUBSIDIARIES (CONT'D)

### (a) Acquisition of a subsidiary (cont'd)

The fair values of the identifiable assets and liabilities of the subsidiary acquired are as follows:

	Note	Fair value recognised on acquisition \$'000
Property, plant and equipment	11	515
Intangible assets		1,963
Deferred tax assets		98
Inventories		50
Trade receivables		728
Other receivables and prepayments		576
Tax recoverable		1,585
Cash and cash equivalents		474
Fixed deposits		256
Amount due from holding company		23,627
Loans and borrowings	23	(2,737)
Deferred revenue		(9,067)
Deferred tax liabilities		(3,509)
Trade and other payables		(1,481)
Net identifiable assets at fair value		13,078
Goodwill arising from acquisition		19,843
		32,921
<hr/>		
<b>Consideration transferred for the acquisition of Healthbaby</b>		
Cash paid		9,287
Assumption of a debt owed to Healthbaby		23,634
		32,921
<hr/>		
<b>Effect of the acquisition of Healthbaby on cash flows</b>		
Cash paid		9,287
Less: Cash and cash equivalents acquired		(474)
Net cash outflow on acquisition		8,813

#### **Transaction costs**

Transaction costs related to the Acquisition of \$177,000 have been recognised in the "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2018.

#### **Goodwill arising from acquisition**

The goodwill of \$19,843,000 comprises the value of the Group achieving market leadership in Hong Kong through the acquisition, and the potential synergies that is expected between the existing operations in Hong Kong and Healthbaby. Goodwill is allocated to the Hong Kong operations, including Healthbaby and Cordlife (Hong Kong) Limited. None of the goodwill recognised is expected to be deducted for income tax purposes.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 30 INVESTMENT IN SUBSIDIARIES (CONT'D)

### (a) Acquisition of a subsidiary (cont'd)

#### *Impact of the acquisition on comprehensive income*

From the acquisition date, Healthbaby has contributed revenue of \$6,097,000 and loss of \$397,000 to the Group's profit for the year. If the business combination had taken place at the beginning of the period, the Group's revenue and profit for the year would have been \$109,493,000 and \$6,469,000 respectively.

#### *Brand*

Brand has been identified as intangible assets arising from the Acquisition. The Group has engaged an independent valuer to determine the fair value of these intangible assets.

#### **Measurement of fair values**

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

<b>Asset required</b>	<b>Valuation technique</b>
Intangible assets	<i>Relief-from-royalty method:</i> The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as result of the patents or trademarks being owned.
Deferred revenue	<i>Cost build-up approach:</i> The cost build-up approach measures the liability as the direct incremental costs to fulfil the legal performance obligation, plus a reasonable profit margin if associated with goods or services being provided, and a premium for the risks associated with the price variability.

### (b) Acquisition of non-controlling interests in subsidiaries

#### Stemlife Berhad

As at 30 June 2015, the Group had a 31.81% interest in Stemlife Berhad. On 12 November 2015, the Group served a notice of conditional mandatory take-over offer (the "Offer") to 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%. Pursuant to the above, the Group recognised a remeasurement loss on previously held equity interest in Stemlife Berhad of \$1,594,000 as a result of measuring at fair value its 31.81% equity interest in Stemlife held before the business combination in the profit or loss.

Subsequent to gaining control, the Group continued to receive acceptances to the offer and acquired shares in Stemlife up to the close of the Offer on 2 February 2016. At the close of offer, the Group obtained 39.85% interest from the non-controlling interests in Stemlife to arrive at a total interest in Stemlife of 89.88%. In November 2016, the Company made a voluntary take-over offer to acquire the remaining shares of Stemlife. At the close of the offer, the Group obtained 9.15% interest from the non-controlling interests in Stemlife to arrive at a total interest in Stemlife of 99.03%. The Group accounted for its acquisition of the additional interest in Stemlife from non-controlling shareholders as a transaction with non-controlling interests and recognised the resulting loss of \$2,353,000 (2016: \$7,203,000) directly in equity.



# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 31 EMPLOYEE BENEFITS EXPENSE

	Group	
	31/12/2018 \$'000	30/06/2017 \$'000
Salaries, bonuses and other short-term benefits	34,474	20,237
Defined contribution plans	2,522	1,431
Share-based compensation expense (Cordlife Share Grant Plan)	812	263
	37,808	21,931

These include the amount shown as key management personnel compensation in Note 32.

### Cordlife Share Grant Plan

The Cordlife Share Grant Plan is a share-based long-term incentive plan for key senior management and employees of the Group which was approved by shareholders at an Extraordinary General Meeting held on 18 October 2013.

The details of the plan are described below:

### Performance Share Award

Plan description	Award of fully-paid ordinary shares of the Company, conditional upon the satisfaction of specific performance targets set at the start of a two-year performance period based on medium-term Group and Company objectives.
Performance conditions	Average Return on Invested Capital and Absolute Shareholders' Return.
Vesting conditions	Based on meeting stated performance conditions over a two-year performance period, 50% of award will vest. Balance will vest in the third year.
Payout	0%-200% depending on the achievement of pre-set performance targets over the performance period. In addition, for a period of at least one year after the award of the shares, 50% of all shares awarded to the participants under the Plan may not be transferred or otherwise disposed of.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 31 EMPLOYEE BENEFITS EXPENSE (CONT'D)

### Restricted Share Award

Plan description	Award of fully-paid ordinary shares of the Company, conditional upon the satisfaction of specific performance targets set at the start of a two-year performance period based on medium-term Group and Company objectives of retaining high potential talents ("HiPo").
Performance conditions	Sustained Performance Level ("PL") Rating 1 or 2 (out of 5) and continues to remain in HiPo talent pool.
Vesting conditions	Based on meeting stated performance conditions over a two-year performance period, 50% of award will vest. Balance will vest in the third year.
Payout	0%-100% depending on the achievement of pre-set PL Rating over the performance period.

### Deferred Share Award

Plan description	One-time award of fully-paid ordinary shares of the Company, conditional upon satisfaction of a three-year service period based on medium-term Group and Company objectives of retaining key management important to the Group's leadership pipeline and Company's current operations.
Performance conditions	Service period beginning 15 April 2016 to 30 June 2019.
Vesting conditions	The Award will vest in equal tranches with Vesting Dates of 1 July in 2017, 2018 and 2019, provided service-based conditions are met, in accordance with the rules of the Plan.
Payout	0%-100% depending on the service period.

### Movement of share awards during the period

	Group	
	31/12/2018	30/06/2017
	No. of shares	
Outstanding at the beginning of the period/year	366,050	456,500
– Granted	3,368,300	–
– Awarded	(969,170)	(51,150)
– Cancelled	(1,270,610)	(39,300)
Outstanding at the end of the period/year	1,494,570	366,050

The expense recognised in profit or loss for employee services received under the Cordlife Share Grant Plan during the financial period ended 31 December 2018 is \$812,000 (30 June 2017: \$263,000).

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 31 EMPLOYEE BENEFITS EXPENSE (CONT'D)

### Fair value of share awards granted

The fair value of services received in return for shares awarded is measured by reference to the fair value of shares granted each year under the Cordlife Share Grant Plan. The estimate of the services received is measured based on a Monte Carlo simulation model, which involves the projection of future outcomes using statistical distribution of key random variables including share price and volatility of returns.

The following table lists the key inputs to the model used for the share awards:

	Group	
	31/12/2018	30/06/2017
Expected dividend yield (%)	0.26 – 0.82	N.A.
Expected volatility (%)	33.32 – 44.36	N.A.
Risk-free interest rate (%)	1.27 – 1.89	N.A.
Expected term (years)	1 – 2	N.A.
Share price at date of grant (\$)	0.56 – 0.80	N.A.

Based on the Monte Carlo simulation model, the estimated fair value at the date of grant for each share granted under the Cordlife Share Grant Plan for the period ended 31 December 2018 ranged from \$0.53 to \$0.77 (30 June 2017: \$Nil).

