

PRESS RELEASE

Cordlife reports net profit of S\$1.4 million for 1H2019

- Net profit after tax surged 45.4% yoy to S\$1.4 million, mainly driven by lower operating expenses; net profit before tax was 29.1% higher at S\$2.0 million.
- Cash flow from operations remained strong at S\$4.1 million, bringing the Group's net cash position to S\$42.7 million.
- Group shall continue to focus on pursuing new business initiatives and expansion opportunities.

Singapore, 14 August 2019 – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), announced today its financial results for the six months ended 30 June 2019 (“**1H2019**”).

Financial Highlights

S\$'000	2Q2019	2Q2018 (restated)	Change (%)	1H2019	1H2018 (restated)	Change (%)
Revenue	16,531	17,009	(2.8)	33,148	34,379	(3.6)
Gross profit	10,809	11,324	(4.5)	21,992	22,851	(3.8)
Profit before tax	549	437	25.6	1,974	1,529	29.1
Income tax expense	(52)	(85)	38.8	(539)	(542)	(0.6)
Net profit	497	352	41.2	1,435	987	45.4
Gross profit margin (%)	65.4	66.6	(1.2pp)	66.3	66.5	(0.2pp)
Net profit margin (%)	3.0	2.1	1.1pp	4.3	2.9	1.4pp

Net profit after tax 45.4% yoy to S\$1.4 million, mainly driven by lower operating expenses. Excluding the effects of tax, net profit before tax was 29.1% higher at S\$2.0 million. This was attributable to (i) lower cost of sales (due to decrease in delivery volumes for certain markets and lower processing costs incurred for India); and (ii) lower administrative expenses (due to presence of foreign exchange gain in relation to revaluation of Healthbaby loan, lower impairment loss on trade receivables and bad debts written off, as well as lower staff costs).

The Group's revenue declined 3.6% year-on-year (“yoy”) to S\$33.1 million, a result of lower delivery volumes for the Group's Singapore, Hong Kong and Malaysia markets, coupled with higher take-up of lower-priced manual-processing plans and cord tissue plans instead of higher-priced cord lining plans for the Group's India market. This is buffered by higher delivery volumes for the Group's India market and higher average revenue per customer for the Group's Singapore market.

Cash flow from operations remained strong at S\$4.1 million, bringing the Group's net cash position to S\$42.7 million as at 30 June 2019.

Commenting on the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, commented, **“The Group has been impacted by industry-wide headwinds and keener competition for the quarter. Accordingly, we have been reinventing ourselves while raising productivity levels so as to continuously sharpen our competitive edge in the market. For Indonesia specifically, we recently strengthened our presence by relocating to a new stem cell banking facility, so as to better serve the growing demand for diagnostic and genetic testing in the country. On a full fiscal year basis, the Group shall continue to focus on pursuing new business initiatives and expansion opportunities, and remains committed in delivering greater value for shareholders.”**

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About Cordlife Group Limited

Established in May 2001, Cordlife Group Limited ("Cordlife", together with its subsidiaries, the "Group") is a leading healthcare company dedicated to safeguarding the well-being of mother and child. The Group is listed on the Mainboard of the Singapore Exchange in 2012 and is a pioneer in private cord blood banking in Asia.

Cordlife has processing and storage facilities in six key markets across Asia, namely Singapore, Hong Kong, Malaysia, India, Indonesia and the Philippines, as well as brand presence in Myanmar and Vietnam. This makes the Group one of the leading providers for cord blood, cord lining and cord tissue banking services in the region.

The Group is one of the first private cord blood banks in Asia to release cord blood units for transplants and cellular therapy. To date, the Group has released more than 500 stem cell units for use in successful transplants and therapies.

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

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