## 32 RELATED PARTY TRANSACTIONS

### **Compensation of key management personnel**

	Group	
	31/12/2018 \$'000	30/06/2017 \$'000
Salaries and bonuses	3,554	2,118
Defined contribution plans	182	105
Other short-term benefits	193	119
Share-based compensation	669	199
Directors' fees	570	188
	<u>5,168</u>	<u>2,729</u>
<i>Comprise amounts paid to:</i>		
Directors of the Company	1,928	946
Other key management personnel	3,240	1,783
	<u>5,168</u>	<u>2,729</u>

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 33 FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

### *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The ARC is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 33 FINANCIAL INSTRUMENTS (CONT'D)

### Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was as follows:

	Group Carrying amount		Company Carrying amount	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Singapore	70,787	65,735	62,044	59,773
Hong Kong	2,028	1,271	–	–
India	9,074	7,469	–	–
Malaysia	2,652	3,066	–	–
Others	18,075	15,891	–	–
	<u>102,616</u>	<u>93,432</u>	<u>62,044</u>	<u>59,773</u>

### Concentration of credit risk

As at 31 December 2018, the Group has note receivable of \$4,200,000 (30 June 2017: \$4,200,000). Details are disclosed in Note 16 to the financial statements.

The Group has four investments in money market funds of \$23,698,000 (30 June 2017: four investments in money market funds of \$18,457,000) above \$2,000,000. The investments are placed with regulated financial institutions.

There are no other significant concentrations of credit risk within the Group. Information regarding financial assets which are impaired, and financial assets which are past due but not impaired is disclosed in Note 15.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 33 FINANCIAL INSTRUMENTS (CONT'D)

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Cash Flows		
			Within 1 year \$'000	Within 2-5 years \$'000	Over 5 years \$'000
<b>Group</b>					
<b>31 December 2018</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	15,350	(15,350)	(15,056)	(294)	–
Interest-bearing borrowings	4,605	(4,605)	(295)	(1,255)	(3,055)
	<u>19,955</u>	<u>(19,955)</u>	<u>(15,351)</u>	<u>(1,549)</u>	<u>(3,055)</u>
<b>30 June 2017</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	12,719	(12,719)	(12,519)	(200)	–
Interest-bearing borrowings	8,731	(8,731)	(2,118)	(3,085)	(3,528)
	<u>21,450</u>	<u>(21,450)</u>	<u>(14,637)</u>	<u>(3,285)</u>	<u>(3,528)</u>
<b>Company</b>					
<b>31 December 2018</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	3,550	(3,550)	(3,550)	–	–
Amounts owing to subsidiaries	43,197	(43,197)	(7,632)	–	(35,565)
Interest-bearing borrowings	4,605	(4,605)	(295)	(1,255)	(3,055)
	<u>51,352</u>	<u>(51,352)</u>	<u>(11,477)</u>	<u>(1,255)</u>	<u>(38,620)</u>
<b>30 June 2017</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	3,265	(3,265)	(3,261)	(4)	–
Amounts owing to subsidiaries	16,733	(16,733)	(16,733)	–	–
Interest-bearing borrowings	8,731	(8,731)	(2,118)	(3,085)	(3,528)
	<u>28,729</u>	<u>(28,729)</u>	<u>(22,112)</u>	<u>(3,089)</u>	<u>(3,528)</u>

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 33 FINANCIAL INSTRUMENTS (CONT'D)

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### ***Currency risk***

The Group is exposed to currency risk mainly arising from its cash and cash equivalents denominated in USD.

At the end of the reporting period, if USD/SGD strengthened/weakened by 5% with all other variables held constant, the Group's profit for the period would have been \$40,000 (30 June 2017: \$396,000) higher/lower, arising as a result of higher/lower revaluation gains on cash and cash equivalents denominated in USD.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from the Group's interest-bearing borrowings whose interest rates are subject to re-pricing every quarter.

Fixed deposits of varying maturity periods are placed with reputable banks and financial institutions and generate interest income at a fixed rate during the tenure of the fixed deposits and are not subject to changes in interest rate fluctuation.

### ***Sensitivity analysis for interest rate risk***

At the end of the reporting period, if interest rates had been 75 (30 June 2017: 75) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been \$29,000 (30 June 2017: \$54,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 33 FINANCIAL INSTRUMENTS (CONT'D)

### Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount					Fair value				
		Held for trading \$'000	Held to maturity \$'000	Loans and receivables \$'000	Available-for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 December 2018</b>											
<b>Financial assets measured at fair value</b>											
Long-term investments		–	1,978	–	–	–	1,978	–	1,978	–	1,978
Short-term investments		29,005	–	–	–	–	29,005	–	29,005	–	29,005
		<u>29,005</u>	<u>1,978</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>30,983</u>				
<b>Financial assets not measured at fair value</b>											
Long-term investments*		–	–	–	4,200	–	4,200				
Trade and other receivables <sup>f</sup>		–	–	102,697	–	–	102,697				
Fixed deposits		–	–	3,361	–	–	3,361				
Cash and cash equivalents		–	–	10,910	–	–	10,910				
		<u>–</u>	<u>–</u>	<u>116,968</u>	<u>4,200</u>	<u>–</u>	<u>121,168</u>				
<b>Financial liabilities not measured at fair value</b>											
Trade and other payables <sup>f</sup>		–	–	–	–	(15,350)	(15,350)				
Interest-bearing borrowings		–	–	–	–	(4,605)	(4,605)				
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(19,955)</u>	<u>(19,955)</u>				



# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 33 FINANCIAL INSTRUMENTS (CONT'D)

### Accounting classifications and fair values (cont'd)

Group	Note	Carrying amount					Fair value				
		Held for trading \$'000	Held to maturity \$'000	Loans and receivables \$'000	Available-for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 June 2017</b>											
<b>Financial assets measured at fair value</b>											
Long-term investments		–	1,976	–	–	–	1,976	–	1,976	–	1,976
Short-term investments		22,261	–	–	–	–	22,261	–	22,261	–	22,261
		<u>22,261</u>	<u>1,976</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>24,237</u>				
<b>Financial assets not measured at fair value</b>											
Long-term investments		–	–	–	4,200	–	4,200				
Trade and other receivables <sup>‡</sup>		–	–	93,541	–	–	93,541				
Fixed deposits		–	–	12,036	–	–	12,036				
Cash and cash equivalents		–	–	26,527	–	–	26,527				
		<u>–</u>	<u>–</u>	<u>132,104</u>	<u>4,200</u>	<u>–</u>	<u>136,304</u>				
<b>Financial liabilities not measured at fair value</b>											
Trade and other payables <sup>‡</sup>		–	–	–	–	(12,719)	(12,719)				
Interest-bearing borrowings <sup>‡</sup>		–	–	–	–	(8,731)	(8,731)				
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(21,450)</u>	<u>(21,450)</u>				

\* Unquoted equity investments (Note 14) are stated at cost because the shares do not have a quoted price in an active market and the fair value cannot be reliably measured.

# The carrying amount of non-current other receivables and interest-bearing borrowings (current and non-current) reasonably approximate their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 33 FINANCIAL INSTRUMENTS (CONT'D)

Company	Note	Carrying amount			Total \$'000
		Loans and receivables \$'000	Available- for-sale \$'000	Other financial liabilities \$'000	
<b>31 December 2018</b>					
<b>Financial assets not measured at fair value</b>					
Long-term investments*		–	4,200	–	4,200
Trade and other receivables#		62,113	–	–	62,113
Cash and cash equivalents		5,181	–	–	5,181
Amounts owing by subsidiaries		16,936	–	–	16,936
		<u>84,230</u>	<u>4,200</u>	<u>–</u>	<u>88,430</u>
<b>Financial liabilities not measured at fair value</b>					
Trade and other payables#		–	–	(3,550)	(3,550)
Interest-bearing borrowings		–	–	(4,605)	(4,605)
Amounts owing to subsidiaries		–	–	(43,197)	(43,197)
		<u>–</u>	<u>–</u>	<u>(51,352)</u>	<u>(51,352)</u>
<b>30 June 2017</b>					
<b>Financial assets not measured at fair value</b>					
Long-term investments		–	4,200	–	4,200
Trade and other receivables#		59,837	–	–	59,837
Fixed deposits		10,747	–	–	10,747
Cash and cash equivalents		18,404	–	–	18,404
Amounts owing by subsidiaries		14,533	–	–	14,533
		<u>103,521</u>	<u>4,200</u>	<u>–</u>	<u>107,721</u>
<b>Financial liabilities not measured at fair value</b>					
Trade and other payables#		–	–	(3,265)	(3,265)
Interest-bearing borrowings#		–	–	(8,731)	(8,731)
Amounts owing to subsidiaries		–	–	(16,733)	(16,733)
		<u>–</u>	<u>–</u>	<u>(28,729)</u>	<u>(28,729)</u>

\* Unquoted equity investments (Note 14) are stated at cost because the shares do not have a quoted price in an active market and the fair value cannot be reliably measured.

# The carrying amount of non-current other receivables and interest-bearing borrowings (current and non-current) reasonably approximate their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 34 FAIR VALUE OF ASSETS AND LIABILITIES

### Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 35 SEGMENT REPORTING

For management reporting purposes, the Group monitors the performance of the business units based on their products and services and has two reportable segments as follows:

- The banking segment comprises of cord blood, cord lining and cord tissue services. Cord blood, cord lining and cord tissue are collected, processed and stored in the various laboratories in the regions that the Group operates in.
- The diagnostics segment comprises Metascreen, which is a non-invasive metabolic screening test specially designed for newborn babies, non-invasive prenatal testing and Eyescreen, a paediatric vision-screening service.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest income excluding interest income on non-current trade receivables.
- Income taxes that are managed on a group basis.
- Subsidiaries not in the principal activities of the provision of cord blood, cord lining and cord tissue banking services, metabolic screening, non-invasive prenatal testing and paediatric vision-screening service.

No operating segments have been aggregated to form the above reportable operating segments.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 35 SEGMENT REPORTING (CONT'D)

### Segment revenue

	Banking \$'000	Diagnostics \$'000	Total \$'000
<b>Period ended 31 December 2018</b>			
Revenue from external customers	103,574	1,433	105,007
Total consolidated revenue			105,007
<b>Year ended 30 June 2017</b>			
Revenue from external customers	59,066	896	59,962
Total consolidated revenue			59,962

### Segment results

	Banking \$'000	Diagnostics \$'000	Total \$'000
<b>Period ended 31 December 2018</b>			
Depreciation and amortisation	(4,448)	(50)	(4,498)
Segment profit	6,186	(53)	6,133
Fair value gain on investment properties			316
Finance income			2,056
Finance costs			(326)
Profit before income tax			8,179
Income tax			(2,681)
Profit for the period			5,498
<b>Year ended 30 June 2017</b>			
Depreciation and amortisation	(3,089)	(40)	(3,129)
Segment profit	530	14	544
Fair value loss on investment properties			(168)
Finance income			1,858
Finance costs			(2,006)
Note repurchase expense			(2,149)
Loss before income tax			(1,921)
Income tax			(675)
Loss for the year			(2,596)

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 35 SEGMENT REPORTING (CONT'D)

### Segment assets and liabilities

	Banking \$'000	Diagnostics \$'000	Others* \$'000	Total \$'000
<b>Period ended 31 December 2018</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	2,799	–	–	2,799
Segment assets	224,730	520	551	225,801
Unquoted equity investments (Note 14)				4,200
Note receivable and interest receivable on note receivable (Note 16)				4,527
Investment properties (Note 12)				8,717
Eliminations <sup>+</sup>				(28,766)
Per consolidated financial statements				214,479
Segment liabilities	100,690	969	11,043	112,702
Tax payables				1,982
Deferred tax liabilities				7,068
Eliminations <sup>+</sup>				(28,609)
Per consolidated financial statements				93,143
<b>Year ended 30 June 2017</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	1,671	–	–	1,671
Segment assets	216,535	444	1,015	217,994
Unquoted equity investments (Note 14)				4,200
Note receivable and interest receivable on note receivable (Note 16)				4,340
Investment properties (Note 12)				8,256
Eliminations <sup>+</sup>				(36,058)
Per consolidated financial statements				198,732
Segment liabilities	92,053	727	11,479	104,259
Tax payables				1,244
Deferred tax liabilities				3,891
Eliminations <sup>+</sup>				(35,992)
Per consolidated financial statements				73,402

+ Inter-segment balances are eliminated on consolidation.

\* Others refer to the assets and liabilities of subsidiaries not in the principal activities of the provision of cord blood, cord lining and cord tissue banking and diagnostic services.

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 35 SEGMENT REPORTING (CONT'D)

	Revenue		Non-current assets	
	31/12/2018 \$'000	30/06/2017 \$'000	31/12/2018 \$'000	30/06/2017 \$'000
Singapore	45,824	26,331	10,288	11,387
Hong Kong	12,382	4,386	22,716	521
India	21,434	12,384	3,888	4,123
Malaysia	8,766	6,900	17,849	18,326
Philippines	9,587	5,443	168	191
Others	7,014	4,518	784	283
	<u>105,007</u>	<u>59,962</u>	<u>55,693</u>	<u>34,831</u>

Non-current assets information presented above consist of property, plant and equipment, investment properties and intangible assets.

## 36 DIVIDENDS

The following exempt (one-tier) dividends were declared and paid by the Group and Company.

	Group and Company	
	31/12/2018 \$'000	30/06/2017 \$'000
<b><i>Paid by the Company to owners of the Company</i></b>		
<i>Dividends on ordinary shares:</i>		
Final tax exempt (one-tier) dividend for 30 June 2017: 0.5 cents (30 June 2016: Nil) per share	1,262	–
Interim tax exempt (one-tier) dividend for 31 December 2018: 0.8 cents (30 June 2017: Nil) per share	2,022	–
	<u>3,284</u>	<u>–</u>

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the Directors, subject to shareholders' approval at the Annual General Meeting. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	31/12/2018 \$'000	30/06/2017 \$'000
Final tax exempt (one-tier) dividend for 31 December 2018: 0.4 cents (30 June 2017: 0.5 cents) per share	1,013	1,297

# NOTES TO THE FINANCIAL STATEMENTS

Period from 1 July 2017 to 31 December 2018

## 37 CAPITAL MANAGEMENT

Capital comprises equity attributable to owners of the Company.

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial period/year ended 31 December 2018 and 30 June 2017.

The Group is currently in a net cash position. The Group monitors capital using a total debt to total equity ratio, which is interest-bearing borrowings and notes payable divided by total equity attributable to owners of the Company.

	Group	
	31/12/2018 \$'000	30/06/2017 \$'000
Interest-bearing borrowings	4,605	8,731
Equity attributable to owners of the Company	121,198	125,161
Total debt to total equity ratio	3.80%	6.98%

## 38 SUBSEQUENT EVENT

As at the reporting date, the Class A Redeemable Convertible Note ("RCN") in the principal amount of \$4,200,000 from CellResearch Corporation Pte. Ltd. ("CRC") has matured. Pursuant to the terms of the RCN, the Group has agreed to extend the maturity date to 30 April 2019 to allow for negotiations between CRC and the Group to take place. The terms and conditions of the RCN remain the same in the interim.

## 39 COMPARATIVE INFORMATION

The financial statements for the year ended 30 June 2017 were audited by another firm of Chartered Accountants whose report dated 28 September 2017 expressed an unmodified opinion on those financial statements.

# STATISTICS OF SHAREHOLDINGS

As At 19 March 2019

Class of equity securities	:	Ordinary Shares
Number of equity securities	:	253,301,624 ordinary shares (excluding treasury shares)
Voting rights	:	one vote per share
Number of treasury shares	:	14,223,730 ordinary shares

## STATISTICS OF SHAREHOLDERS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 99	17	0.86	398	0.00
100 – 1,000	184	9.33	130,113	0.05
1,001 – 10,000	1,170	59.30	6,720,749	2.65
10,001 – 1,000,000	588	29.80	25,128,323	9.92
1,000,001 and above	14	0.71	221,322,041	87.38
	1,973	100.00	253,301,624	100.00

## SUBSTANTIAL SHAREHOLDERS AS AT 19 MARCH 2019

(As recorded in the Register of Substantial Shareholders)

Substantial Shareholders	Direct		Deemed	
	Number of Shares	% of total issued Shares <sup>(1)</sup>	Number of Shares	% of total issued Shares <sup>(1)</sup>
China Stem Cells (East) Company Limited	25,516,666	10.07	–	–
China Stem Cells Holdings Limited	–	–	25,516,666 <sup>(2)</sup>	10.07
China Cord Blood Services Corporation	–	–	25,516,666 <sup>(3)</sup>	10.07
Global Cord Blood Corporation <sup>(4)</sup>	–	–	25,516,666 <sup>(5)</sup>	10.07
Blue Ocean Structure Investment Company Ltd (BVI)	–	–	25,516,666 <sup>(6)</sup>	10.07
Blue Ocean Creation Investment Hong Kong Limited	–	–	25,516,666 <sup>(7)</sup>	10.07
Shanghai Blue Ocean Ke Rui Financial Information Service Partnership	–	–	25,516,666 <sup>(8)</sup>	10.07
Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership)	–	–	25,516,666 <sup>(9)</sup>	10.07
Nanjing Ying Peng Asset Management Limited	–	–	25,516,666 <sup>(10)</sup>	10.07
Sanpower Group Nanjing Investment Management Limited	–	–	25,516,666 <sup>(11)</sup>	10.07
Nanjing Xinjiekou Department Store Co., Ltd.	51,870,000	20.48	–	–
Sanpower Group Corporation	–	–	77,386,666 <sup>(12)</sup>	30.55
Yuan Yafei	–	–	77,386,666 <sup>(13)</sup>	30.55
Full Day Limited	24,580,300	9.70	–	–
Sincere View International Limited	30,000,000	11.84	–	–
Hon Kwok Lung	–	–	54,580,300 <sup>(14)</sup>	21.55
Lam Suk Ying	–	–	54,580,300 <sup>(15)</sup>	21.55
Fidelity Funds	16,203,000	6.40	–	–
FIL Investment Management (Hong Kong) Limited	–	–	17,190,900 <sup>(16)</sup>	6.79
FIL Asia Holdings Pte Limited	–	–	17,190,900 <sup>(17)</sup>	6.79
FIL Limited	–	–	17,190,900 <sup>(18)</sup>	6.79



# STATISTICS OF SHAREHOLDINGS

As At 19 March 2019

Substantial Shareholders	Direct		Deemed	
	Number of Shares	% of total issued Shares <sup>(1)</sup>	Number of Shares	% of total issued Shares <sup>(1)</sup>
Pandanus Partners L.P.	—	—	17,190,900 <sup>(19)</sup>	6.79
Pandanus Associates Inc.	—	—	17,190,900 <sup>(20)</sup>	6.79
Robust Plan Limited	15,920,000	6.28	—	—
Shanghai Dunheng Capital Management Co., Ltd	—	—	15,920,000 <sup>(21)</sup>	6.28
Jiaxing Huiling No. 3 Investment Partnership (Limited Partnership)	—	—	15,920,000 <sup>(22)</sup>	6.28
Minsheng (Shanghai) Asset Management Co., Ltd.	—	—	15,920,000 <sup>(23)</sup>	6.28
China Minsheng Investment Corp., Ltd	—	—	15,920,000 <sup>(24)</sup>	6.28
Jiaxing Huiling Capital Management Co., Ltd	—	—	15,920,000 <sup>(25)</sup>	6.28
CMI Capital Co., Ltd	—	—	15,920,000 <sup>(26)</sup>	6.28
Vcanland Holding Group Company Limited	—	—	18,133,000 <sup>(27)</sup>	7.16
Li Defu	—	—	18,133,000 <sup>(28)</sup>	7.16

## Notes:

- As a percentage of the issued share capital of the Company (excluding the 14,223,730 Shares held as treasury shares), comprising 253,301,624 Shares as at the Latest Practicable Date, being 19 March 2019.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, China Stem Cells Holdings Limited (“CSCHL”) is the sole shareholder of China Stem Cells (East) Company Limited (“CSCECL”) and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the Securities and Futures Act (“SFA”).
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, China Cord Blood Services Corporation (“CCBSC”) is the sole shareholder of CSCHL and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on publicly available information, “China Cord Blood Corporation” has changed its name to “Global Cord Blood Corporation” (“GCBC”), and has commenced trading under its new name on the New York Stock Exchange with effect from 22 March 2018.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, GCBC is the sole shareholder of CCBSC and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Blue Ocean Structure Investment Company Ltd (BVI) (“BOSICL”) holds 65.40% of the issued and outstanding share capital of GCBC and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Blue Ocean Creation Investment Hong Kong Limited (“BOCIHKL”) is the sole shareholder of BOSICL and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Shanghai Blue Ocean Ke Rui Financial Information Service Partnership (“SBOKRFISP”) is the sole shareholder of BOCIHKL and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership) (“NYPHKMIIP”) is the limited partner of SBOKRFISP and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Nanjing Ying Peng Asset Management Limited (“NYPAML”) is the general partner of SBOKRFISP. NYPAML is also general partner of NYPHKMIIP. NYPAML is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Sanpower Group Nanjing Investment Management Limited (“SGNIML”) is the sole shareholder of NYPAML and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Sanpower Group Corporation (“SPC”) is the sole shareholder of SGNIML and holds 27.32% equity interest in Nanjing Xinjiekou Department Store Co., Ltd. (“NXDSCL”). SPC is therefore deemed to be interested in the Shares held by CSCECL and NXDSCL by virtue of Section 4 of the SFA.

# STATISTICS OF SHAREHOLDINGS

As At 19 March 2019

- (13) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Yuan Yafei holds 97.5% equity interest in SPC and is therefore deemed to be interested in the Shares held by CSCECL and NXDSCL by virtue of Section 4 of the SFA.
- (14) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 November 2018, Hon Kwok Lung is the sole shareholder of Full Day Limited ("FDL") and holds 80% equity interest in Sincere View International Limited ("SVIL"). Lam Suk Ying, the spouse of Hon Kwok Lung, holds 20% equity interest in SVIL. Hon Kwok Lung is therefore deemed to be interested in the Shares held by FDL and SVIL by virtue of Section 4 of the SFA.
- (15) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 November 2018, Lam Suk Ying holds 20% equity interest in SVIL. Hon Kwok Lung, the spouse of Lam Suk Ying, is the sole shareholder of FDL and holds 80% equity interest in SVIL. Lam Suk Ying is therefore deemed to be interested in the Shares held by FDL and SVIL by virtue of Section 4 of the SFA.
- (16) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 15 December 2017, FIL Investment Management (Hong Kong) Limited ("FIMHK") is deemed to have interests in the securities of the Company because such securities are held by funds and/or accounts it manages, including certain sub-funds of Fidelity Funds.
- (17) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 15 December 2017, FIL Asia Holdings Pte Limited ("FAHPL") is the sole shareholder of FIMHK. FAHPL is deemed to have interests in the securities of the Company because such securities are held by funds and/or accounts managed by one or more of FAHPL's direct and indirect subsidiaries which are fund managers.
- (18) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 15 December 2017, FIL Limited ("FL") is the sole shareholder of FAHPL. FL is deemed to have interests in the securities of the Company because such securities are held by funds and/or accounts managed by one or more of FL's direct and indirect subsidiaries which are fund managers.
- (19) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 15 December 2017, FL is a privately-owned company incorporated under the laws of Bermuda. Pandanus Partners L.P. ("PPLP") is deemed to have interests in the securities of the Company through its interest in the voting shares of FL, pursuant to Section 4(5) of the SFA.
- (20) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 15 December 2017, Pandanus Associates Inc. is deemed to have interests in the securities of the Company through its interest in the voting shares of PPLP, pursuant to Section 4(5) of the SFA.
- (21) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Shanghai Dunheng Capital Management Co., Ltd ("SDCMCL") is the sole shareholder of Robust Plan Limited ("RPL") and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (22) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Jiaxing Huiling No. 3 Investment Partnership (Limited Partnership) ("JX No.3") is the sole shareholder of SDCMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (23) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Minsheng (Shanghai) Asset Management Co., Ltd. ("MSAMCL") holds 99.95% equity interest in JX No.3 and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (24) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, China Minsheng Investment Corp., Ltd ("CMICL") is the sole shareholder of MSAMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (25) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Jiaxing Huiling Capital Management Co., Ltd ("JHCMCL") holds 0.05% equity interest in JX No.3 and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (26) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, CMI Capital Co., Ltd is the sole shareholder of JHCMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (27) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 24 December 2015, Vcanland Holding Group Company Limited ("VHGCL") is deemed interested in the Shares held by RPL pursuant to the sale and purchase agreement dated 23 December 2015 entered into with JX No.3 and Jiaxing Huiling Investment Management Co., Ltd for the acquisition of all the shares in the capital of SDCMCL. The completion under the sale and purchase agreement is subject to the satisfaction of several conditions precedents.
- (28) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 24 December 2015, Li Defu is the shareholder of VHGCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.

# STATISTICS OF SHAREHOLDINGS

As At 19 March 2019

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	MAYBANK KIM ENG SECURITIES PTE. LTD.	82,450,512	32.55
2	RAFFLES NOMINEES (PTE) LIMITED	43,572,699	17.20
3	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	24,840,696	9.81
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	16,370,600	6.46
5	DBS NOMINEES PTE LTD	14,018,316	5.53
6	ALLY HONOUR TRADING (HK) LIMITED	12,800,000	5.05
7	PHILLIP SECURITIES PTE LTD	9,987,563	3.94
8	CITIBANK NOMINEES SINGAPORE PTE LTD	6,052,284	2.39
9	COOP INTERNATIONAL PTE LTD	3,107,000	1.23
10	TANTALUM CELLULAR PRODUCTS LLC	2,566,972	1.01
11	HSBC (SINGAPORE) NOMINEES PTE LTD	1,971,000	0.78
12	ABN AMRO CLEARING BANK N.V.	1,514,599	0.60
13	OCBC SECURITIES PRIVATE LTD	1,041,500	0.41
14	UOB KAY HIAN PTE LTD	1,028,300	0.41
15	UNITED OVERSEAS BANK NOMINEES PTE LTD	998,150	0.39
16	OCBC NOMINEES SINGAPORE PTE LTD	682,500	0.27
17	LEE IN CHUN	537,200	0.21
18	KHENG MAY LIAN SUSAN	487,970	0.19
19	TERESA HANGCHI	362,154	0.14
20	THET HNIN YI	334,410	0.13
	<b>Total</b>	<b>224,724,425</b>	<b>88.70</b>

## FREE FLOAT [Rule 1207(9) of the Listing Manual]

As at 19 March 2019, approximately 33.36% of the shareholding in the Company was held in the hands of the public (based on the information available to the Company). Accordingly, the Company has complied with Rule 723 of the Listing Manual.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Cordlife Group Limited (the “Company”) will be held at the Seletar Room, Level 3, Temasek Club, 131 Rifle Range Road, Singapore 588406 on Friday, 26 April 2019 at 10.00am for the following purposes:

## Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial period from 1 July 2017 to 31 December 2018 together with the Directors’ Statement and Auditors’ Report thereon. **(Resolution 1)**

2. To re-elect Dr Goh Jin Hian who is retiring pursuant to Article 94 of the Company’s Constitution. **(Resolution 2)**

*Dr Goh Jin Hian (“Dr Goh”) is considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). If re-elected, Dr Goh will remain as the Chairman of the Board of Directors and Chairman of the Remuneration Committee.*

3. To re-elect Dr Ho Choon Hou who is retiring pursuant to Article 94 of the Company’s Constitution. **(Resolution 3)**

*Dr Ho Choon Hou (“Dr Ho”) is considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST. If re-elected, Dr Ho will remain as a member of the Audit and Risk Committee and the Nominating Committee.*

4. To re-elect Mr Chen Bing Chuen Albert who is retiring pursuant to Article 94 of the Company’s Constitution. **(Resolution 4)**

5. To re-elect Mr Yeo Hwee Tiong who is retiring pursuant to Article 100 of the Company’s Constitution. **(Resolution 5)**

*Mr Yeo Hwee Tiong (“Mr Yeo”) is considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST. If re-elected, Mr Yeo will remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.*

6. To re-elect Ms Tan Poh Lan who is retiring pursuant to Article 100 of the Company’s Constitution. **(Resolution 6)**

7. To re-elect Mr Bu Jiangyong who is retiring pursuant to Article 100 of the Company’s Constitution. **(Resolution 7)**

8. To re-elect Mr Fong Chi Wah who is retiring pursuant to Article 100 of the Company’s Constitution. **(Resolution 8)**

9. To approve the payment of a final tax exempt (1-tier) dividend of S\$0.004 per ordinary share for the financial period from 1 July 2017 to 31 December 2018. **(Resolution 9)**

# NOTICE OF ANNUAL GENERAL MEETING

10. To approve the payment of Directors' fees of up to S\$450,000 for the financial year ending 31 December 2019, payable quarterly in arrears (2018: S\$560,000).

(Resolution 10)

11. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 11)

12. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

13. Authority to allot and issue shares

"That, pursuant to Section 161 of the Companies Act, (Chapter 50 of Singapore) (the "**Companies Act**") and Rule 806(2) of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company ("**Directors**") to:-

- (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company's total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below). Unless prior shareholder approval is required under the Listing Manual of the SGX-ST, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

# NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

**(Resolution 12)**

[See Explanatory Note (i)]

14. Authority to grant share awards and to issue shares under the "Cordlife Share Grant Plan" (the "**Share Grant Plan**")

"That the Directors be and are hereby authorised to grant awards in accordance with the provisions of the Share Grant Plan and to allot and issue from time to time such number of fully paid-up shares as may be required to be delivered pursuant to the vesting of awards under the Share Grant Plan, provided that the total number of new shares which may be issued or shares which may be delivered pursuant to the awards granted under the Share Grant Plan, and all shares, options or awards granted under any other share scheme of the Company then in force, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares) on the day preceding the relevant date of the award."

**(Resolution 13)**

[See Explanatory Note (ii)]

15. Proposed renewal of the Share Purchase Mandate

"That:–

- (a) for the purposes of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), the exercise by the directors of the Company (the "**Directors**") of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares ("**Shares**") in the share capital of the Company not exceeding in the aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) market purchases or acquisitions of Shares (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) off-market purchases or acquisitions of Shares (each an **“Off-Market Purchase”**) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **“Share Purchase Mandate”**);

- (b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
  - (ii) the date on which the Share purchases or acquisitions by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; and
  - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting;
- (c) in this Resolution:

**“Average Closing Market Price”** means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

**“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**“Market Day”** means a day on which the SGX-ST is open for securities trading;

**“Maximum Limit”** means that number of Shares representing 5% of the total number of issued Shares as at the date of the passing of this Resolution, unless the Company has effected a reduction in the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company, as altered. Any shares which are held as treasury shares and subsidiary holdings will be disregarded for the purpose of computing the 5% limit;

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed (in the case of both a Market Purchase and an Off-Market Purchase pursuant to an equal access scheme) 105% of the Average Closing Market Price of the Shares; and

# NOTICE OF ANNUAL GENERAL MEETING

“**Relevant Period**” means the period commencing from the date on which the last Annual General Meeting was held and expiring on the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier, after the date this Resolution is passed; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

**(Resolution 14)**

[See Explanatory Note (iii)]

By Order of the Board

Ang Siew Koon  
Company Secretary

Singapore,  
11 April 2019

## Explanatory Notes:

- (i) **Ordinary Resolution 12** proposed under agenda item 13 above, if passed, will authorise and empower the Directors from the date of this AGM until the next AGM to issue shares and/or convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.
- (ii) **Ordinary Resolution 13** proposed under agenda item 14 above is to authorise the Directors to grant share awards and to issue shares under the Share Grant Plan approved by the shareholders of the Company at the extraordinary general meeting held on 18 October 2013.
- (iii) **Ordinary Resolution 14**

The Company intends to use internal sources of funds, or a combination of internal sources of funds and external borrowings, to finance purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The Directors do not propose to carry out purchases pursuant to the Share Purchase Mandate to such an extent that would, or in the circumstances that might, result in a material adverse effect on the financial position (including working capital and gearing) of the Group as a whole and/or affect the listing status of the Company on the SGX-ST. The amount of financing required for the Company to purchase or acquire its Shares and the impact on the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on, inter alia, whether the Shares are purchased out of capital or profits of the Company, the price paid for such Shares, the aggregate number of Shares purchased or acquired and whether the Shares purchased are held in treasury or cancelled. An illustration of the financial impact of the Share purchases by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and its subsidiaries for the financial period from 1 July 2017 to 31 December 2018 is set out in the Company's letter to Shareholders dated 11 April 2019. Shareholders should note that the financial effects set out therein are purely for illustrative purposes only.



# NOTICE OF ANNUAL GENERAL MEETING

## Books Closure Date and Payment Date for Final Dividend

Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 3 May 2019 ("Book Closure Date") for the purpose of determining members' entitlement to the final dividend ("Dividend").

Duly completed registrable transfers received by the Company's Share Registrar Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898 up to 5.00pm on 2 May 2019 ("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.

The Dividend, if approved by the shareholders at the Annual General Meeting, will be paid on 17 May 2019.

## Notes:

1. A member who is not a relevant intermediary may appoint not more than two proxies to attend and vote in his stead at the AGM.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his/her shareholding to be represented by each proxy, failing which, the first name proxy may be treated as representing 100% of the shareholding and the second name proxy as an alternate to the first named.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore who holds shares in that capacity; or
  - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
  5. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
  6. The instrument appointing a proxy must be deposited at the Office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #11-02 Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

## Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) or proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty."

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Dr Goh Jin Hian, Dr Ho Choon Hou, Mr Chen Bing Chuen Albert, Mr Yeo Hwee Tiong, Ms Tan Poh Lan, Mr Bu Jiangyong and Mr Fong Chi Wah are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2019 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	Dr Goh Jin Hian	Dr Ho Choon Hou	Mr Chen Bing Chuen Albert
<b>Date of appointment</b>	01 July 2011	16 June 2011	29 April 2016
<b>Date of last re-appointment</b>	28 October 2016	28 October 2016	28 October 2016
<b>Age</b>	50	46	42
<b>Country of principal residence</b>	Singapore	Singapore	Hong Kong
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	The Board opined that Dr Goh's medical knowledge and working experience with a healthcare group will be beneficial to the Company. As an Executive Director cum CEO of another SGX-ST listed company, Dr Goh also brought with him operations management experience. Since his appointment in 2011, Dr Goh has been one of the key Independent Directors serving on the Board contributing his independent views. He is willing to spend time with the Company in addition to the scheduled quarterly board meetings, and contributed actively and positively at all Board and Board Committees meetings. The Board opined that Dr Goh's skills and experience are still relevant to the Company and recommended his re-election.	Dr Ho was a co-founder of the Company and as such, he is the person with the history of the Company and the development and performance of the Company is something which he will give attention to. With his medical background, skills in investment and business network, he has contributed positively to the Company especially in the area of strategic directions. The Board has considered various factors including his commitment, participation and contribution to the Company, and recommended his re-election.	Mr Chen is a nominee director of Global Cord Blood Corporation (F.k.a. China Cord Blood Corporation) ["GCBC"], a member company of the Sanpower Group and a substantial shareholder of the Company. Mr Chen is the Chief Financial Officer and Director of GCBC, where he oversees finance-related matters including accounting and budget planning. He is also involved in GCBC's corporate structuring and development, including mergers and acquisitions, and investment in foreign healthcare companies. The Board opined that Mr Chen's experience in managing healthcare businesses would be beneficial to the Company. The Board has also considered his participation and contribution at Board and Board Committees and recommended his re-election.
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Non-Executive	Non-Executive	Non-Independent Non-Executive
<b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Independent Director, Chairman of the Board and Remuneration Committee	Independent Director, Vice Chairman of the Board, a Member of the Audit and Risk Committee and Nominating Committee	Non-Independent Non-Executive Director and Member of the Remuneration Committee

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Yeo Hwee Tiong	Ms Tan Poh Lan	Mr Bu Jianguong	Mr Fong Chi Wah
22 May 2018	28 February 2019	22 May 2018	18 January 2019
N/A	N/A	N/A	N/A
62	57	43	56
Singapore	Singapore	China	Hong Kong
Mr Yeo has more than 28 years of working experience in the healthcare and project management industry and with regional exposure in Malaysia, Myanmar and Vietnam. The Board opined that Mr Yeo's experience in the healthcare industry, regional exposure and business network would be beneficial to the Company. Since his appointment in May 2018, Mr Yeo has contributed actively and positively to subject matters deliberated at Board and Board Committee meetings. The Board recommended his re-election.	Ms Tan was appointed as an Executive Director cum Group CEO of the Company on 28 February 2019. Prior to this position, she was the Group Chief Operating Officer of the Company. As the Group CEO, Ms Tan will oversee the Group's operations and help implement the Group strategy. The Board recommended her re-election.	Mr Bu is a nominee director of Nanjing Xinjiekou Department Store Co., Ltd., a member company of the Sanpower Group and a substantial shareholder of the Company. Mr Bu oversees the healthcare business segment of the Sanpower Group which includes genetic testing, cell immunotherapy, hospital management and senior care. The Board opined that Mr Bu's experience in managing healthcare businesses would be beneficial to the Company. The Board recommended his re-election.	Mr Fong is a nominee director of Mr Hon Kwok Lung, a substantial shareholder of the Company through his equity stake in Full Day Limited and Sincere View International Limited. Mr Fong has more than 25 years of extensive experience in the financial industry including capital markets, project and structured finance and direct investment. The Board opined that Mr Fong would be an asset to the Board as the Company and recommended his re-election.
Non-Executive	Executive Responsible for the Group's business operations and strategic planning.	Non-Independent Non-Executive	Non-Independent Non-Executive
Independent Director, Chairman of the Nominating Committee, and Member of the Remuneration Committee	Executive Director and Group CEO	Non-Independent Non-Executive Director and Member of the Nominating Committee	Non-Independent Non-Executive Director

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Dr Goh Jin Hian</b>	<b>Dr Ho Choon Hou</b>	<b>Mr Chen Bing Chuen Albert</b>
<b>Academic and/or professional qualifications</b>	Dr Goh obtained his Bachelor of Medicine and Bachelor of Surgery from the National University of Singapore in 1992. He also holds a Master of Business Administration from the University of Hull. In addition, Dr Goh completed The Wharton Advanced Management Program in 2005.	Dr Ho holds a Bachelor of Medicine and Bachelor of Surgery (Honours) from the University of Sheffield, as well as a Master of Medicine (Surgery) from the National University of Singapore and a Master of Business Administration (Honours) from the University of Chicago (Graduate School of Business).	Mr Chen is a CFA charterholder. He holds a Bachelor in Commerce from Queen's University in Canada, with a major in Finance and Accounting.
<b>Working experience and occupation(s) during the past 10 years</b>	<ol style="list-style-type: none"> <li>2015 – Present (New Silkroutes Group) – Executive Director cum Group CEO</li> <li>2012 – 2014 (Private oil &amp; gas company) – Executive Director</li> <li>1999 – 2011 (Parkway Health) – C-suite Executive</li> </ol>	2007 – Present (Southern Capital Group) – Principal	30 June 2009 – Present (Global Cord Blood Corporation) – Chief Financial Officer and Director
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	No	Direct interest: 792,061 ordinary shares in Cordlife Group Limited	No
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</b>	No	No	No
<b>Conflict of Interest (including any competing business)</b>	No	No	No
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>	Yes	Yes	Yes

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Yeo Hwee Tiong	Ms Tan Poh Lan	Mr Bu Jianguyong	Mr Fong Chi Wah
Mr Yeo obtained his Bachelor of Science (Building) from Heriot-Watt University, Edinburgh, United Kingdom. He also holds a Master of Science (Project Management) from National University of Singapore.	Ms Tan Poh Lan holds a Master of Business Administration from National University of Singapore and graduated with Honours in Occupational Therapy from University of Queensland, Australia.	Mr Bu Jianguyong obtained a Bachelor in Precision Instruments from Tianjin University. He also holds an Executive Master of Business Administration from the China Europe International Business School.	Mr Fong Chi Wah holds a Bachelor's degree, majoring in Management Sciences (Economics) from the Lancaster University, United Kingdom. He also holds three Master's degrees including a Master of Business Administration from the Warwick University, United Kingdom, a Master's degree in Investment Management from the Hong Kong University of Science and Technology, and a Master's degree in practicing accounting from the Monash University, Australia. He has a Doctorate in Business Administration from the Hong Kong Polytechnic University and is a Juris Doctor from the Chinese University of Hong Kong. He is a CFA charterholder, a member of the Hong Kong Society of Financial Analysts, a fellow of the CPA (Australia), a fellow of the HKICPA, a member of the Institute of Certified Management Accountants, Australia, and a fellow of the Hong Kong Institute of Directors.
<ol style="list-style-type: none"> <li>1. April 2018 – Present (Singapore Women's &amp; Children's Medical Group) – Group Chief Executive Officer</li> <li>2. April 2014 to March 2018 (KPMG Singapore LLP) – Principal, Healthcare, Singapore &amp; Asia Pacific</li> <li>3. May 2013 – March 2014 (Paeon Medical Group) – Managing Director</li> <li>4. 23 July 2012 to April 2013 (China Healthcare Group) – Group Managing Director</li> <li>5. June 2002 to 27 April 2012 (Thomson Medical Centre Limited) – Group Chief Executive Officer</li> <li>6. July 2005 – 27 March 2012 (Hanh Phuc Women's &amp; Children's Hospital, Vietnam) – Project Director &amp; Managing Director</li> </ol>	<ol style="list-style-type: none"> <li>1. February 2019 – Present (Cordlife Group Limited) – Executive Director and Group Chief Executive Officer</li> <li>2. April 2016 – February 2019 (Cordlife Group Limited) – Group Chief Operating Officer</li> <li>3. April 2016 – October 2016 (Cordlife Group Limited) – Executive Director and Group Chief Operating Officer</li> <li>4. 2008 – 2011 (Gleneagles Hospital) – Chief Executive Officer</li> <li>5. 2011 – 2012 (Vinmec International Hospital, Hanoi, Vietnam) – Chief Executive Officer</li> <li>6. 2012-2015 (Fortis Healthcare Singapore) – Chief Executive Officer</li> </ol>	<ol style="list-style-type: none"> <li>1. February 2015 – Present (Sanpower Group) – Senior Vice President</li> <li>2. July 2007 – January 2015 (Sunda Auto Service Co., Ltd.) – Co-founder and CEO</li> </ol>	<ol style="list-style-type: none"> <li>1. September 2004 – Present (Citychamp Watch &amp; Jewellery Group Limited) – CFO &amp; Company Secretary</li> <li>2. September 2016 – Present (Bendura Bank Liechtenstein) – Director</li> <li>3. 19 December 2003 – Present (China Youzan Limited) – Independent non-executive Director</li> </ol>
No	Direct interest: 205,440 ordinary shares in Cordlife Group Limited	No	No
No	No	No	No
No	No	No	No
Yes	Yes	Yes	Yes

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Dr Goh Jin Hian</b>	<b>Dr Ho Choon Hou</b>	<b>Mr Chen Bing Chuen Albert</b>
<b>Other Principal Commitments Including Directorships</b>	<b>Past (for the last 5 years)</b>	<b>Past (for the last 5 years)</b>	<b>Past (for the last 5 years)</b>
<b>Past (for the last 5 years)</b>	<ol style="list-style-type: none"> <li>1. Parkway Shenton Pte. Ltd.</li> <li>2. iXchange Pte. Ltd.</li> <li>3. Shenton Insurance Pte. Ltd.</li> <li>4. Xindongmeng Holdings Pte. Ltd.</li> <li>5. HSI Nominees A Pte. Ltd.</li> </ol>	Stemlife Berhad	N.A.
<b>Present</b>	<p><b>Present</b></p> <ol style="list-style-type: none"> <li>1. New Silkroutes Group Limited</li> <li>2. Healthsciences International Pte. Ltd.</li> <li>3. Inter-Pacific Petroleum Pte. Ltd.</li> <li>4. Pacific Energy 8 Pte. Ltd.</li> <li>5. Pacific Energy 28 Pte. Ltd.</li> <li>6. Pacific Energy 138 Pte. Ltd.</li> <li>7. Pacific Energy 168 Pte. Ltd.</li> <li>8. Pacific Energy 328 Pte. Ltd.</li> <li>9. Healthsciences International Pte. Ltd.</li> <li>10. Inter-Pacific Petroleum Pte. Ltd.</li> <li>11. Pacific Energy 8 Pte. Ltd.</li> <li>12. Pacific Energy 28 Pte. Ltd.</li> <li>13. Pacific Energy 138 Pte. Ltd.</li> <li>14. Pacific Energy 168 Pte. Ltd.</li> <li>15. Pacific Energy 328 Pte. Ltd.</li> <li>16. Pacific Ship Management Pte. Ltd.</li> <li>17. Inter-Pacific Group Pte. Ltd.</li> <li>18. Inter-Pacific Petroleum Trading Pte. Ltd.</li> <li>19. International Energy Group Pte. Ltd.</li> <li>20. New Silkroutes Capital Pte. Ltd.</li> <li>21. Silk Systems Pte. Ltd.</li> <li>22. SilkrouteAsia Asset Management Pte. Ltd.</li> <li>23. HSI Dental Pte. Ltd.</li> <li>24. HSI Medical Pte Ltd</li> </ol>	<p><b>Present</b></p> <ol style="list-style-type: none"> <li>1. Advanced Holdings Ltd.</li> <li>2. Vividthree Holdings Ltd.</li> <li>3. Catermas Engineering Pte Ltd</li> <li>4. Core Equipment Holdings Pte. Ltd.</li> <li>5. SCG+ Private Limited</li> <li>6. Hoch Ventures Pte Ltd</li> <li>7. Star Learners Group Pte. Ltd.</li> <li>8. Mclean Bhd</li> <li>9. Catermas Investments Limited</li> <li>10. Invictus Medical Investments Limited</li> <li>11. Maestro Group Holdings Limited</li> </ol>	<p><b>Present</b></p> <ol style="list-style-type: none"> <li>1. Global Cord Blood Corporation</li> <li>2. Mag Ops Limited</li> </ol>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Yeo Hwee Tiong	Ms Tan Poh Lan	Mr Bu Jianguong	Mr Fong Chi Wah
<b>Past (for the last 5 years)</b>	<b>Past (for the last 5 years)</b>	<b>Past (for the last 5 years)</b>	<b>Past (for the last 5 years)</b>
Board of Governor, Singapore Polytechnic	N.A.	Sheng Shi Da Lian Insurance Agency Co., Ltd	1. Real Nutraceutical Group Limited 2. National Investment Fund Limited
<b>Present</b>	<b>Present</b>	<b>Present</b>	<b>Present</b>
<ol style="list-style-type: none"> <li>Singapore Women's &amp; Children's Medical Group Pte Ltd</li> <li>J And T Consultants Pte. Ltd.</li> <li>Tan Wee Khim Pte Ltd</li> <li>Dr. Madeleine Pte Ltd</li> <li>BT Medical Pte. Ltd.</li> <li>Jasmine Mohd Pte. Ltd.</li> <li>Ong Clinic for Women Pte. Ltd.</li> <li>Mark Loh Paediatrics Pte. Ltd.</li> <li>C.H.Koh Clinic For Women Pte. Ltd.</li> <li>Dr Paul Tseng Pte Ltd</li> <li>Anson International Paediatric &amp; Child Development Clinic Pte. Ltd.</li> <li>Singapore Women's Clinic (Tampines) Pte. Ltd.</li> <li>ABCC Pte. Ltd.</li> <li>Surgery &amp; Gynaecology Pte Ltd</li> <li>Dr Janice Wong Children's Clinic Pte. Ltd.</li> <li>Singapore Healthbridge Pte Ltd</li> <li>Singapore Red Cross (Council Member)</li> <li>The Management Development Institute of Singapore               <ol style="list-style-type: none"> <li>School of Life Sciences Industrial Advisory Board (Member)</li> <li>Academic Advisory Board (Member)</li> <li>MDIS Senate (Member)</li> </ol> </li> <li>SQ Centre, Academic Board (Member)</li> <li>Member, Singapore Institute of Directors</li> </ol>	<ol style="list-style-type: none"> <li>Cordlife Technologies Pte. Ltd.</li> <li>CS Cell Technologies Pte. Ltd.</li> <li>Stemlife Berhad</li> <li>PT Cordlife Persada</li> <li>Cordlife Sciences (India) Pvt. Ltd.</li> <li>Cordlife Medical Phils, Inc</li> <li>Cordlife Stem Cell Technology Limited</li> <li>Healthbaby Biotech (Hong Kong) Co., Limited</li> <li>Healthbaby Biotech (Macau) Co., Limited</li> </ol>	<ol style="list-style-type: none"> <li>Dendreon Pharmaceuticals LLC</li> <li>Nanjing Hekang Smart Elderly Care Industry Co., Ltd.</li> <li>Nanjing Xinjiekou Department Store Co., Ltd.</li> <li>Mecoxlane E-commerce (Shanghai) Co., Ltd.</li> <li>Natali Seculife Holdings Ltd.</li> <li>A.S Nursing and Welfare Ltd.</li> <li>Beijing MoreHealth Information &amp; Technology CO., LTD.</li> <li>Home &amp; Health Care Holdings Ltd.</li> <li>Sanpower Biotechnology Co., Ltd.</li> <li>Nanjing Danrui Biotechnology Co., Ltd.</li> <li>Taizhou Danrui Biotechnology Co., Ltd.</li> <li>Shandong Danzhuo Biotechnology Co., Ltd.</li> <li>Shandong Dengrui Biotechnology Co., Ltd.</li> <li>Shanghai Interconnected Telemedicine Network System Co., Ltd.</li> <li>Guangzhou Natali Health Management Consulting Co., Ltd.</li> <li>Ningbo Miaojingying Investment Partnership (limited partnership)</li> <li>Tianjin Miao Health Information Technology Co., Ltd.</li> <li>Mecoxlane Technology (China) Co., Ltd.</li> <li>Shanghai Mecoxlane International Mail Order Co., Ltd.</li> <li>Maiwang Trading (Shanghai) Co., Ltd.</li> <li>Maiwang Information Technology Co., Ltd.</li> <li>Meilida Electronic Commerce (Shanghai) Co., Ltd.</li> <li>Mecox Lane (Hong Kong) Limited</li> </ol>	<ol style="list-style-type: none"> <li>Bendura Bank</li> <li>Chart Victory Limited</li> <li>China Youzan Limited</li> <li>Chun Mei International Limited</li> <li>The Dreyfuss Group Ltd.</li> <li>Eterna AG Uhrenfabrik</li> <li>Eterna (Asia) Limited</li> <li>Everbright (HK) Holdings Co., Limited</li> <li>Everbright Pelico (HK) Co., Limited</li> <li>FM China Fund Limited</li> <li>Joyful Surplus International Limited</li> <li>Lingnan Club</li> <li>Lingnan Education</li> <li>Rotary Watches Ltd.</li> </ol>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr Goh Jin Hian	Dr Ho Choon Hou	Mr Chen Bing Chuen Albert
<b>Other Principal Commitments Including Directorships</b>			
<b>Past (for the last 5 years)</b>			
<b>Present</b>			
<b>(cont'd)</b>			



# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Yeo Hwee Tiong	Ms Tan Poh Lan	Mr Bu Jianguong	Mr Fong Chi Wah
		<p><b>Present (cont'd)</b></p> <p>24. eMecoxLane (Hong Kong) Co., Limited</p> <p>25. eMecoxLane Co., Limited</p> <p>26. Mexi-Care Holdings (Hong Kong) Limited</p> <p>27. Mexi-Care Limited</p> <p>28. Shanghai Ankangtong Health Management Co., Ltd.</p> <p>29. Jiangsu Jinkang Information Technology Service Co., Ltd.</p> <p>30. Wuxi Honghu Technology Co., Ltd.</p> <p>31. Beijing Tongankang Information Technology Service Co., Ltd.</p> <p>32. Wuxi Ankangtong Information Technology Service Co., Ltd.</p> <p>33. Shanxi Ankangtong Health Technology Co., Ltd.</p> <p>34. Shandong Ankangtong Health Service Co., Ltd.</p> <p>35. Hangzhou Yikang Technology Service Co., Ltd.</p> <p>36. Sichuan Jinqiu Ankangtong Health Technology Co., Ltd.</p> <p>37. Jiangxi Ankangtong Health Management Co., Ltd.</p> <p>38. Xuzhou Ankangtong Health Management Co., Ltd.</p> <p>39. Anhui Ankangtong Health Management Co., Ltd.</p> <p>40. Suzhou Interconnected Jinqiu Health Management Co., Ltd.</p> <p>41. Guangxi Jinkang Health Management Co., Ltd.</p> <p>42. Rugao Ankangtong Health Service Co., Ltd.</p> <p>43. Xuzhou Jinkang Health Management Co., Ltd.</p> <p>44. Chongqing Ankangtong Health Management Co., Ltd.</p> <p>45. Huaian Ankangtong Health Consulting Service Co., Ltd.</p> <p>46. Jiangsu Natali Health Management Consulting Co., Ltd.</p> <p>47. Changzhou Natali Medical Technology Services Co., Ltd.</p> <p>48. Sichuan Natali Health Management Co., Ltd.</p> <p>49. Shanghai Natali Health Management Consulting Co., Ltd.</p>	

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Goh Jin Hian	Dr Ho Choon Hou	Mr Chen Bing Chuen Albert	
	Mr Yeo Hwee Tiong	Ms Tan Poh Lan	Mr Bu Jianguyong	Mr Fong Chi Wah
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>				
a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?			No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?			No
c)	Whether there is any unsatisfied judgement against him?			No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?			No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?			No
f)	Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?			No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?			No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?			No
i)	Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?			No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Goh Jin Hian	Dr Ho Choon Hou	Mr Chen Bing Chuen Albert	
	Mr Yeo Hwee Tiong	Ms Tan Poh Lan	Mr Bu Jianguyong	Mr Fong Chi Wah
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No			
<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No			

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# Proxy Form



(Registration Number: 200102883E)

(Incorporated in the Republic of Singapore on 2 May 2001)

## ANNUAL GENERAL MEETING

(You are advised to read the notes overleaf before completing this form)

### IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy Cordlife Group Limited's shares, this Notice of AGM is forwarded to them at the request of their CPF Approved Nominees.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We\* \_\_\_\_\_ (Name(s)) and NRIC/Passport No. \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members\* of Cordlife Group Limited (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing \*him/her/them, the Chairman of the meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting ("AGM") of the Company to be held on Friday, 26 April 2019 at 10.00am at the Seletar Room, Level 3, Temasek Club, 131 Rifle Range Road, Singapore 588406 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions Relating to:	No. of Votes# For	No. of Votes# Against
	Ordinary Business		
1.	Audited Financial Statements of the Company for the financial period from 1 July 2017 to 31 December 2018 together with the Directors' Statement and Auditors' Report thereon.		
2.	Re-election of Dr Goh Jin Hian as a director.		
3.	Re-election of Dr Ho Choon Hou as a director.		
4.	Re-election of Mr Chen Bing Chuen Albert as a director.		
5.	Re-election of Mr Yeo Hwee Tiong as a director.		
6.	Re-election of Ms Tan Poh Lan as a director.		
7.	Re-election of Mr Bu Jiangyong as a director.		
8.	Re-election of Mr Fong Chi Wah as a director.		
9.	Payment of a final tax exempt (1-tier) dividend of S\$0.004 per ordinary share for the financial period from 1 July 2017 to 31 December 2018.		
10.	Directors' fees of up to S\$450,000 for the financial year ending 31 December 2019, payable quarterly in arrears.		
11.	Re-appointment of Messrs KPMG LLP as Auditors of the Company.		
	<b>Special Business</b>		
12.	Authority to Directors to allot and issue shares.		
13.	Authority to grant share awards and to issue shares under the Cordlife Share Grant Plan.		
14.	Proposed Renewal of the Share Purchase Mandate.		

\* Delete accordingly

# If you wish to exercise all your votes "For" or "Against", please mark an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of member(s)

or, Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES TO PROXY FORM OVERLEAF**



**Notes:-**

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two (2) proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act.
6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #11-02 Singapore 068898 not less than forty-eight (48) hours before the time set for the Annual General Meeting.
7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register seventy-two (72) hours before the time set for the Annual General Meeting.
10. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Annual General Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting.

**"Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) or proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company(or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty."

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dr Goh Jin Hian**  
*Chairman and  
Independent Director*

**Dr Ho Choon Hou**  
*Vice Chairman and  
Independent Director*

**Ms Tan Poh Lan**  
*Executive Director and  
Group Chief Executive Officer*

**Mr Joseph Wong Wai Leung**  
*Independent Director*

**Mr Yeo Hwee Tiong**  
*Independent Director*

**Mr Chen Bing Chuen Albert**  
*Non-Independent  
Non-Executive Director*

**Ms Wong Christine Bei**  
*Non-Independent  
Non-Executive Director*

**Ms Wang Tongyan**  
*Non-Independent  
Non-Executive Director*

**Mr Bu Jiagyong**  
*Non-Independent  
Non-Executive Director*

**Mr Fong Chi Wah**  
*Non-Independent  
Non-Executive Director*

## COMPANY SECRETARY

**Ms Ang Siew Koon, ACIS**

## REGISTERED OFFICE

1 Yishun Industrial Street 1  
A'Posh Bizhub, #06-01/09  
Singapore 768160  
[www.cordlife.com](http://www.cordlife.com)

## REGISTRATION NUMBER

200102883E

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

**Tricor Barbinder Share  
Registration Services**  
80 Robinson Road, #02-00  
Singapore 068898

## INDEPENDENT AUDITORS

**KPMG LLP**  
**Public Accountants and  
Chartered Accountants**  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

Partner in-charge:  
**Mr Barry Lee Chin Siang**  
*(Appointed since financial period  
ended 31 December 2018)*

## SOLICITORS TO THE COMPANY

**WongPartnership LLP**  
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## BANKERS

DBS Bank Ltd  
Malayan Banking Berhad  
United Overseas Bank (Malaysia) Berhad  
OCBC Bank (Malaysia) Berhad

## INVESTOR RELATIONS

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**CORDLIFE GROUP LIMITED**

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